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Natural Disaster Funding  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE  
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### **Natural Disaster Funding Arrangements – Draft Report**

The Property Council of Australia welcomes the opportunity to provide input on the Productivity Commission Draft Report examining natural disaster funding arrangements.

The Property Council represents the \$670 billion property investment industry in Australia. Our 2,000 member firms and 55,000 active industry professionals span the entire spectrum of the property and construction industry. Our members operate across all property asset classes—including office, shopping centres, residential development, industrial, tourism, leisure, aged care, retirement and infrastructure.

The Residential Development Council, a national policy division of the Property Council of Australia, has prepared this submission on behalf of the organisation. The leadership of the Residential Development Council represents the most senior management of Australia's leading residential development companies.

The Property Council is supportive of action to protect the community from natural disaster and has welcomed the Commission of Audit's recommendation to review disaster funding arrangements.

The industry supports the adoption of a national framework for resilience and mitigation measures, such as that developed by the Australian Sustainable Built Environment Council (ASBEC). A national approach is important, especially in relation to establishing consistent principles guiding land use planning controls, which have the biggest potential to unfairly impact the property industry.

The Draft Report's recommendation that State Government should provide greater guidance to local government to encourage clearer articulation of long-term natural hazard land use planning frameworks is welcomed by the Property Council.

Boosting funding to local government is the only way to ensure that resourcing is available to encourage timely decision making and to permit sufficient flexibility to incorporate innovative risk mitigation measures. Similarly, the proposal to ensure that local policies are consistent with the State Government is strongly supported because of the increased transparency and certainty it affords the industry.

Notwithstanding this, the Property Council has a number of concerns relating to the draft recommendations in the Productivity Commission report, these include:

## **1. Proposal to repeal the provisions in the Queensland Sustainable Planning Act 2009 for injurious affection**

The compensation provisions in Queensland's Sustainable Planning Act acknowledge that back-zoning is not an effective first step to achieve greater levels of disaster mitigation. It is a knee-jerk response that sterilizes developable land and distracts local government decision makers from delivering meaningful adaptation.

Rather, building should happen in such a way that minimises property damage and maximises prevention of injury and loss of life. This requires a proactive approach from local government to work together with land owners to find win-win solutions.

Under some circumstances it might be appropriate that intensification not take place on a particular site or in sections of a land parcel because of the risk posed by natural disaster. However this should not be a default position enforced by repealing a landowner's right to compensation.

A more considered approach needs to address options such as:

- The local government working with the affected landholder examine alternative uses, design options and other innovations that mitigate risk but allow the project to proceed? For instance, would it be appropriate for a local government to back zone a property which only required 20-centimeters of fill to mitigate flood risk?
- Opportunities for land swapping or buy-backs that meet the needs of both local government and the land holder. For instance, could the land be converted to parkland and purchased back by the local government?
- Possibilities for local government to increase density permitted on hazard free portions of a land holding. For instance, the local government could permit townhouse development on 30 per-cent of a site, rather than single detached dwellings on 60 per-cent of a site.
- Incentives for design outcomes that mitigate against disaster risk.

## **2. Proposal for additional support and guidance to local governments that addresses the extent of local governments' liability**

The Property Council is concerned that by reducing the liability of local governments that accountability for the impacts of planning decisions, development assessments and the quality and accuracy of the information they release will deteriorate.

According to the Productivity Commission Draft Report there is already legislation which can limit the liability of local governments in civil litigation in each state to varying degrees. Removing this entirely would impose an unreasonable level of uncertainty on developers and land owners about the potential for local government to amend zonings.

It is the Property Council's view that local government does carry some responsibility for how land uses have been determined and the investment decisions that the private sector has taken as a result. It is extremely distressing that local government could unilaterally dismiss existing land use zoning

provisions that determine the value and develop-ability of land without any possibility of testing by an independent umpire, such as the judiciary or a tribunal.

We thank you for the opportunity to provide input to the Productivity Commission's review of natural disaster funding arrangements.

If you have any questions regarding the Property Council or this submission, please do not hesitate to contact me or William de Haer, Policy Manager—  
Residential Development Council

Yours sincerely

**Nicholas Proud**

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