

28 February 2014

New South Wales Division

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**RE: API NSW Response to the Department of Planning & Infrastructure's Draft planning circular:
advice on coastal hazards**

The Australian Property Institute (NSW Division) appreciates the opportunity to respond to the proposal for draft coastal hazard notations on Section 149 Planning Certificates. API has consulted with its members and in particular the Coffs Harbour and Mid North Coast Group and as a result the following submission is made.

Concern has been expressed that the current requirement for Section 149 (2) planning certificates attached to contracts for the sale of land do not provide a full picture of the overall constraints regarding coastal hazards on properties. It is submitted that Section 149 (5) planning certificates should also form part of the contract for the sale of land in order that intending purchases or prospective lenders can be fully appraised of the risk that they may encounter.

It is recognised that the NSW coast presents variable hazards to real property; however the proposed distinction between "current exposure" and "future exposure" to a coastal hazard is regarded as unnecessarily confusing. It was the consistent view of the coastal members of the API who were interviewed that current and future exposure to coastal hazards should not be separated, noting that while a property may only have a current (immediate) prospect of damage from a coastal event such as erosion, a short time after a storm event the prospect of future exposure in effect becomes a current exposure. In summary, the API submits that the division of current and future exposure will not provide any benefit, is unnecessarily arbitrary and will cause confusion.

The valuation profession needs to be fully appraised of the overall risk to any property in the coastal zone because the profession provides advice not only to the public as intending purchasers or land owners, but also banks and financial institutions as prospective debt or equity providers, and lastly for the public generally to understand the overall risk of coastal hazards in specific property markets.

We would welcome the opportunity to further discuss our concerns. Arrangements can be made by contacting Gail Sanders, API NSW Executive Officer, on 02 9299 1811.

John Sheehan LFAPI
Chair, Government Liaison Committee
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