



Submission to the Housing and Homelessness Agreement Review

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1. Executive summary

Tiny houses on wheels or skids (THOW/S) are arguably the most cost-effective form of housing available today. Popularity is increasing with international media showcasing interesting THOW/S around the world. Uptake in Australia is impeded as there is no consistent regulatory pathway for Australians to make one their home. This is a lost opportunity to help address homelessness as well as to expand the range of affordable housing options for all Australians.

The Australian Tiny House Association (ATHA) submits that the following steps are necessary to remove barriers to the uptake of THOW/S as an affordable safe and sound housing option in Australia.

1. Establishment of a nationally consistent definition of THOW/S as a unique housing typology that is distinct from fixed housing on foundations, relocatable homes (park cabins), caravans and RVs. A definition template is provided for consideration.
2. A revision of local government planning policies and by-laws that currently restrict or prevent occupancy by non-related persons in secondary dwellings or “granny flats”. Reform in this area must be driven by state planning policies based on a nationally consistent template.
3. Reduced cost and complexity in the approvals process for THOW/S is essential if they are to contribute to reducing homelessness and add to the affordable housing mix, allowing more Australians to take control of their living arrangements and thereby reduce mortgage stress, homelessness, and the demand for traditional social housing.
4. Develop a national policy that encourages states and territories to allow THOW/S to be parked and occupied on a site for at least 5 years with minimal red tape and permit/approval costs.



Image courtesy of: The Tiny House Company

2. Scope of ATHA's response to the review

Of the range of issues included in the scope of the review, this submission makes comment on the following:

1. The adequacy and quality of the data and information reported
2. Options to maximise the outcomes that can be achieved with the NHHA funding

Of the specific questions raised in the Issues Paper, this submission responds to the following:

Planning and land use regulation

1. Are there changes that could be made to planning and land use regulations to improve housing supply responsiveness?
2. Are there other strategies or vehicles that could be used to achieve progress on land use planning reforms?
3. How can planning and land use regulation facilitate or constrain the development of diverse and low-cost housing models?

The building and construction industry

1. How effectively are Australia's building and construction regulatory settings facilitating innovation and efficiency, while protecting consumers and ensuring dwellings are safe?
2. Are there regulatory or other changes that could be made to improve the performance, productivity, and supply responsiveness of the building and construction industry?

3. Background

The Australian Tiny House Association (ATHA) currently represents 150 members across Australia and is growing, which reflects the demand for this housing alternative. Our members are interested in Tiny House living as their preferred housing choice. Our primary mission is to find a national approach that overcomes the regulatory hurdles preventing Australians from living in tiny houses on wheels or skids (THOW/S).

ATHA's investigation of the Building Code, Building Acts and the State Planning frameworks has confirmed there is currently no definition of what constitutes a THOW/S. This results in local councils and their officers' making determinations that often result in inappropriate and cumbersome processes being used to assess an application to locate and occupy a THOW/S on a property.

3.1 ATHA Definition Template for Tiny Houses

To address the lack of clarity the Australian Tiny House Association has developed the following definition:

ATHA defines that a Tiny House is a moveable dwelling suitable for permanent residential use, with self-contained amenities and services and the option to be grid connected.

A Tiny House can be:

- *A Moveable Tiny House is a transportable structure with the ability to be moved.*
- *A Tiny House on Wheels (THOW) is constructed on a trailer designed to road legal dimensions, which can be moved.*

THOW/S are not intended for the same purpose as a caravan which is built for recreational use and temporary occupancy. THOW/S are built for long-term residency with construction techniques and materials similar to a conventional house.



Caravan



Tiny House on wheels

The Australian Tiny House Association is aware of people living in moveable tiny houses in all Australian States, but empirical data on the number of tiny house dwellers is difficult if not impossible to find. A review of social media interest in tiny homes, with Australian followers numbering in the tens of thousands, anecdotally suggests that there are thousands of tiny homes currently in use in Australia, many as the sole residence for their owner.

Tiny Houses are popular with singles or couples or even families with a young child or two. They can be well appointed with all modern appliances and amenities, and they can be custom designed to suit individual needs.

The motivation for living in a THOW/S can be as varied as the personalities of their occupants. Reasons include affordability, functionality, environmental, personal, flexibility or a combination of these.

