



Guidelines for voluntary house raising schemes

Floodplain Management Program

Department of Climate Change,
Energy, the Environment and Water



Acknowledgement of Country

Department of Climate Change, Energy, the Environment and Water acknowledges the Traditional Custodians of the lands where we work and live.

We pay our respects to Elders past, present and emerging.

This resource may contain images or names of deceased persons in photographs or historical content.

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Introduction

This guideline has been prepared for councils that are seeking funding from the NSW Government under the Floodplain Management Program (FMP) and NSW Flood Recovery and Resilience Grant Program (FRR) for voluntary house raising (VHR) schemes.

VHR is a flood risk management tool that involves raising a home above the minimum flood design level or relocating a home to higher ground within its current lot.

Program guidelines may change periodically throughout the 3-year funding pool offer. The applicable guideline for individual property raisings will be the version published at the time of a formal funding offer being issued.

This guideline details the objectives, eligibility criteria, funding and implementation procedure for VHR. It provides general information in relation to the process and does not cover specific circumstances or provide guidance on assessing the viability of VHR as a management option as part of a Floodplain Risk Management Plan (FRMP).

Councils should discuss all proposed VHR and their potential to attract funding, with their Department of Climate Change, Energy, the Environment and Water (the department) representative.

Objectives

VHR is recognised as an effective floodplain risk management measure for both riverine and overland flood conditions. It is generally undertaken:

- to reduce the frequency of exposure to flood damage of the house and its contents and reduce the frequency of household disruption and associated trauma and anxiety
- as a compensatory measure where flood mitigation works adversely affect a house, which is generally considered part of the mitigation work rather than a separate VHR scheme.

VHR can be an effective strategy for existing properties in low flood hazard areas where mitigation works to reduce flood risk to properties are impractical or uneconomic. VHR must be part of a broader floodplain risk management strategy for an area rather than a stand-alone option, as it does not deal with issues such as risk to life.

Consideration of houses for voluntary house raising

The viability of a VHR scheme or an individual VHR is usually assessed as part of a broader assessment of floodplain risk management options during the development stages of an FRMP. FRMPs adopted by councils should consider the:

- full range of flood events and their associated impacts
- hydraulic function of the area, as VHR is generally excluded in floodways¹
- area's flood hazard classification, as VHR is generally limited to low hazard areas
- effectiveness of VHR as an ongoing maintenance requirement of complementary measures to address risk to life, such as those based around supporting self-evacuation in response to directions from the State Emergency Service (SES)
- suitability of individual houses for raising
- cost-effectiveness of the VHR scheme (benefit–cost ratio) measured across the full range of floods, with VHR aiming to generate positive financial returns from reduced damage relative to costs²
- viability of the scope and scale of the VHR scheme and how the scheme will be prioritised (considering flood hazard exposure)
- support for VHR within the affected community, as determined through consultation with affected owners
- implementation plan for the VHR scheme.

¹ The area of the floodplain where a significant discharge of water occurs during floods.

² The cost of raising a house will depend on the size and complexity of the house to be raised, its location within New South Wales, the height to be raised and other factors.

Defining the scope of a new voluntary house raising scheme

FRMPs may identify individual properties for VHR, but a more detailed assessment may be required prior to making an application for funding for a new VHR scheme. The assessment needs to determine the scope and cost of the proposed scheme, and arrange the VHR properties in order of priority (scoping study). A scoping study involves consideration of the items identified under 'Consideration of houses for VHR' above. A scoping study is not required if sufficient assessment was done during the FRMP stage.

A short report must be developed for the scoping study in consultation with department flood staff. The report is eligible for funding by application under the FMP or FRR. An implementation project prioritisation information form needs to be submitted as part of that application process (refer to the *NSW Flood Recovery and Resilience Grant Program* webpage). The implementation project prioritisation information form provides an indication of the potential priority of the VHR scheme.

Including a property in a VHR scheme does not place any obligation on the property owner to raise their house; participation is voluntary. It also places no obligation on a council or the NSW Government to fund the raising.

