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Draft Natural Hazard Guideline for Strategic Planning

Thank you for the opportunity to comment on the draft Natural Hazard Guideline for Strategic Planning and associated toolkit. Local Government NSW (LGNSW) is the peak body for local government in NSW, representing all NSW general purpose councils and related entities. This is a draft submission until it is endorsed by the LGNSW Board. We will advise at that time if there are any substantive changes to the submission.

LGNSW welcomes the opportunity to comment on the draft Guideline and toolkit. Our organisation has been supporting councils over several years to build resilience, most recently through the Increasing Resilience to Climate Change (IRCC) program. This partnership program between LGNSW and the NSW Department of Planning, Industry and Environment (DPIE) provides funding to address climate change risks and vulnerabilities facing NSW councils. Details of the 31 projects that have been funded, plus written and video case studies and podcasts for projects completed thus far can be accessed via [LGNSW's website](#).

Overall LGNSW is supportive of guidance to improve how natural hazards are considered and addressed in the planning framework, which ultimately can help build a shared understanding and community resilience. The guiding principles outlined in the document are sensible and appropriate, with the document providing high-level guidance on the considerations for strategic planners. However the guideline stops short of providing guidance on how to approach the significant and complex task of applying the principles in practice. This need not be prescriptive, but an outline of a possible process would particularly assist those councils that have limited resources and time. The toolkit of resources is lacking in implementation tools with a large focus on data and hazard assessment guidance rather than securing practical outcomes from the process.

<p>Recommendation: The guideline include guidance / flow chart outlining how to go about practically applying the guideline's principles in the strategic planning process.</p>

The guideline recognises that strategic planning has a more limited role in managing risks associated with existing development unless some form of urban renewal is envisaged. Another significant challenge for councils in applying the guideline principles is preventing (further) inappropriate development in areas forecast to be affected by natural hazards that have already had some development. Specific guidance on how this has been / can be tackled by planning authorities would assist councils that have existing development.

Extreme heat kills more Australians than any other natural disaster. NSW councils have also identified extreme heat as their highest risk to manage through their climate change risk assessments. The thermal safety of the occupants needs to be maintained by the building envelope as we are already seeing instances where people cannot afford to turn on their air conditioning. Also grid reliability in extreme heat may be affected, and appliances and solar PV will not be able to operate during an electricity blackout.

The guidance recognises that building regulation is not discussed in detail citing that the National Construction Code is administered by the Australian Government. However, there are a number of State Environmental Planning Policies (SEPPs) that deal with building standards. For example, the thermal performance of housing under BASIX is inadequate for future climate projections both in the near future (2030) and far future (2070) as identified in WSP's 2020 report on Future Proofing Residential Development to Climate Change. The reliance of BASIX and Nationwide House Energy Rating Scheme (NaHERS) on historical climate data (1970-2004) when the 10 hottest years on record occurred after 2004 means that houses built today will be very reliant on mechanical cooling in the future.

Recommendation: Building regulation must be based on future climate projections (both near and far future) to ensure the thermal safety of occupants in this changing climate.

Recent examples from Northern Australia and Victoria have shown that markets are responding to natural hazards on both new and existing development by withholding insurance and finance to properties and business in at-risk areas. When deciding acceptable levels of risk, stakeholders should also include the insurance and banking sectors. Determining acceptable risk should include whether mitigation actions to reduce the residual risk is sufficient for these sectors to continue to provide services, as the withdrawal of these services could be devastating for local economies.

Recommendation: That strategic land use planning consider the accessibility of insurance and finance in determining ongoing acceptable risks.

The guideline states "One of the objectives of this guideline is to encourage more multi-disciplinary dialogue on how these elements interact with strategic planning". We support using the best available information and expertise in strategic land use planning, however councils already find it difficult to engage the responsible agencies regarding their roles in coastal management programs (when this engagement is legally required). LGNSW's concern is that councils will have great difficulty engaging combat and natural hazard lead agencies in the range of other local strategic planning processes where there is no real mandate for those agencies to participate/engage.

Recommendation: The Department should give consideration to coordinating the input of other agencies into strategic planning processes in instances where agencies fail to engage.

Principle 7 of the guideline refers to planning to 'build back better' however this principle is not always recognised by governments. LGNSW has long advocated for betterment funding. Rebuilding infrastructure to its original specifications and condition is not sufficient to provide communities with the level of resilience they need in the face of more frequent and increasingly severe natural disasters. Betterment funding, or a relatively small additional investment, will save millions of dollars in years to come by ensuring that infrastructure is rebuilt to a more resilient standard. It often costs more to 'build back better', much more than is currently provided for by the joint Australian – State Government Disaster Recovery Funding Arrangements (DRFA) or any insurance cover.

Under the current DRFA, essential public assets directly damaged by an eligible disaster, or a re-damaged essential public asset may be reconstructed to its pre-disaster function, making little provision for betterment. It makes no sense to restore assets to pre-disaster standards if it leaves the assets vulnerable to the next natural disaster event. Appropriate betterment and disaster mitigation measures serve to protect exposed communities, ultimately reducing the need for recovery funding raised through taxpayers and lowering insurance premiums for those living in highly exposed areas.

Recommendation: That the NSW Government implement its own policy principles and seek amendment of the DRFA to include betterment funding.

An additional aspect that should be covered in the guideline is the consideration of managing debris and waste generated through natural hazard events such as bushfires, storms and floods. In some cases the waste is hazardous (e.g. asbestos-containing material) which requires specialised management and disposal. While we agree that the focus of strategic plans should be on avoiding and minimising the impact of natural hazards, plans must also consider what is required in the clean-up and recovery phases.

Recommendation: That the guideline include consideration of the requirements for natural hazard clean up and recovery phases.

The good faith provisions of s733 of the *Local Government Act 1993* exempt councils from liability in relation to advice on flood, bushfire or land in the coastal zone. Councils require similar good faith provisions for advice on other natural hazards addressed through this strategic planning process.

Recommendation: The NSW Government amend the *Local Government Act 1993* to provide good faith provisions for following the Guidance.

Thank you again for the opportunity to comment on the draft guideline and toolkit. If you would like further information on LGNSW's position, please contact Denise Anderson Senior Policy Officer – Waste on 02 9242 4056 or denise.anderson@lgnsw.org.au

Yours sincerely



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