

Voluntary House Purchase (VHP) and Voluntary House Raising (VHR) schemes

7 March 2018

What is a Voluntary House Purchase (VHP) scheme?

A Voluntary House Purchase (VHP) scheme is a risk-management tool, used when there are no other feasible options for protecting an existing community from severe flooding, such as building levees, diverting flood flows or improving evacuation routes and processes.

The main aim of VHP is to permanently remove at-risk people from high flood hazard areas (areas with high flood depths and velocities) by purchasing their houses. The property is then back-zoned for more flood compatible uses, such as recreational parkland or agriculture.

Removal of buildings from floodways and flow paths may also reduce impacts in other areas, and potentially provide more land to carry out flood mitigation works such as channel improvements.

What is a Voluntary House Raising (VHR) scheme?

A Voluntary House Raising (VHR) scheme is aimed at reducing flood damage to houses by raising the habitable floor level of individual buildings to reduce the economic and social burden of flooding on the community and government. VHR is a suitable management measure for houses in lower hazard areas of the floodplain.

VHR is limited to those dwellings that are structurally compatible with raising (such as pier and beam homes, but not slab-on-ground masonry). The raising will include provision of engineered footings and piers, reconnection of services and extensions to accesses, such as stairways. It also includes necessary development applications, fees, inspections and certification. Funding does not extend to further renovations or improvements to the raised structure, or money already spent on flood repairs.

VHR is not an alternative to VHP, and may not be offered in high hazard areas.

Who pays?

The NSW State Government through the Office of Environment and Heritage (OEH) provides grants to councils under the Floodplain Management Program for VHP and VHR schemes. Under these schemes, OEH pays two-thirds (2/3) of the program cost. The remaining third is typically paid by the Council, the benefitting landholder, or a combination of both.

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What areas do the schemes cover?

Prior to the March 2017 flood, Council had one existing VHP scheme, which applied to dwellings along the Tweed River in parts of River Street, South Murwillumbah. This scheme has been running for many years, with four houses remaining within the scheme area.

Post-flood, Council made application to OEH in May 2017 to expand the VHP area in the Tweed Valley to include a wider area of South Murwillumbah, as well as Bray Park. In the Coastal Creek catchments, a new VHP scheme was proposed for Burringbar, Mooball and Crabbes Creek. These areas were identified in adopted Floodplain Risk Management Plans completed in 2014 and 2015 respectively.

In December 2017, Council was advised that these new and expanded schemes were approved by the Government for access to funding. Council resolved to proceed with the schemes at the next available Council meeting, held in February 2018.

Council will now prepare maps of the eligible scheme areas.

Are businesses eligible for these schemes?

No. VHP and VHR schemes only apply to residential land containing an existing dwelling.

I am within a scheme area, is my house eligible?

There are dozens, if not hundreds of houses located in high flood risk areas identified for VHP and VHR schemes. It is not possible to fund removal or raising of all these houses. Council, working with OEH, is commencing a process of prioritising individual properties to target for funding.

Criteria we will consider in prioritising individual properties includes but is not limited to:

- Flood hazard of the land based on previous flood studies
- Likelihood of isolation during a flood
- Risk of above-floor flooding
- Observed flood behaviour in the March 2017 flood
- Measured damage incurred by the March 2017 flood
- Benefits in improving flood flows
- Personal hardship, and
- Zoning and ability to redevelop.

OEH requires Council to identify high-priority properties in a three-year work program. Once approved, Council will start negotiations with those property owners to gauge their interest in the scheme. As it is voluntary, if those owners choose not to participate an offer will be made to the next property on the priority list.

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What are the timeframes?

It will take many months, if not more than a year, to properly scope the VHP/VHR schemes and have them approved by OEH. VHP will be the priority for Council initially.

Once approved, negotiations with individual landholders will proceed in order of priority.

How is VHP compensation determined?

The purchase of VHP properties is based on a fair market price. This is determined by an independent property valuer. Under the government guidelines, when determining the market price, the valuer must assume that no VHP scheme exists and there are no flood-related development constraints on the property.

The valuation process places no obligation on the property owner to participate in the scheme.

Government funding cannot go above the maximum market valuation.

The cost of works already carried out to repair flood-damaged houses is not covered by the Government funding.

What happens to VHP buildings?

Once purchased, Council will arrange for the house and other structures to be demolished or relocated through a public tender process.

Who performs the house raising?

Once Council has entered into an agreement with a landholder for a Voluntary House Raising (VHR), the landholder will be required to obtain three quotes from suitably qualified and licensed builders. The landholder will then enter into a contract directly with the agreed builder to carry out the works.

What if I am outside of the scheme areas but was badly impacted by the March 2017 flood?

The VHP/VHR schemes are likely to take many years to implement. During this time, Council will continue to update its flood studies and risk management plans and will consider other areas outside of those nominated, such as Condong, Tumbulgum and the hinterland villages, to add to the VHP/VHR schemes. This would require agreement from OEH.

However the areas identified to date are considered the highest priority for these schemes at this time.

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What happens if I say 'no'?

VHP/VHR schemes are entirely voluntary. Should you change your mind in later years due to personal circumstances or further flood events, your property can be reassessed against the prioritised list of properties for available funding.

However, areas that are nominated for VHP in particular, being high hazard flood areas, are likely to be more difficult to redevelop in the future, will attract stricter development controls and may be back-zoned along with properties that do participate in the scheme. This occurred previously in parts of South Murwillumbah.

How do I apply?

There is no application process as Council identifies the priority list for VHP/VHR schemes and will contact property owners direct once the schemes are approved. However, if you would like to lodge an Expression of Interest, email Council on tsc@tweed.nsw.gov.au or write to PO Box 816 Murwillumbah NSW 2484 with your property and contact details.

How do I find out more?

Guidelines for VHP and VHR Schemes are available from the OEH website <http://www.environment.nsw.gov.au/coasts/Floodgrants.htm>

Further information will be published on Council's website and in the Tweed Link as these schemes develop. Not all details of the schemes have been finalised at this early stage. Council will not be responsible for financial decisions made by individuals based on the above advice.

Please contact Council on (02) 6670 2400 for further details.