



Making it easier to build a single residential dwelling

Regulatory Mapping and Reform Project

September 2017



This booklet provides a summary of the Government's Regulatory Mapping and Reform project to make it easier to build and renovate a single residential dwelling in Western Australia.

This project was conducted by the Economic Reform unit, within the Department of Finance. As a result of the machinery of government changes effective from 1 July 2017, the Economic Reform unit is now located within the Department of Treasury. Many other State government agencies that have collaborated on this project have also been affected by the machinery of government changes.

This report makes nine main recommendations and three ancillary recommendations aimed at streamlining and improving the regulatory and administrative processes involved in building or renovating a single residential dwelling. The recommendations are themed as those:

- improving clarity on regulations, processes, guidelines and related information;
- encouraging efficiency in the approvals processes; and
- supporting accountability and transparency of decision making

About the project

The Department of Treasury, in **collaboration with other government agencies and industry groups**, has mapped the regulatory requirements and approval processes for **building and renovating a single residential dwelling** in Western Australia.

The project has sought to identify those parts of the process that cause the most difficulty and delays for builders and property owners, and the underlying cause of these problems, so that practical improvements can be made.

This project commenced in April 2016 as a recommendation stemming from the Opportunities to Improve Planning and Home Building Approval Report and was also an outcome from the February 2016 Building Summit. Interim findings of the report were shared at the Government's second Building Summit in August 2016.

Project outputs and benefits

1. **Regulatory process map** to enable smoother and faster navigation of the regulatory process to build and renovate a home in Western Australia.
2. **Identification of main challenges** experienced by those involved in the process and the causes of common delays and costs.
3. **Practical recommendations** to further improve the current approvals process for building and renovating a single residential home while retaining the necessary regulatory and environmental integrity to maintain design and build quality, and amenity of housing for occupants and neighbours.

Context

Building a home is a large and complex undertaking involving many professions and trades, the use of diverse materials and heavy equipment, business issues such as access to capital and labour, and community values such as amenity, privacy and streetscape. It is, therefore, important to have a regulatory system that is well-designed, well-understood and delivers value to business and the community.

There are many aspects of the 'building' process that can cause delays and costs, and contribute to a poor consumer or builder experience. Whilst some of these are non-regulatory (access to finance, weather, coordinating trades etc.), challenges with design, administration or communication of regulatory arrangements can add to confusion and mistakes. All these factors can add to the cost and time to build a home.

Work already underway

- **Department of Planning, Lands and Heritage** – is modernising the policies that control the way houses are designed through the Design WA initiative. This includes community and industry consultation on a future House Design Policy, which will replace the current version of the R-Codes.
- **Building Commission** – is progressing the development of online licensing and notifications processes for builders and plumbers to make compliance with regulatory requirements easier and more accessible.
- **WA Local Government Association** – has recently prepared 'model' guidelines for crossovers requirements, guidelines for planning delegations, 'model' local planning policy on the advertising of planning proposals and completed a successful Building Permit Survey.
- **Local governments** – have introduced new IT systems and process improvements.

Single Residential Dwellings in Western Australia

An important sector

Building a home can be one of the most important and financially significant decisions a person will make. For neighbours and others in the surrounding community, the decision can also be important as people value the amenity that comes from privacy, sunlight, attractive streetscapes, and the character and heritage qualities of an area.

Home building is a major economic activity, supporting both growth and jobs across the State. In 2016, the Department of Treasury estimated that a one dollar increase in the final demand for housing generated \$2.30 additional output for the Western Australian economy.

New single residential dwellings added \$6.1 billion to the Western Australian economy in 2015-16. The overall housing and construction sector employed 10.4 per cent of the workforce in November 2016.

