

Land Use Planning Communique

Overview

- Australia is on the frontline of climate change impacts, experiencing more severe bushfires, hotter and longer heatwaves, rising sea levels that are exacerbating coastal hazards. more intense cyclones, and an increase in rainfall intensity and associated flooding.
- Against this backdrop, the Australian property market faces the challenges of rising demand for housing due to a surge in population, asset value growth combined with constrained supply - due largely to high material costs and growing skill shortages.
- There is increasing pressure on governments to ensure land supply grows rapidly to meet demand in the right places. The challenge for decision makers is the identification and development of appropriate areas which do not pose unacceptable risk factors.
- The Planning Institute of Australia and the Insurance Council of Australia have developed this communique with recommendations to support appropriate land use planning decisions by governments. Planning can be the most powerful lever to reduce risk, building development in high-risk areas will inevitably lead to more homes being exposed to extreme weather events, widening the insurance protection gap.
- PIA and the ICA support an uplift in using current and projected extreme weather modelling to help inform policy maker's understanding of which areas of the country are high, medium and low-risk. This hazard baseline should be used to inform which areas of the country should be prioritised for urban development and which areas carry significant adaptation costs or should not be developed at all.
- But knowledge of vulnerabilities is not enough. We need to strengthen capacity of all tiers of Government to plan, invest and act by:
 - Not allowing homes to be built in harm's way – by settlement planning using best knowledge of climate scenarios consistent with strategy for a region's growth.
 - Managing known risks to where people already live – by adapting building standards to the prevailing hazard and risks.
 - Working out where we actually have to retreat or move towns when risks cannot be mitigated

Recommendations

National leadership to strengthen adaptation capacity

- ① **Delivery of a national standard for adaptation decision making.** ICA and PIA welcome the development of a national standard that considers disaster and climate risk as part of land use planning and building reform processes, as previously proposed by National Cabinet. This national standard should include an overarching planning and decision-making framework to guide consistent and considered planning outcomes in response to community vulnerability. It should set common parameters for climate scenarios used among jurisdictions. It should set out the process for determining where: preventing development, providing emergency relief, building back or planned retreat approaches are best suited.
- ② **Clearer coordination and responsibilities across all levels of Government.** Administration of land-use planning is made more difficult given divided responsibilities between state and local government. In addition to divided responsibilities, there is also large disparity in the resource capabilities amongst local governments as well access to available data, which on many occasions, is incomplete, potentially inaccurate, and out of date. In some cases, decisions by local councils are overridden by independent planning panels, creating further complexity.
- ③ **Strategic basis for investment in planned retreat.** 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. Whilst this roundtable focused on the growing challenges presented by flooding and storm surge, successive forums will focus on bushfire, cyclone and other hazards.

Strategic approach to settlement planning

- ④ **Integrating climate risk into planning systems.** Decision makers in government responsible for determining appropriate development locations must ensure planning decisions take into account current and future climate scenarios. To support this outcome, the concept of climate change adaptation should be embedded in jurisdictions' planning objectives. Current and future climate scenarios should consider flood and other hazard modelling to ensure future development is prioritised in appropriate locations.
- ⑤ **Regional strategic settlement planning.** Regional strategic plans, which set the framework, vision and direction for urban growth can be significantly uplifted. State jurisdictions must align their regional strategic plans with their climate change adaptation strategies to avoid ad-hoc decision-making at the regional level that can lead to poor planning outcomes. The concept of resilience should be embedded in regional strategies to better reflect climate risks, community priorities and risk appetites.



- 6 **Catchment based approach to planning.** Floods, bushfires and coastal hazards do not respect local government boundaries and hazards are usually managed over multiple council areas, with actions in one council area potentially impacting another. A catchment-based approach to land use planning and hazard management should be adopted to tackle this (for example using water catchment boundaries rather than LGA boundaries).
- 7 **Responsive housing targets.** The capacity to accommodate new dwellings in an area should be understood before the setting of housing targets for local governments. Councils should provide input into the strategic planning at the catchment level and receive direction from the State on where housing should not be planned as part of the development of regional plans.

Informed, risk-based development assessment

- 8 **Tiered risk-based approach to development.** State governments should adopt a risk-based approach that stops development in high-risk extreme weather areas, requires stronger building codes and standards and/or adequate resilience infrastructure in areas of moderate risk and prioritises low risk areas for development. The risk-based approach should be supported by a decision making framework for how alternative adaptation approaches would be assessed in relation to risks of both harm and property damage. It would set out the circumstances where alternatives (in addition to prohibition of development) would be considered. This would include criteria for planned retreat, buy backs, property and infrastructure defence and building improvements, opportunities to refuge in place and the notifications of risk to owners and residents.
- 9 **Improved hazard data collection and use.** State and territory governments should continue to work alongside industry and the Federal Government via the Hazard Insurance Partnership, to update, standardise and make publicly available climate hazard data that considers long-term time horizons and prioritises the high impact extreme weather perils.

Resilient buildings and infrastructure

- 10 **Fit for purpose building standards.** Building Ministers have recognised the need to make Australia's buildings more resilient to extreme weather events driven by climate change and have included climate resilience as a specific objective of the Australian Building Codes Board from 2025. This will give the ABCB a clear mandate to develop future National Construction Code requirements that reduce the impact of extreme weather events on the built environment, which members of this forum should be engaged with.



- 11 **Fund resilient buildings and communities.** In the face of worsening extreme weather, governments need to increase funding to strengthen Australian homes and businesses, helping communities to build their resilience in the face of worsening fires, floods, cyclones and storms. This increased investment includes funding for retrofitting properties to help them better withstand the impacts of extreme weather events including floods – and would extend to projects such as levees and floodways that protect the community.
- 12 **Fund resilient infrastructure.** There should be a stronger focus on funding to boost the resilience of public infrastructure and utilities, particularly where building back after an extreme weather event. Damaged infrastructure should be funded and rebuilt in more adaptable and resilient ways rather than replacing damaged infrastructure with 'like for like'. For example, If a major road culvert repeatedly fails - alternative routes and structures should not be precluded from State and Commonwealth funding arrangements.
- 13 **Insurance price signals recognising adaptation.** Insurers provide a number of incentives to help Australians make their homes more resilient, and they are continuing to incorporate demonstrated risk reduction measures into their premium pricing. For example, many insurers in Northern Australia offer premium discounts for households who make their homes more resilient to cyclone, and some insurers have provided premium discounts for those who have used the Resilient Building Council's Rating App to make their homes more resilient to bushfires.