Eligibility criteria for funding a new VHR scheme

1. Only councils are eligible to apply for funding – it is not open to homeowners directly. Requests from homeowners to raise houses for hardship reasons are not eligible for funding.
2. The following local government areas are not eligible for funding and should apply under the Resilient Homes Program:
 - a. Ballina
 - b. Byron
 - c. Clarence Valley
 - d. Kyogle
 - e. Lismore
 - f. Richmond Valley
 - g. Tweed.
3. Funding is only available for residential properties, not commercial or industrial properties.
4. Funding is only available for properties with buildings that were approved and constructed prior to 1986.
5. Funding is only available for properties identified in a VHR scheme through the FRMP process and where a Scoping Study has been completed (if required).
6. The properties in a VHR scheme must be identified³ in an adopted FRMP developed in accordance with the *Flood risk management manual (2023)*. In limited circumstances, funding can be considered for a VHR prior to completion of an FRMP. However, proper investigations and assessments need to be completed and clear and compelling evidence needs to be provided as the basis for expediting consideration ahead of a completed FRMP. This would generally include determining the scope of the VHR scheme.
7. Properties that are benefiting substantially from other floodplain mitigation measures – such as houses already protected by a levee or those that will be – will not be funded for VHR.
8. VHR should generally return a positive net benefit in damage reduction relative to its cost (benefit–cost ratio⁴ greater than 1). Consideration may be given to lower

³ Individual properties do not need to be identified within the FRMP itself; they can be included within a commercial and confidential appendix.

⁴ Flood damages relative to the cost of the scheme compared on a net present value basis.

benefit–cost ratios where there are substantial social and community benefits, or VHR is compensatory work for the adverse impacts of other mitigation works.

9. VHR should involve raising residential properties above a minimum design level and must comply with the council’s relevant development control plan.

Eligible/ineligible costs

Costs eligible for funding are those that are essential to raise the footprint of the existing habitable floor area or relocate the existing dwelling to a location on higher ground within the same lot (as applicable). Such costs include but are not limited to:

- plan and document preparation, including survey costs
- development application costs
- site preparation costs
- disconnection of services and provision of temporary services (water, electricity, communications, gas and stormwater, including rainwater tanks)
- preparation for and raising of the floor to the required minimum flood design level
- installation of supporting structure for the elevated floor
- reconnection of services
- the installation of front and back door steps or ramps and associated safety rails/devices
- costs associated with inspection and approval by the council
- relocating the house to an appropriate site within the same property if this is considered the most cost-effective option to meet the required minimum design floor level.

After a funding application is approved, councils are generally able to access a funding pool at a funding ratio of \$2 state to \$1 council or homeowner contribution. Councils often structure VHR schemes to require the local contribution to be fully paid by the homeowner, as the beneficiary of the damage reduction under the project. Councils are encouraged to assist the owner by waiving their development application, inspection and approval fees, especially if the council requires the homeowner to pay the local contribution.

Costs that are not eligible for funding include but are not limited to:

- any additional features, improvements, renovations and substitutions of services requested by the homeowner, such as landscaping or concrete floor to the understorey
- raising the property above the required minimum design floor level
- accommodation for the homeowner while works are being done
- remedial works to the house
- expenses incurred prior to a funding agreement being entered into by council with the department.

Implementation procedure

Applying for funding

If a scoping study is still outstanding prior to application for a VHR scheme, as detailed above under 'Defining the scope of a new VHR scheme', the following steps apply:

- an application is made to undertake a scoping study for the proposed VHR scheme during a funding round
- the scoping study report is finalised in consultation with the department, and the scoping study grant is acquitted.

If the required information detailed above under 'Consideration of houses for VHR' has been provided, either by completion of a scoping study report or through the FRMP process, the following steps apply:

1. The council submits a funding application for VHR to the department during a funding round (see guidelines for applicants for the FMP and FRR for more details).
The application must detail the total number of properties with houses to be raised in the VHR scheme and the number of properties that the council desires to raise in the 3-year funding round, in priority order. The council must also submit the implementation project prioritisation information form.
2. The department will review the funding application and confirm whether all required information to make an assessment is available. If insufficient evidence has been provided, additional information may be requested from the council.
3. Applications are reviewed by the State Flood Mitigation Assessment Committee, and recommendations made to the appropriate department delegate.
4. Council will be notified by the department if it has been given access to the VHR pool of funds and advised of the conditions of access.

Voluntary house raising funding pool

A successful application to the funding pool is not a formal offer of funding and it does not guarantee access to grant funds. Funding for VHR comes from the FMP and FRR, and each financial year a portion of this money is allocated to the funding pool.

Councils are provided with access to the VHR funding pool for a 3-year period and funding is dependent on the nominated properties meeting the required criteria to be raised, funds being available under the programs, and there being equitable provision of funds across the state.

Access to the pool does not mean that every request for funding will be granted, and limits may be placed on the number of houses raised per request or over a financial year. Funding is targeted to eligible properties with the highest flood exposure.

