

HOUSING APPROVALS

Statement by Minister for Commerce

HON SIMON O'BRIEN (South Metropolitan — Minister for Commerce) [2.05 pm]: Two weeks ago the Master Builders Association alerted the government to a significant drop in housing approvals in April and its impact on the cash flow and financial stability of home builders, subcontractors and suppliers. Since then I have worked closely with industry associations, local governments and the Building Commission to identify the cause of the drop-off, and what urgent action the government, industry and local governments can take to address it. Industry and local governments have advised that the implementation of the new Building Act on 2 April has caused some uncertainty and inconsistency in interpretation, leading to the drop-off in applications and approvals. New regulations that will apply from Saturday remove the uncertainty and inconsistency in interpretation. In parallel, the Building Commission has produced new forms and checklists that clarify and streamline the approvals process. For example, the process by which builders must obtain neighbours' consent for removal of fences or access to their land has been significantly revised to remove unnecessary red tape.

A ministerial order will also allow a person who has submitted an application for a building permit for a house or related structure to start work on that project while waiting for the permit to be approved. This ensures builders, subcontractors and suppliers can get on with the job while the current backlog is cleared and will apply to applications made between January and the end of June. This temporary measure will assist builders in avoiding protracted delays before starting construction, but will not remove the industry's obligation to meet all necessary standards. Builders must still comply with other laws and must stop work if the permit is refused.

Finally, the Building Commission is continuing to work with industry associations and local governments to identify any further remedial action that may be needed.