The opportunity

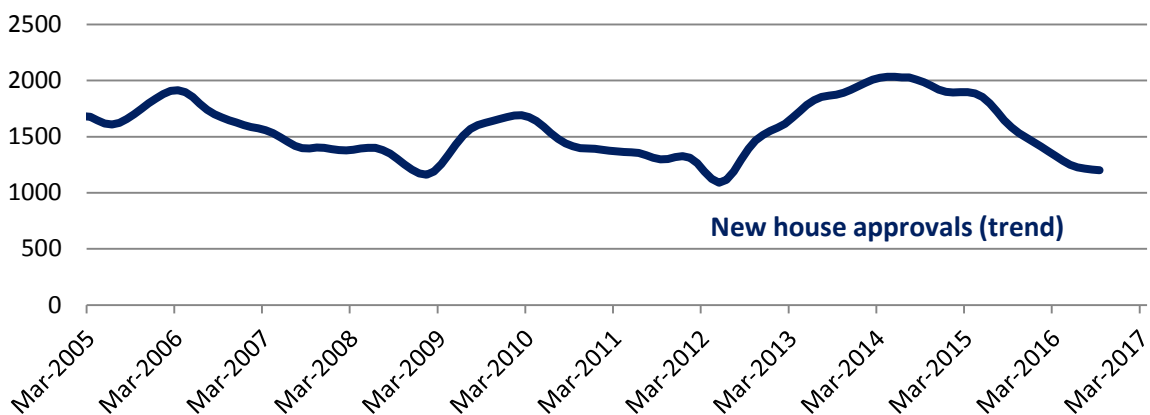
In the September 2016 quarter, single residential homes were the most common type of new dwelling, at 71 per cent of all new dwellings. Despite this, new home approvals are in decline (figure 1) and dwelling starts have fallen by 19.6 per cent in Western Australia in 2015/16. It is projected that a decline of 21.4 per cent will be observed in 2016/17. Considering this, and the impact home building has on the economy, jobs and housing affordability, it is an opportune time to reduce unnecessary burdens on the sector to encourage people to build or renovate.

The regulatory environment

Regulation plays an important role in mitigating many of the risks involved in home building and assists in delivering outcomes the community seeks, including ensuring adequate privacy, safe buildings, attractive streetscapes and heritage values. An effective regulatory system that is well designed and understood can deliver value to the community.

However, some elements of the current design, administration and communication of regulatory arrangements can result in time delays and additional costs. This includes out-dated, complex or duplicative elements, as well as complexities caused by having different processes, forms and interpretations across multiple agencies and levels of government.

Figure 1: Monthly new house approvals (trends) in Western Australia from March 2000 to March 2016.



Summary of identified impediments

The project has found that a number of impediments currently inhibit the effectiveness of the regulatory system for single residential dwellings. A frequently cited impediment was a lack of clear and concise information and interpretations on the policies, laws and regulations home builders must comply with when building or renovating single residential dwellings. This can lead to incomplete applications, variable interpretations, disagreements and ultimately delays.

Another constraint arises due to the lack of available performance monitoring data against statutory benchmarks. Limited research is available on the performance of planning and building approvals. It is noted, however, that work is currently underway to implement the regular collection of building approvals data, while diagnostic performance reporting is currently lacking.

There are **70** separate pieces of regulation, policies and guidelines that govern home building in Western Australia. However, there is no single avenue for obtaining comprehensive yet concise information on the requirements that apply.

Inefficiencies in approvals processes

- Insufficient data on the performance of the planning and building approvals system
- Inflexible payment processes for application fees
- Perceived delays in obtaining planning approvals and building permits
- Inflexible fee setting methods for planning and building applications

Insufficient or unclear information

- Information on some compliance requirements are unclear and submission processes vary
- Interpretations of residential planning policies vary
- Building permit applications are often submitted with mistaken exemption from planning approval
- Dispute-resolution mechanisms can appear time-consuming and costly

Out-dated and overlapping regulations

- The R-Codes, along with many Local Planning Schemes and policies are out-dated
- Some State and local health laws and the Building Code of Australia are duplicative
- *Town Planning (Buildings) Uniform General By-Laws 1989* appear to be obsolete
- Requirement to notify the Water Corporation of all building works appears to be unnecessary

Inconsistent forms and processes

- Application processes and some forms vary across local governments
- Forms and processes for using verges are inconsistent across local governments

Summary of recommendations

Major Recommendations

The recommendations below aim to provide for a clearer, more transparent regulatory framework to support home building in Western Australia. The recommendations seek to improve the clarity of regulations, processes and guidelines, improve the efficiency of approval processes, and support transparency and accountability of decision-making.

Improve clarity on regulations, processes, guidelines and related information

- ✓ The **Building Commission (Department of Mines, Industry, Regulation and Safety)** should consider amending section 16(l) of the *Building Act 2011* to allow for a flexible payment process for building application fees that will enable local governments to offer services using good business practices.
- ✓ The **Department of Planning, Lands and Heritage** should develop and provide guidance to local governments on using 'stop-the-clock' practices, and give consideration to whether regulatory provisions need to be introduced.
- ✓ The **Department of Planning, Lands and Heritage**, and **Building Commission (Department of Mines, Industry Regulation and Safety)** should review the development application and building permit forms respectively to include explicit information about the applicant's rights if statutory assessment timeframes are exceeded.