When a tiny house occupant does not own their parking spot, they usually rent a parking spot, on land owned by others. Tiny house occupants renting their parking spot typically pay between \$50-\$200 a week depending on the services they connect to, the amenities provided and the location and type of property. There are also in-kind compensation arrangements where tiny home occupants contribute to maintenance or caretaking duties for the land-owner in exchange for occupancy.

Under the radar THOW/S are sometimes parked on land owned by others, often with informal or no tenancy agreement, which is not ideal. If/when a formal agreement is made with the landowner it ideally sets out the terms and conditions of the occupation and use of the land. This can include agreements on access, rental payment, use term, access to amenities, maintenance obligations, among other terms and conditions. A THOW/S specific tenancy or "parking" agreement with equivalent protections to that of fixed housing is not only welcome, but essential for a well-regulated market.

THOW/S can be parked on land throughout urban, semi-urban, suburban, and rural or farming areas, in back yards or on vacant lots. They may be situated as individual units, in a pair (say for a family), small multi-unit clusters, or as a multi-generational homestead.

Professional tiny home builders around Australia typically supply THOW/S for between \$60,000 to \$150,000 but some occupants choose to owner-build with the aim of controlling and/or reducing costs.

Underutilised government-controlled land such as road reserves, or crown land may even be considered for THOW/S “village” style communities. Even land considered unviable for conventional housing such as flood plains may be activated for tiny house parking because of their mobile nature, which allows them to be quickly relocated if need be.

The demand for affordable housing is greatest in urban and suburban areas that are close to community support services, public transport, and general amenities. Being part of a community, socially connected and stimulated, is vital. However, the demand also extends to affordable housing in rural and regional areas, where accommodation is required for a tourism or rural workforce.

Homelessness once considered a “big city” issue is becoming increasingly common in regional areas according to reports to the Australian Local Government Association from their constituents. THOW/S have the potential to provide a low-cost, rapidly deployable, flexible, and responsive housing option to address homelessness as a bridge or even as a permanent solution. For this to be so, there are regulatory and other barriers that need to be removed, as are discussed below.

3.2 Affordability

Low-cost housing such as a THOW/S is attractive to low-income earners, people whose circumstances have changed, or who are experiencing homelessness.

A marriage breakdown can leave one or both ex-partners in a tough financial situation. This combined with the desire for a smaller house makes these people particularly interested in living in a THOW/S. Older, single women are the group most at risk of homelessness due to low incomes and lack of affordable housing¹.

Long waiting lists for public housing can be stressful for many struggling to afford their own home. Significantly reducing purchase or rental costs will allow more Australians to take control of their housing needs and reduce the demand on social housing.

Young singles or couples often struggle to save a deposit for a house while they are paying rent. Renting or buying a THOW/S can provide a pathway to ownership of a traditional home or a way of totally avoiding a commitment to a 30-year mortgage.

3.3 Functionality

The mobility of THOW/S means they can be quickly deployed in emergency or crisis situations. This has been identified in some Australian states that allow temporary housing while rebuilding after bushfires. Other

¹ <https://www.abc.net.au/news/2017-10-23/older-single-women-housing-place-to-call-ones-own/9076844>

opportunities may be considered for homeless people, those escaping domestic violence, needing to quarantine or for refugee accommodation.

Many Australians are choosing to embrace multigenerational living arrangements to provide care and support to the elderly, the disabled, or the young. Having access to support from their relatives can enable the elderly to continue living in their own home, or on their own property, or allow parents to return to work without the cost and worry of outsourcing childcare. Adding a THOW/S to a property can enable more family or friends to co-habit whilst still maintaining a level of privacy and personal space.

Rural property owners can also benefit from relocatable accommodation for share farmers, seasonal, maintenance or process workers.

3.4 Environmental

A THOW/S is typically less than 10% of the size of a typical Australian suburban home. Far less material and energy are used for the construction of the building fabric and to heat and cool THOW/S which are typically equipped with solar energy systems, efficient lights and appliances as well as composting toilets to reduce energy and water consumption. As a consequence, THOW/S touch the earth very lightly with small environmental footprints.

THOW/S occupants are, by necessity, highly selective with their day-to-day purchases as limited storage space means they only keep the things they need and that are important to them.

3.5 Personal

Certain personal or lifestyle preferences are well suited to living in a THOW/S. This includes those seeking to downsize their house such as “empty nesters”, travellers needing a “home base”, or those aiming to live with a closer connection to nature or in remote locations where traditional construction is difficult.