This funding model provides councils with the flexibility to be able to apply for the funding for specific properties at any time over the 3-year period, when and if an owner expresses an interest in raising their property.

Raising properties

Council must approach eligible homeowners in their order of priority in the VHR scheme, as determined by the FRMP or scoping study. If property owners are not interested when initially approached, the owners of properties with lower priority can then be approached. The council may wish to seek non-binding expressions of interest from a number of owners to expedite this process.

The owner must obtain 3 competitive quotes from qualified builders to ensure the works being undertaken are value for money. Council can contact the department to request approval for the owner to seek fewer than 3 quotes, if obtaining 3 quotes is not practical or achievable.

Where the council receives confirmation from the department that funds are available, it must submit a workplan based on the lowest quotation, using the variation process in the Grants Management System. The workplan includes proposed milestones and associated payments for eligible costs. The department will inform the council in writing if the workplan is approved. Should the homeowner wish to progress with a quotation that is not the lowest, sound justification must be provided to the department for consideration as to why that quotation should be approved. This justification will be considered by the department, and the council will be advised if the higher quotation is approved.

Council is then required to enter into a funding agreement with the department, which sets out the conditions applicable to the council's receipt of funding and the terms on which funding will be released. No work on raising a property should commence until a funding agreement is entered into by the department and council (signed by both parties); otherwise, a property will be ineligible for funding under the program.

When the council enters into its agreement with the homeowner, it must agree on an itemised raising cost of the house, a time limit for the task and a funding payment schedule that aligns with the signed funding agreement and approved workplan. Work to raise a property must not commence until a funding agreement is in place and signed by the department and council.

Note: Council must advise all homeowners of this requirement and warn them that if a homeowner commences work prior to the signing of the funding agreement, funding to raise their property will not be available through the grant program. Council will be liable for the full cost of raising the property if it allows work to commence prior to a funding agreement being in place.

The homeowner enters into a contract directly with the builder. Council is responsible for ensuring that the homeowner contracts with a fully qualified, insured and licensed builder to carry out this type of work. Copies of the builder's and any subcontractor's licences and insurance documents must be provided to the council for its records.

Following raising of the property, the council will inspect the house and provide confirmation to the department that the work has been completed. Payments will be made on successful completion of the milestones in accordance with the funding agreement and workplan, following submission of a milestone report to the department via the Grants Management System.

Monitoring and review

The council is required to keep the department informed of progress in accordance with the workplan and the funding agreement. If difficulties arise and the council cannot spend the agreed grant amount in the required timeframe, the council must inform the department as soon as possible to enable other VHR projects to proceed, or to request an extension to the funding term for the project's delivery.

The council should review the scope of a VHR scheme every 3 years or before submitting a new application for funding under the program. This review should outline progress of the VHR scheme to date, confirm the eligibility and priority of properties remaining under the scheme, and be submitted to support the application.

Actions by councils to ensure outcomes

The FRMP or scoping study report will contain complementary recommendations, such as flood emergency response planning necessary to support VHR in an area, particularly in relation to risk to life. The council must ensure these recommendations are instigated and maintained.

Councils must implement and maintain development controls to ensure the areas beneath raised properties are not used for accommodation. Councils need to ensure that subsequent owners are made aware of restrictions on development in the areas beneath the habitable floor level of the raised property, with these details included on 10.7 certificates (Planning Certificate) or by placing a restriction on the use of the land under the *Conveyancing Act 1919*⁵. Any breaches in planning requirements, such as understorey development, may be identified on a building certificate upon the sale of a property.

As part of its maintenance strategy for the VHR scheme, the council will set up an annual review to ensure that:

- no habitable development occurs below the raised habitable floor levels of any property raised under the VHR scheme
- complementary recommendations (such as emergency response planning) necessary to support VHR in an area are instigated and effective.

⁵ This could be through the creation of a public positive covenant under either Section 88D or 88E of the *Conveyancing Act 1919*, which imposes obligations on the new owner of the land burdened (the servient tenement) in favour of a prescribed authority (refer to the *Public positive covenants* webpage).

Acquittal

The council is required to acquit each VHR grant in line with the relevant funding agreement and provide associated documentation, such as surveying certificates or final drawings detailing habitable floor level information relative to minimum requirements, as part of the final report via the Grants Management System.

More information

- [Flood risk management manual](#)
- [Floodplain management program](#)
- [Grants Management System](#)
- [NSW Flood Recovery and Resilience Grant Program](#)
- [Public positive covenants](#)