Support accountability and transparency of decision making

- ✓ The **Department of Planning, Lands and Heritage**, in collaboration with the **Western Australian Local Government Association** and **local governments** should investigate opportunities to reduce development application requirements and improve assessment timeframes
- ✓ The **Departments of Local Government, Sport and Cultural Industries; Planning, Lands and Heritage; Mines, Industry Regulation and Safety (Building Commission)**, with assistance from the **Office of the Government Chief Information Officer**, should set up a working group to determine the most effective and efficient way to collect and publish data on planning and building application process and timeframes, including considering publication through the *MyCouncil* website.
- ✓ The **Building Commission (Department of Mines, Industry Regulation and Safety)**, in collaboration with the **Departments of Planning, Lands and Heritage; Local Government, Sport and Cultural Industries**, and the **Office of the Government Chief Information Officer**, should provide an update report to Government on options for an e-lodgement system for home building approvals process by March 2018.

Summary of recommendations

Encourage efficiency in the approvals processes

- ✓ The **Department of Planning, Lands and Heritage**, in collaboration with other relevant agencies, should consider a best practice approach to collecting and publishing data on the status of local planning frameworks, the type and volume of proposals which require development applications and processing of these applications.
- ✓ The **Western Australian Local Government Association** should consider developing guidelines to facilitate standardised presentation of information on local government websites.
- ✓ The **Department of Treasury** should consider whether the **Economic Regulation Authority** could undertake a review of local government fees and charges for planning and building applications.

Ancillary Recommendations

The project also makes three ancillary recommendations. Two of these explore the possibility of repealing identified legislation or parts of legislation found to be obsolete. Legislation should remain in force only for as long as it is necessary and effective.

The third recommendation addresses the issue of full private certification in the building approvals process, cited by some industry members as a means to reduce time delays. However, there is insufficient evidence to determine if private certification will improve timeliness, if at all, and there are substantial risks and concerns that need to be explored further.

For further consideration

- ✓ **The Department of Planning, Lands and Heritage** should consider and progress the repeal of obsolete by-laws in the most efficient manner, including using the Statutes (Repeals and Minor Amendments) Bill prepared annually by the Department of Justice.
- ✓ **The Department of Water and Environmental Regulation**, in consultation with **Water Corporation**, should determine if the regulatory requirement for notification of renovation and/or demolition works to water utilities is redundant, and if so, repeal the provision; and consider if an exemption from the requirement can be granted in the short term.
- ✓ **The Building Commission:**
 - a) should undertake an effectiveness review of the current building permit application process, specifically examining the timeliness of building permit assessments including the use of 'stop-the-clock' provisions; and
 - b) if that review identified a potential for improved timeframes, then the **Building Commission** should review options to improve timeliness.

Regulatory Map

The attached regulatory process map has been designed to assist in providing clarity on the regulatory process an applicant must typically navigate in Western Australia when deciding to build, renovate or demolish a home. The map makes allowances for slight local variations, but it is always advised that an applicant speak to their relevant local council before proceeding.



I have a Certificate of Title for my site and want to demolish, build, renovate or extend a single residential dwelling.

Before you proceed, have you done the following?