4. Regulatory Hurdles

4.1 Planning and use

Controls on the use and development of land across Australia vary State by State and by Local Government Area (LGA). The lack of a consistent THOW/S definition nationally and at state level adds considerably to the uncertainties with approval pathways.

Some LGA’s assess THOW/S as caravans and therefore apply planning provisions that relate to caravan and campgrounds. Others argue that THOW/S should be assessed as “accommodation” which is more in alignment with a permanent dwelling constructed on foundations.

Most States and LGAs allow low scale camping on a property with a range of restrictions including:

- Period of use (often less than 30 days/year without a permit)
- Occupants must be members of the household, or related to the owner of the property
- The need to have a permit approved for a permanent dwelling
- Pre-approvals for amenities, access and service connections.

Some Councils allow camping for longer periods via a local law permit application approval process. These permits also have conditions that vary between Councils and rarely allow camping for longer than 12 months or any payment to be made to the owner of the property.

None of these are appropriate for parking and occupying a THOW/S for an extended period.

Generally, an “accommodation” assessment by the LGA will trigger the need for approval under the State and Local Planning Provisions. This can be a time consuming and costly process requiring professionally prepared reports, surveys and plans. Costs can quickly exceed \$10,000 and the process can take more than 6 months. This is disproportionate for a low impact, non-permanent and affordable housing solution.

4.2 Construction Standards

To allow a THOW/S to be transported on the road the requirements of the state roads and traffic authority must be met. This specifies dimensional criteria such as weight, height and length. Oversize permits may be used when moving THOW/S that do not meet these requirements although criteria varies between states.

A THOW/S is not defined as a structure in accordance with the National Construction Code (NCC) as it is mobile and not constructed on footings. This means that there are no minimum construction standards applicable, and no building permit can be issued, unless the THOW/S is secured to the land. ATHA sees this as a significant risk for the acceptance of THOW/S as a reliable and safe form of housing.

As THOW/S are small and generally constructed off the ground there are certain components of the NCC that are restrictive. This includes stair construction and ceiling heights as well as accessibility and circulation requirements.

ATHA has developed a Tiny House Construction Guide that could be referenced as an acceptable construction code within the NCC thereby providing buyers and regulatory authorities the confidence that minimum standards have been met.

Regulations regarding the collection and disposal of wastewater and sewerage also differ from State to State but these do not take into account the mobile nature of THOW/S. A national standard for THOW/S wastewater management would provide consistency and ensure designers and builders comply with minimum health and safety standards.

5. ATHA’s responses to the review

5.1 The adequacy and quality of the data and information reported

THOW/S in Australia are barely, if at all, on the radar in terms of data collected and information reported to the extent that established housing types is.

THOW/S do not necessarily have, or need, a Development or Building Approval or Local Law Permit associated with their occupation or construction, therefore the statistical data gathered through these approval channels do not shed any light on tiny house dwelling numbers, occupancy, or prevalence.

The Australian Census 2016 reports that, *“Of occupied private dwellings in Australia, 72.9% were separate houses, 12.7% were semi-detached, row or terrace houses, townhouses etc, 13.1% were flats or apartments and 0.8% were*

other dwellings.” Of the “other dwellings” recorded some may well be tiny houses, but there is no way of knowing because the census questions do not include a mobile tiny house category option.

Unless and until THOW/S are on the radar it will not be possible to make well informed policy decisions. In the absence of such informed policy, Australians are missing out on an opportunity to expand the mix of affordable housing types and to exercise a lifestyle choice that may alleviate homelessness in some cases.

5.2 Options to maximise the outcomes that can be achieved with the NHHF funding

Recognition of THOW/S as part of the housing product mix in Australia will increase the range of available outcomes that can be achieved. THOW/S are not a panacea for homelessness or affordability. They will not solve these problems on their own. They will not displace established housing types and supply chains, but they can make a highly positive contribution to the mix, generate new opportunities, and increase diversity in the sector.

The substantially lower cost (both capital and recurrent) and rapid deployment potential of THOW/S can make a positive contribution to maximising the outcomes achievable with the NHHF funding.

5.3 Planning and land use regulation

“Are there changes that could be made to planning and land use regulations to improve housing supply responsiveness?”

Yes. As discussed above the recognition in planning schemes and local laws of THOW/S as suitable for permanent occupation to reposition them away from caravans and RV’s and closer to houses is an essential step towards removing barriers and therefore improving housing supply responsiveness.

