

# Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment

Strategic Alignment - Our Community

Public

Tuesday, 2 April 2024

**City Planning, Development and Business Affairs Committee**

**Program Contact:**

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**Approving Officer:**

Ilia Houridis, Director City Shaping

## EXECUTIVE SUMMARY

The purpose of this report is to seek Council endorsement of a submission to the Chief Executive Officer of the Department for Trade and Investment on the State Government's Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment (the Code Amendment), that is open for consultation until 15 April 2024.

The Code Amendment seeks to amend the existing definition of ancillary accommodation (commonly known as granny flats), and student accommodation in the State-wide Planning and Design Code (the Code). The amended definitions will allow these forms of development to be self-contained (that is, include their own bathroom, kitchen and laundry), which is excluded through the current definitions.

The Code Amendment is one in a series of State Government led amendments that respond to the current housing crisis. The Code Amendment seeks to amend the definitions to facilitate more diverse and affordable housing options. The State Government intends to undertake further housing diversity-related Code Amendments in 2024 relating to policies for Ancillary Accommodation, Student Accommodation and Build to Rent.

The Code Amendment aligns with the City of Adelaide's Housing Strategy – *Investing in our Housing Future* by enabling flexibility of housing to adapt to changing demographics over time, and by supporting housing supply.

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## RECOMMENDATION

The following recommendation will be presented to Council on 9 April 2024 for consideration.

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Endorses the submission on the Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment, contained in Attachment A to Item 7.3, on the Agenda for the meeting of the City Planning, Development and Business Affairs Committee held on 2 April 2024.
  2. Authorises the Acting Chief Executive Officer or delegate to amend, finalise and forward Attachment A to Item 7.3, on the Agenda for the meeting of the City Planning, Development and Business Affairs Committee held on 2 April 2024, to the Code Amendment consultation process by 15 April 2024.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Community</b></p> <p>Support increased residential growth and housing affordability through partnerships and advocacy.</p> <p>Reduce rental pressures by increasing housing supply and unlocking properties for long-term tenants.</p>
Policy	The recommendation proposed in this report aligns with the Council's commitments under the Housing Strategy – <i>Investing in our Housing Future</i> .
Consultation	This report responds to a consultation process being undertaken by the Chief Executive Officer of the Department for Trade and Investment to amend the State-wide Planning and Design Code (the Code Amendment).
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The Code Amendment proposes to amend the Planning and Design Code to facilitate greater housing diversity and housing supply in alignment with the Council's Strategic Plan 2024-2028 and Housing Strategy – <i>Investing in our Housing Future</i> .
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (e.g. maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

## Background

1. The State Government has initiated a Code Amendment to amend the land use definition in the Planning and Design Code for 'Ancillary Accommodation' and 'Student Accommodation'. The Code Amendment is referred to as the *Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment*.
2. The State Government has released frequently asked questions (FAQs) about the Code Amendment ([Link 1](#)). The FAQs describe ancillary accommodation and student accommodation as follows:
  - 2.1. Ancillary accommodation is the term to describe what are commonly referred to as granny flats.
    - 2.1.1. Ancillary accommodation must be on the same allotment as an existing (or 'primary') dwelling, share the same utilities and be subordinate to this primary dwelling, and contain no more than 2 bedrooms (or rooms/areas capable of being used for a bedroom).
    - 2.1.2. It also cannot currently be 'self-contained'. While the fundamental elements of what makes accommodation 'self-contained' are not specified by the Code, ancillary accommodation is likely to be 'self-contained' if it has its own kitchen, bathroom and toilet.
  - 2.2. Student accommodation is the term used to describe a premises that houses students in rooms or dormitory style accommodation which include common facilities for shared use by student occupants (e.g. shared cooking facilities, recreation areas, shared laundry facilities or services, and/or bathroom facilities). Like ancillary accommodation, student accommodation cannot currently be self-contained.
3. The Code Amendment seeks to amend the definitions to facilitate more diverse and affordable housing options.
4. The Code Amendment is one in a series of State Government-led amendments that respond to the current housing crisis.
  - 4.1. Council considered a confidential report on the State Government's Future Living Code Amendment at the meeting of the City Planning, Development and Business Affairs Committee held on 21 March 2024.
  - 4.2. The State Government is also proposing Code Amendments relating to policies for ancillary accommodation, student accommodation and build to rent.
  - 4.3. Planning and Land Use Services and the State Planning Commission are being invited to brief Council Members on the State Government's housing diversity Code Amendments in April or May 2024.

## Changes proposed through the Code Amendment

5. The Code Amendment has been released for consultation until 15 April 2024. A copy of the Code Amendment is available in Link 2, view [here](#).
6. The Code Amendment proposes to amend the definition of ancillary accommodation (commonly known as granny flats) and student accommodation to allow them to be self-contained. This means that these forms of development could include their own bathroom, kitchen and laundry.
7. The Code Amendment only applies to development applications for ancillary accommodation and student accommodation.
8. Policies within the Code for assessing these types of development will remain unchanged, including that:
  - 8.1. Ancillary accommodation must still be subordinate to an existing dwelling on a site and have a limited floor area.
  - 8.2. Student accommodation must still incorporate common facilities for shared use by students.
9. The proposed amendments to the definition of ancillary accommodation complement recent changes to planning regulations that prohibit conditions on planning consents that restrict or prevent ancillary accommodation from being rented or leased to third parties.

## Code Amendment Process

10. The Minister for Planning can determine that a Code Amendment come into 'early commencement'. This means that the changes proposed in the Code Amendment come into effect ahead of a decision by the Minister on the Code Amendment.
11. The Minister has determined that this Code Amendment come into early commencement which gives interim effect to the changed definitions for ancillary accommodation and student accommodation.

## Council's Submission

12. The Code Amendment is consistent with Council's Strategic Plan 2024-2028 and Housing Strategy, *Investing in our Housing Future*.
13. The draft submission by the City of Adelaide:
  - 13.1. Supports the proposed changes to the definitions as a means to facilitate greater housing diversity and rental stock in alignment with the Council's Housing Strategy – *Investing in our Housing Future*.
  - 13.2. Notes the State Government's intention to undertake further housing diversity-related Code Amendments in 2024 relating to policies for Ancillary Accommodation, Student Accommodation and Build to Rent.
  - 13.3. Notes the alignment of the State Government's Code Amendment program, with the City of Adelaide's support, through its submission to the Expert Panel Planning System Implementation Review, for amendment of the Planning and Design Code to strengthen policies that promote residential development and good design in the city.
  - 13.4. Acknowledges the constructive working relationship between Planning and Land Use Services and the City of Adelaide as it relates to a shared ambition for housing diversity and housing supply outcomes.

## Next Steps

14. The State Government's consultation on the Code Amendment is open until 15 April 2024.
15. The DTI will prepare an Engagement Report and a final Code Amendment for decision by the Minister for Planning.
16. Code Amendments are subject to review by the Environment Resources and Development Committee of Parliament.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – [Frequently asked questions – Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment](#)

**Link 2** – Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment for Engagement

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## ATTACHMENTS

**Attachment A** – Submission on the Ancillary Accommodation and Student Accommodation Definitions Review Code Amendment

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