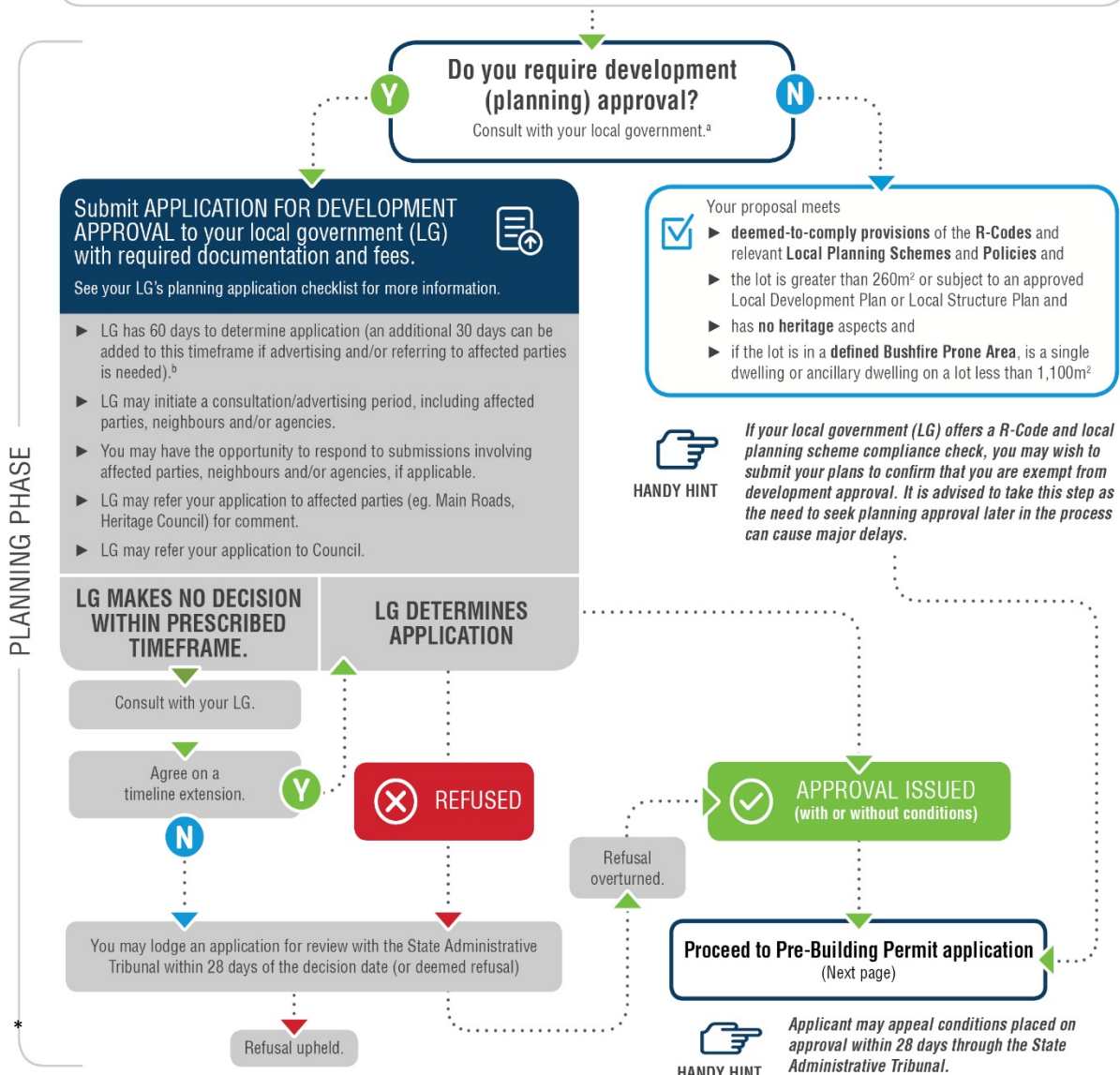
- Check DFES Map of **Bushfire Prone Areas**. If your site is located in a bushfire prone area, your property may need a recent BAL (bushfire attack level) assessment (see Building Commission Bushfire Fact Sheet for more information). To determine what, if any, bushfire requirements apply to your development you can use the 'What do I need to do?' assistance tool.

- Check inHerit to see if your site is **heritage listed**. If it is, the Heritage Council will need to be notified of your plans.



HANDY HINT

Consider getting a Property Interest Report from Landgate to check the location of utilities and whether your site is subject to any restrictions. Also check your title for any encumbrances.



Please note:

- a The development approval process can vary across local governments. It is highly recommended you consult with your local government.
- b Assessment time can be extended due to insufficient information and/or agreement between the LG and applicant.

Regulatory map for a single residential dwelling



Before you proceed, have you done the following?

