



SUBMISSION BY THE
Housing Industry Association

to the

EPA Victoria

on the

**Review of the Environment Protection
(Residential Noise) Regulations 2008**

01 August 2008

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HIA Submission

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Introduction

Thank you for the opportunity to provide comment on the review of the Environment Protection (Residential Noise) Regulations 2008.

As Australia's peak residential building industry association, HIA represents over 42,000 members nationally, with 13,000 members in Victoria. HIA members comprise all major building industry manufacturers and suppliers, including all Top 100 builders, as well as small to medium builder members, developers, contractors and consultants to the industry. In total HIA members construct over 85% of the nation's new housing stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building and development industry. In a climate of deteriorating housing affordability HIA strongly advocates that all Regulations must not unnecessarily delay the design, planning, approval and construction stages of residential development.

HIA recognises that noise is generated by the construction industry in the process of providing residential developments and dwellings however, in all but the very exceptional cases the duration and impact of, the noise generated, is short term and temporary in nature.

Following review of the Exposure Draft Regulations there are a number of elements that HIA is supportive of, as they potentially result in increased flexibility providing benefits to both the industry and the wider community. However, as discussed during previous consultation with the EPA, housing affordability remains a most contentious topic both nationally and within Victoria and there remains more that can be done. Consideration of additional amendments to the Regulations will assist to reduce construction timeframes and the costs of providing affordable housing solutions for Victorian households while protecting residential amenity in Victoria.

The potential areas for improvement which HIA will make comment regarding include the topics of:

- Domestic construction in fringe areas;
- Clarification that the Regulations do not apply to transfer water to a header tank;
- Exemptions for crucial events; and
- Consistent EPA Guidance regarding municipal local laws.

Proposed Changes

The following discussion is based on the proposed changes to the Regulations as expressed in the Exposure Draft Regulations and the options considered in the Regulatory Impact Statement (RIS) and discussed in the EPA Information Bulletins.

Large-scale residential construction in non-residential zones

As recognised in the RIS, mixed commercial/residential use development is increasingly common and accordingly HIA believes that the change exempting large-scale apartment construction in non-residential zones from the Exposure Draft Regulations is an appropriate adjustment to the Regulations.

To ensure awareness of this amendment and consistent implementation HIA believes that the EPA should develop concise guidance for both the construction industry as well as those involved with enforcement of residential noise. In addition to Victoria Police and local councils, the EPA should provide guidance to member associations servicing local councils and their employees to ensure that any change to local bylaws is consistent. Appropriate associations include the Municipal Association of Victoria (www.mav.asn.au), Victorian Local Governance Association (www.vlga.org.au) and the Planning Enforcement Officers Association (www.planning-enforcement.com).

Residential subdivision

HIA concurs with the findings of the RIS that the 1997 Regulations are inflexible and constrain the industry on Saturdays when work cannot be started before 9am. HIA is therefore supportive of changes to start times that exempt certain residential construction activities on fringe residential subdivisions with appropriate buffering.

However, HIA strongly disagrees with a number of assumptions within the RIS, namely; that time restraints are not a significant considerations in the management of domestic projects, that large-scale projects value flexibility the most and that individual home constructions are affected less by the costs of lack of flexibility. With 6,090 lots constructed in the Growth Areas of Melbourne in 2006/07 and 100,400 dwellings to be constructed in redevelopment locations across metropolitan Melbourne and the Geelong region over the next ten years the domestic and residential construction industry is not an insignificant aspect of the construction industry¹.

¹ Department of Planning & Community Development (2008) 2007 Urban Development Program Annual Report, Victoria.

Consequently, HIA recommends that domestic and residential construction on fringe development areas (i.e. within designated growth areas or locations not bound by existing residential boundaries) for which a building permit has been issued must also be exempt from the 9am standard start time where appropriate buffering exists.

As identified in the RIS these locations are situated in less densely populated areas and as HIA previously described during industry consultation traditionally occur over less duration than large-scale projects. As detailed in Appendix 1, the average time to construct a project home in Victoria is 16 – 18 weeks, a duration less than assumed in the RIS for subdivision works (16-20 weeks).

Furthermore, those that live in these locations are generally tolerant to residential construction noise in the short term and with the inclusion of noise buffers are unlikely to be impacted by widespread unreasonable noise. Broadening of this amendment will assist in providing the right balance between the needs of both the land development and the domestic construction sectors of the industry and will minimise the possibility of confusion within the industry regarding what is permitted in fringe locations.

Therefore, considering the proposed lot construction in growth areas in the coming years (33,579 broadhectare lots proposed in the next 3-5 years compared to 39,579 across all of metropolitan Melbourne²), the potential for considerable cost and time savings to both the industry and the community (See Appendix 1 and 5.1.1 of RIS) and the possibility to increase supply of affordable housing HIA advocates further consideration of this proposed change.

HIA recommends that the 2008 Regulations provide:

An exemption from the standard 9am start time for fringe residential subdivisions and residential construction works, allowing such projects to commence at 7 am on Saturdays with appropriate buffering.

Guidance regarding these changes is best provided by the EPA through EPA Information Bulletins and publications in residential construction publications such as HIA Building News Victoria.

Water pumps, air conditioning and music noise

HIA is not unaccommodating of proposals to move operation of all water pumps (excluding pumps for filling a header tank) from being prohibited after 8pm to being prohibited after 10pm. HIA considers it is unlikely that pumps in suburban localities, nor pumps for the collection of bore or river water in rural settings will have an unreasonable noise impact as in most cases the level of noise produced

² Department of Planning & Community Development (2008) 2007 Urban Development Program Annual Report, Victoria.

is low. HIA does however believe more precise clarification that pumps utilised for the flushing of toilet after 10pm are not a focus of the Regulations.

