

Dept of Planning and Environment
Office of Local Government

**Submission in response to Discussion Paper on
Improving the regulation of manufactured homes, caravan parks, MHE's and camping grounds**

Company Background:

Uniplan Group is a leading manufacturer of holiday cabins and manufactured homes. Based in Armidale NSW, we employ approx. 100 staff and supply manufactured homes and cabins throughout the state. We are three times winners of the CCIA Best Manufactured Home Builder award for 2013, 2014 and 2015. We also have additional business interest in a second manufactured home factory on the Central Coast. Between the two manufacturing locations **we produce over 200 homes and cabins per year.**

Furthermore, Uniplan Group also has business interests in USA where we are investing in the established manufactured home industry. Due to good regulation and understanding of the benefits that manufactured housing, USA has established manufactured homes as an integral option to the residential housing market.

While Uniplan Group is a member of the CCIA and MHIA, we understand that they would have conflicting views on this legislation based on the breadth of their membership. Uniplan Group would be happy to provide any assistance we can to the NSW Government to provide the views of Uniplan Group while we concurrently work with the CCIA.

Attitude to Regulation reform proposals:

Uniplan Group applauds the initiative to substantially revise these 20 year old regulations. Many of the proposed discussion points go directly to the current inefficiencies and 'grey areas' within the existing regulations. By thoroughly revamping this policy area, along with giving careful due diligence to all ramifications, NSW will be placed to capitalise on the excellent growth potential of this sector.

Willingness to participate in further submissions:

Uniplan Group is happy to provide the NSW Government with any further assistance or information as they see fit. With our extensive industry experience over the last 16 years we are well placed to provide further knowledge and act as a sounding board for policy proposals associated with manufactured home manufacturers. **We would welcome providing mature and intelligent interaction with the ministers or their staff on this matter. We have enjoyed hosting previous visits to our factory from our local MP Adam Marshall as well as the Hon. Gladys Berejiklian, MP.**

COMMENTS ON DISCUSSION PAPER:

The following paragraphs provide Uniplan Group's view on the specific chapters of the Discussion Paper. All paragraph numbers refer to the matching sections of the paper. Rather than pass ineffective comments on sections which do not fall within our field

of expertise, these sections have been passed over and focus placed on that which directly impacts manufacturers like ourselves.

SECTION 1.0 INTRODUCTION

The stated intention to “simplify the approval pathways, reduce red tape for these developments and respond to the changing nature of these industries” is **a welcome approach to this review.**

The lack of clarity for installing manufactured homes outside of caravan parks results in a lot of confusion from LG's. **Streamlining this will open up market opportunities and generate growth for NSW.** Due to the existing very simplified approvals for installing manufactured homes within holiday or residential parks, we are concerned that substantial changes to the regulation could in effect add red tape rather than remove it.

With regard to “Improving building standards and safety for manufactured homes” (Section 1.1) we would be keen to understand the specifics of the issues that have arisen in the past. This will ensure that standards and regulations are implemented that address actual issues rather than just adding additional red tape with no tangible benefit to consumers.

SECTION 2.0 BACKGROUND

No comment is required regarding this section

SECTION 3.0 THE LEGISLATIVE FRAMEWORK

No comment is required regarding this section

SECTION 4.0 SUPPORTING LAND USES IN THE RIGHT LOCATIONS

In the most part, while we don't pose the expertise to advise on Section 4.0, **we strongly advocate for streamlining of the park approval process.** As noted in the discussion paper, there have been almost no new park developments in recent times. Both holiday and residential parks form a key sector in affordable housing and affordable family holidays. If the approval process could be improved it would assist immensely in fostering greenfield development this important market.

SECTION 5.0 SIMPLIFY APPROVALS

SECTION 5.1 APPROVAL OF MANUFACTURED HOMES OUTSIDE PARKS

We see this as the most important part of this discussion paper. Manufactured homes can play a massive part in fulfilling an integral part of the Australian housing mix. At present the legislation and regulations are not clear and create confusion for approvals. This confusion flows through to the consumer and financiers thereby limiting market opportunities. Manufactured homes can fill a major role in rural, affordable, multi residential and urban residential housing as they have done comprehensively and successfully in the USA for many years.

Extensive due diligence needs to be given to the concept of reclassifying manufactured homes as buildings. (Discussed further in section 5.9)

Permitting manufactured homes wherever a dwelling house is permissible will be an enormous benefit to the industry and consumers.

SECTION 5.2 APPROVAL OF MOVEABLE DWELLINGS

Uniplan Group has no view on this section

SECTIONS 5.3, 5.4 & 5.5

While Uniplan Group doesn't have expertise to bring benefits to this discussion we hugely support streamlining this process to encourage investment and development in new parks.

SECTION 5.6 STREAMLINING APPROVALS

MANUFACTURED HOMES OUTSIDE PARKS AND ESTATES

We absolutely support the proposed approval process noted in Table 2 on page 37. A streamlines process like this will remove all confusion from the approval process and consumers understanding of the market.

MANUFACTURED HOMES WITHIN RESIDENTIAL AND TOURIST PARKS

We have strong concerns about introducing red tape, contrary to the principal aim of the discussion paper, that will stifle an important sector that is providing vital services to the NSW consumer. In addition to the costs of an approval process, thought should also be given to how the approval process could be streamlined for fast approval. The advantage of the current exempt development process is that it allows parks to respond quickly to new developments thereby making them affordable. Care should be taken not to remove the affordability of the industry which is a key driver to its success.

