

COMMUNIQUE

National Industry Roundtable Land Use Planning and Resilience

For decades, experts have warned that too many Australians are living in harm's way: on floodplains, in bushland where the threat of fires looms, in coastal communities or in the direct line of cyclones. The cost to property owners and communities can be devastating. Australia needs to urgently overhaul the risk profile of our built environment, dealing with past mistakes as well as preventing future problems.

Following recent devastating flooding, National Cabinet tasked Planning Ministers to report back in 2023 on ways to reform planning and called for an end to development on floodplains. To tackle this challenge the Insurance Council of Australia (ICA), Master Builders Australia (MBA) and the Planning Institute of Australia (PIA) have established a landmark cross-sector partnership to re-think what we build and where we build it.

On the 27th of July, the three partners convened a roundtable with a cross section of key industry groups, government bodies and not for profit organisations to build out a shared position on this complex policy challenge, lay the foundations for future collaboration across industries, and build broad support for land-use planning reforms.

The roundtable, with broad cross-sector engagement from local, state and federal governments, as well as financial services, planning, property and disaster response, made clear that Australian communities and the industries that support them, from housing and construction to banking and insurance, are bearing increasing costs of homes being developed in areas of extreme risk. Australia's 537 councils also play a vital role in building resilient communities, assisting in every corner of the nation to ensure our communities can better prepare for, respond to and recover from increasing natural disasters.

Roundtable participants identified that, without reform, as the population increases pressure will grow for more housing to be developed in high-risk areas. As the climate continues to change, this pressure will be worsened as existing flood zones are likely to expand and expose more people, properties and assets to risk.

As flood risk grows, so do challenges with the affordability and availability of insurance in vulnerable areas around Australia. In some high-risk regions, insurance premiums have become prohibitively expensive, leading to a growth in properties being either under-insured or having no insurance at all.

It was noted by participants that in some areas of the country which are subject to significant risk from extreme weather events, there are limits to how improved building resilience can reduce this risk. Restricting development from occurring in these areas and further adding to the problem needs to be a priority, however, in cases where buildings that already exist are vulnerable to such events, solutions such as buying back properties will need to be considered. Participants also noted that low-socio economic communities are often more vulnerable to extreme weather risks.

Participants also noted the importance of ensuring that planning for extreme weather events is state-led, catchment-based and locally supported, incorporating flood risk and utilising water catchment boundaries rather than local government boundaries.

Participants agreed that all tiers of Government should build capacity to plan, invest and act across the full spectrum of hazard situations by:

- Planning to avoid future exposure.
- Managing known risks to existing settlement
- Strengthening arrangements for 'planned retreat' where legacy risks are unacceptable.

A number of recommendations for reform were discussed including:

1. Planning Ministers must complete work this year to develop a national standard for considering disaster and climate risk, as agreed by National Cabinet. This should include nationally consistent planning parameters (including climate scenarios and hazard metrics).
2. Federal, state and territory governments should work with industry via the Hazard Insurance Partnership to update, standardise and make publicly available climate hazard data and mapping that considers long-term time horizons and prioritises the high impact perils, including flood. This data work should start by focusing on the areas of high peril risk, which underpin key planning decisions. New investments in catchment modelling and mapping will be required to support effective planning for extreme weather in some areas.
3. Having regard to current and future climate modelling, state and territory governments should use agreed planning parameters to limit new development in areas prone to risk from other forms of extreme weather events, including bushfires, cyclones and coastal hazards. This approach would prioritise areas of zero-risk and low-risk to extreme weather for new development, noting the probability of a hazard occurring and the potential impact of that hazard on property and life as part of the development of regional plans.
4. The Australian Building Codes Board has identified resilience requirements as part of its three-year work program for the update of the National Construction Code, which members of this forum should be engaged with.
5. Governments should place a stronger focus on funding for resilient infrastructure, particularly where building back after an extreme weather event. Damaged infrastructure should be rebuilt in more adaptable and resilient ways rather than replacing damaged infrastructure with like for like.

6. Governments should collaborate across jurisdictions to develop and adopt nationally consistent principles to underpin future action and investment in planned retreat from extreme risk locations to address legacy threats.
7. Governments should provide funding to support the development of hubs of expertise on current and future hazard risk and resilience responses, to enable knowledge transfer and to provide broad access to best practice tools. Government and industry collaboration to develop a framework for the disclosure of standardised current and future hazard property information for the consumer market and investment products that make it easier to access finance to build more resilient homes.

Whilst this roundtable focused on the growing challenges presented by flooding and storm surge, successive forums will focus on bushfire, cyclone and other hazards.

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