Review of the acceptance of intergenerational living arrangement policies will need to occur in parallel with the recognition of THOW/S as a significant number are likely to be used as supplementary accommodation units associated with family homes.

A consistent and national THOW/S parking permit scheme managed by local government agencies would both legitimise this housing type and ensure amenity impacts are monitored. The permit should reference minimum construction, waste, and wastewater management standards. This is an essential step towards creating acceptance in the community, removing inconsistent interpretations across states and LGAs and improving housing supply responsiveness.

“Are there other strategies or vehicles that could be used to achieve progress on land use planning reforms?”

Yes. Funding to support local government agencies to undertake research, run community engagement and to implement small scale pilot projects to explore the potential of THOW/S, gather empirical data and assess local community views would greatly enhance the evidence base as a precursor to policy and regulatory reform.

“How can planning and land use regulation facilitate or constrain the development of diverse and low-cost housing models?”

As mentioned in the background section above, current planning and land use regulation does not anticipate THOW/S as a permanent dwelling typology and so constrains the development of THOW/S as a diverse and low-cost housing model.

Reformed planning and building regulations that give recognition to THOW/S will help to add to the development and deployment of more diverse and low-cost housing.

5.4 The building and construction industry

“How effectively are Australia’s building and construction regulatory settings facilitating innovation and efficiency, while protecting consumers and ensuring dwellings are safe?”

ATHA’s view is that Australia’s building and construction regulatory settings are rightly conservative and as such do a good job of ensuring dwellings are safe.

As part of the National Construction Code (NCC) the Building Code of Australia (BCA) as a performance-based code allows for innovation, but often at significant additional cost associated with obtaining technical opinion and/or testing to demonstrate compliance. The BCA deemed-to-satisfy (D-T-S) provisions for residential construction are often seen as a more efficient pathway to obtaining approval, but reform of D-T-S provisions, to allow for the unique attributes of tiny houses for example, can take many years, even decades to achieve. In this context ATHA has developed a Tiny House Construction Guide currently under trial by our membership. This guide may ultimately attain the status of an “acceptable solution” which can be relied upon by approval authorities when assessing and certifying the construction of THOW/S.

THOW/S that comply with vehicle standards can be lawfully used on public roads, but these standards have no influence on their safety and soundness for human occupation. This a gap arising from the lack of a definition means that a number of THOW/S may have been owner-built with little or no regard for building codes.

Professional THOW/S builders have an overriding duty of care and therefore tend to adopt the principles and processes of conventional dwelling construction wherever possible, including obtaining professional structural design as well as certificates of compliance for components and systems as are required for houses.

ATHA is currently involved in an international process with similar organisations around the world seeking to develop ASTM² standards for THOW/S.

“Are there regulatory or other changes that could be made to improve the performance, productivity, and supply responsiveness of the building and construction industry?”

Yes. In the context of adding to the mix of solutions for homelessness and housing affordability, recognition of THOW/S as a unique and legitimate housing typology will allow the building and construction industry to be more responsive with supply and therefore enhance overall productivity by delivering new solutions quickly and at lower cost. Such recognition will also remove the current gap that allows THOW/S to be constructed without reference to building standards.

² ASTM International, formerly known as American Society for Testing and Materials, is an international standards organisation that develops and publishes voluntary consensus technical standards for a wide range of materials, products, systems, and services.

6. The way forward

ATHA suggest the following three steps to enable THOW/S living to be enabled in Australia.

1. States and LGAs (where applicable) develop and adopt a “THOW/S parking spot” permit with nationally (or at least state-wide) consistent permit conditions, application fees, assessment process and timeframe. Permits can be issued for a minimum of 5 years and up to 10 years with potential to extend at the end of the period following a review of compliance with the conditions approved.
2. Adopt a nationally consistent definition for a THOW/S.
3. Develop and adopt a national Performance Standard for the construction of THOW/S that can be referenced in the NCC to ensure all THOW/S are constructed to appropriate standards.

7. Conclusion

THOW/S can be part of a nationwide homelessness and affordable housing solution adding to the range of choice for flexible, affordable housing alongside traditional housing options.

Whilst not for everyone there are many who would choose this lifestyle if there was a cost effective and timely regulatory pathway to gain approval from their local LGA.

The ATHA would welcome the opportunity to discuss any aspect of this submission.

Yours Sincerely,

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