We understand that it is the view of the CCIA that all manufactured homes installed in residential and tourist parks should be Exempt Developments. If the NSW Government has appetite for this approach we would support it. If the NSW Government has the view that installations of manufactured homes should be subject to an approval process then we suggest the following amendments to table 3 to avoid a huge amount of additional red tape and development delays.

Our suggestions for Table 3 are:

Exempt Development:

- Option 2 – Require development consent only when predefined thresholds are exceeded.

Complying Development:

- Change “Replacement of existing manufactured home” to “Replacement of existing or installation of new manufactured home”

- Remove the point “No change from short to long term site”. This is covered in the Exempt Development above.
- Remove the point “No change in size of the site.” Due to many old park approvals most installations require changes to the site size. This is due to the fact that site sizes are increasing to accommodate larger cabins or homes. Our experience shows that parks are most commonly reducing the density and increasing sites sizes. **Should this point be left in, Complying Developments would be very few and far between.** This should be changed to read “The overall number of sites in the park is not being increased” This will allow for smaller sites to be amalgamated to make larger sites under a Complying Development but where additional sites are being created there will be a development consent required.

Development Application

- As above, remove “There is a proposed change to the size of the site” and “Adding new sites” and replace with “There is a proposed increase to the overall number of sites on the park”

Uniplan Group would be very happy to provide actual examples of the way these changes would substantially affect park developments. With our in depth experience of how park developments unfold we can see these changes extensively affecting growth and development. A misunderstanding of this by the NSW Government could result in unforeseen and unintended red tape limiting growth in this important sector rather than streamlining it.

SECTION 5.7 INTRODUCTION OF A GUIDELINE

Uniplan Group supports this approach and would be happy to pass comment on the practicalities and content of a guideline in due course.

SECTION 5.8 REMOVAL OF NSW DEPT PLANNING AND ENVIRONMENT CONCURRENCE

Uniplan Group has no view on this section

SECTION 5.9 DEFINITIONS OF DEVELOPMENT TYPES

The following refers to the notes in Table 4:

Standard Instrument LEP/SEPP 21/SEPP 36/ LG Act 1993:

- As noted in the discussion paper, there is a lot of cross over from a caravan park to a manufactured home estate (MHE). **Our question is do they need to be defined separately?** Could it all be defined as one and let the threshold mechanism define the practical functionality?

LG Regulation 2005

- **The definition for “Site” is confusing.** Can a Short Term Site also contain a manufactured home for use a holiday cabin? Or can a long term site also contain a manufactured home for use as a residence?

EP&A Act 1979

- This point is germane to the entire discussion paper and needs complete understanding of all ramifications.

LG Act 1993

- Agree that this is currently confusing and requires clarification as proposed.

SECTION 6.1 PROVIDING FOR DIVERSITY OF RESIDENTIAL AND TOURIST USE

With our strong interest in both tourist and residential construction we understand the dilemma facing the NSW Government. We have witnessed a current flux in the market away from tourism towards residential. **We believe thresholds should be set by local councils based on needs for diversity in specific locations.**

SECTION 6.1 SEASONAL WORKERS ACCOMMODATION

Uniplan Group has no view on this section

SECTION 7.1 SUPPORT FOR INNOVATION

Uniplan strongly supports the allowing of manufactured homes to be used for all forms of residential construction to allow for industry innovation in the future. Offsite manufacturing has enormous environmental and economic benefits and also allows diversification of workload from high demand geographical areas to low demand areas. Modular housing should not be differentiated from manufactured housing as this will create further grey areas in the future.

SECTION 8.1 MANUFACTURED HOMES AND THE BCA

We believe the deeper questions around classifying manufactured homes as buildings needs to be resolved before passing comment on this important section.

SECTION 8.2 CRITICAL INSPECTIONS FOR MANUFACTURED HOMES

Making the presumption that all manufactured homes will be classified as buildings, a process to handle critical stage inspections is going to be a cost directly imposed on the market. We understand the intention of the NSW Government to achieve a safe outcome but would encourage all options to be pursued so as to make it as streamlined and cost effective as possible so as not to impact on the affordability of this sector.

Uniplan Group proposes that the certification by a structural engineer continues along with a compliance plate from the manufacturer. This could be improved by the addition of inspections during installation. We would be keen to understand if there have been specific issues that have arisen in the past that could have been prevented by inspections during construction. Our belief is that most manufacturers use proprietary systems that have been engineer designed for safe and efficient manufacturing within a factory. Adding inspections to this process would bring minimal gain. Conversely, adding inspections to the onsite installation process – where there is such a huge variety of conditions – we believe will bring benefit to the consumer and accountability to the manufacturer.

SECTIONS 8.3, 8.4 & 8.5

CCIA would be best positioned to comment on these sections.

SECTIONS 9.1 & 9.2

Uniplan Group has no comment on these sections

SECTION 9.3 BASIX

Uniplan Group sees the benefit of the BASIX program. **To maintain affordability within the residential and tourist park sector we do not think it should apply in those instances.** Where manufactured homes are installed outside parks, simplicity and uniformity should apply so that manufactured homes meet the same criteria as other forms of residential construction. BASIX should not be imposed where manufactured homes are constructed within parks as this will be removing one of the core drivers of the industry – upfront affordability. While we understand the long term benefits of BASIX and the cost savings it can bring over time, as noted in the discussion paper, in many instances occupants are accessing the park market for affordability of entry not long term cost efficiency.

CONCLUSION

We thank the NSW Government for taking the time to review this submission. Once again we applaud you on initiating this important review. We trust that our input is viewed in the collegial spirit in which it is offered and we look forward to building on this further as your review progresses.

We would be very happy to take questions and work further with you on this important reform.

Warm regards



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