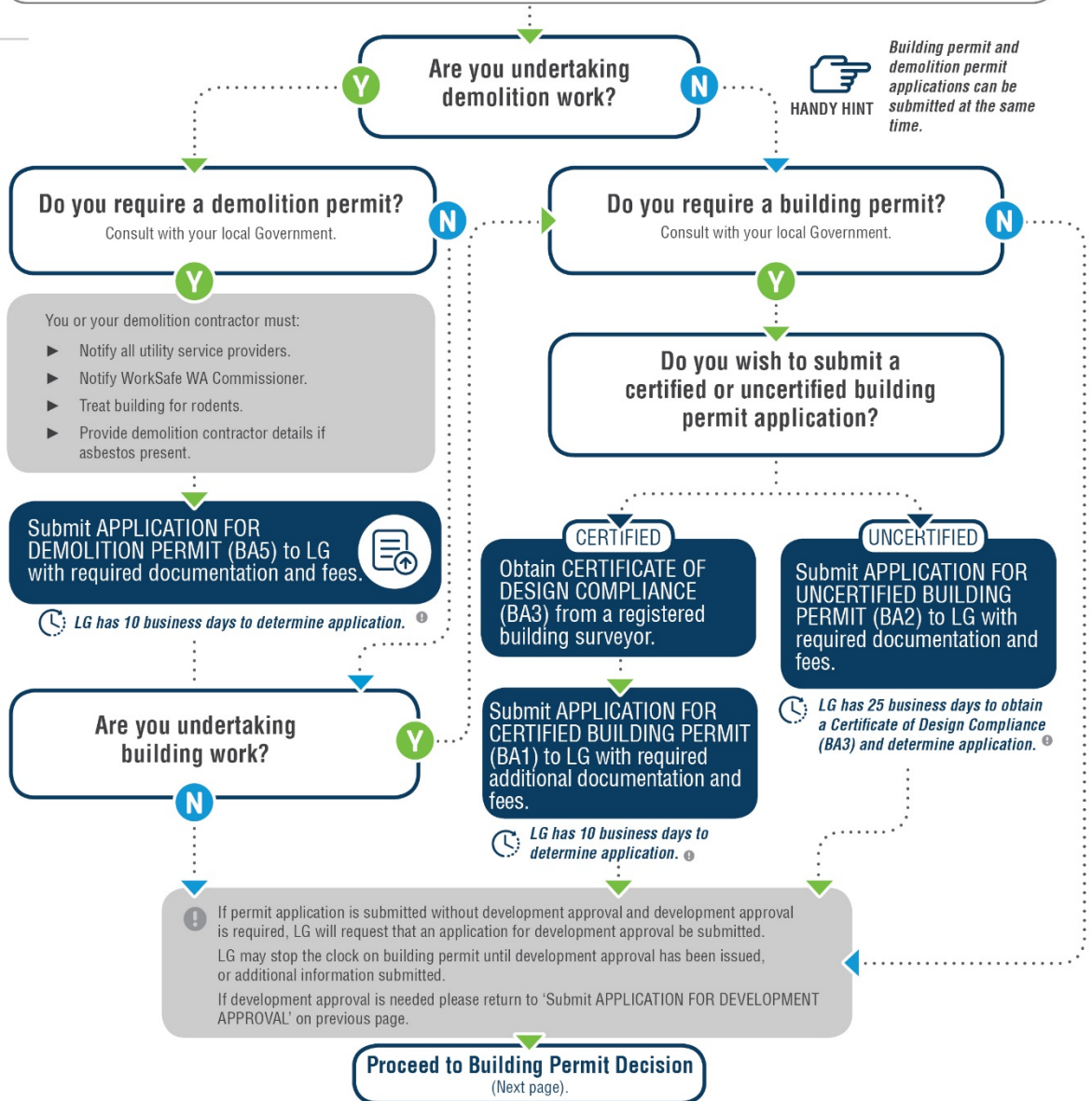
- Obtained written consent (BA20) from affected owner/s if work will encroach or adversely affect other land.
- Obtained owner-builder approval from the Building Commission if you are intending to owner-build.
- Ensured your builder has home indemnity insurance if intended work is builder work and is valued over \$20,000 (this is not needed if you are an owner-builder or a registered building contractor intending to build your principal place of residence).
- Consulted with your local government to:
 - Ensure that any conditions placed on your planning approval are satisfied.
 - Check whether you require a verge permit or verge bond.
 - Obtain health approval if you are modifying or installing a sewage treatment apparatus.
 - Check whether additional requirements apply if asbestos is present.
- Notified Water Corporation of all intended demolition, renovation and building works and obtain approval through BuilderNet.



HANDY HINT

If you require a new water service, you can submit your application at the same time as your approval request.

DEMOLITION AND BUILDING PHASE



Regulatory map for a single residential dwelling



DEMOLITION AND BUILDING PHASE

CONSTRUCTION PHASE