Regarding noise from air-conditioners and music noise as addressed in the Regulatory Impact Statement HIA does not at this time choose to provide comment.

Exemptions for crucial events

As recognised in the RIS there is lack of flexibility in the 1997 Regulations to allow one-off crucial events. HIA recommends to overcome this the EPA considers a addition to the Regulations permitting residential construction work, outside of prescribed items and prohibited times under section 48A(5) of the Act, if it is otherwise impracticable. The EPA may wish to consider that this only be permissible in circumstances where a building permit has been issued. HIA is aware that this is permissible under the similar South Australian regulatory regime.

HIA's experience in South Australia to date has been positive, it has not been abused by the industry and has only been utilised were appropriate. I.e. times when construction processes, traffic issues or public safety requires alternative construction times.

Conclusion

Overall, the Environment Protection (Residential Noise) Regulations are well recognised by the residential construction industry and are considered, in most cases, to appropriately prescribe times when certain groups of items are prohibited from operation.

Whilst in most circumstances the proposed amendments to the 1997 Regulations provide an important and practical change that will result in additional construction time for the land development sector of the industry further amendments are also appropriate for domestic construction in which the same circumstances location and buffer distances persist. Amendment of the changes proposed to allow this will further reduce the time taken to construct a dwelling and will assist in addressing the affordability crisis the industry currently faces.

Lastly as discussed at previous meetings, HIA would welcome the opportunity to facilitate a workshop once the Regulations come into operation between officers of EPA Victoria and HIA members to discuss the 2008 Regulations and how they affect the housing industry. Please contact Craig Jennion, Planning Services Advisor on 9280 8200 or c.jennion@hia.com.au to arrange a meeting.

If you require any further information in relation to this submission or wish to discuss these comments in detail please do not hesitate to contact either myself or Craig Jennion on (03) 9280 8200.

Yours sincerely
Housing Industry Association Ltd

Robert Harding
Acting Executive Director, Victoria



Appendix 1

Extension of Saturday Construction Time

Benefit of extending hours of detached house residential construction site time on a Saturday
25 September 2007

Key Points:

- Consideration has been given to an extension of detached house construction site time on a Saturday.
- For a project house in Melbourne the extension of construction time from six hours to eight hours on a Saturday would yield \$55,900 worth of additional site time over a year.
- For a customised house in Melbourne the extension of construction time from six hours to eight hours on a Saturday would yield \$44,100 worth of additional site time over a year.

Project Homes

- In Melbourne it takes 16 to 18 weeks to deliver a project house to the customer.³
- 10 weeks of the delivery time is assumed to be construction time relevant to the consideration of changing the Noise Regulations.
- Under present Noise Regulations a working Saturday is considered to be 6 hours compared to an 8 hour day over the five days Monday to Friday.

Under these conditions a working week is considered to currently be 46 hours and the construction of a project house takes 460 hours within a period of 10 weeks.

The average cost of construction for a detached house in Melbourne is currently \$234,000 which represents \$509 per construction hour.⁴

Allowing for construction to commence at 7am on a Saturday would increase the working week from 46 hours to 48 hours and would reduce construction time within the 10 week period from the full 10 weeks down to 9.6 weeks.

The extension of time means there is 480 hours of construction time over a 10 week period rather than the current 460 hours.

³ HIA Market Snapshot, Winter Edition, July 2007

⁴ ABS Building Approvals data, June 2007 quarter

Over a 50 week year this equates to 100 hours of additional construction time or \$50,900 worth of extra construction time, 22 per cent of the construction cost of a project home.

Allowing for construction to commence at 8am on a Saturday would increase the working week from 46 hours to 47 hours and would reduce construction time from 10 weeks to 9.8 weeks.

The extension of time means there is 470 hours of construction time over a 10 week period rather than the current 460 hours.

Over a 50 week year this equates to 50 hours of additional construction time or \$25,450 worth of extra construction time, 11 per cent of the construction cost of a project home.

Customised Houses

- In Melbourne it takes around 22 weeks to deliver a customised house to the customer.⁵
- 14 weeks of the delivery time is assumed to be the construction time relevant to the consideration of changing the Noise Regulations.
- Under present Noise Regulations a working Saturday is considered to be 6 hours compared to an 8 hour day over the five days Monday to Friday.

Under these conditions a working week is considered to currently be 46 hours and the construction of a customised house takes 644 hours within a period of 14 weeks.

The average cost of construction for a customised detached house in Melbourne is currently \$284,000 which represents \$441 per construction hour.⁶

Allowing for construction to commence at 7am on a Saturday would increase the working week from 46 hours to 48 hours and would reduce construction time within the 14 week period from the full 14 weeks down to 13.4 weeks.

The extension of time means there is 672 hours of construction time over a 14 week period rather than the current 644 hours.

Over a 50 week year this equates to 100 hours of additional construction time or \$44,100 worth of extra construction time, 16 per cent of the construction cost of a customised home.

Allowing for construction to commence at 8am on a Saturday would increase the working week from 46 hours to 47 hours and would reduce construction time from 14 weeks to 13.7 weeks.

The extension of time means there is 658 hours of construction time over a 14 week period rather than the current 644 hours.

Over a 50 week year this equates to just over 50 hours of additional construction time or \$22,050 worth of extra construction time, 8 per cent of the construction cost of a customised home.

⁵ HIA Builder Member information, September 2007

⁶ HIA Builder Member information, September 2007