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JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL
AND EXTERNAL TERRITORIES

Reference: Redevelopment of the Pierces Creek Settlement in the ACT

WEDNESDAY, 11 AUGUST 2004

CANBERRA

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JOINT COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Wednesday, 11 August 2004

Members: Senator Lightfoot (*Chair*), Senators Crossin, Hogg, Lundy, Scullion and Stott Despoja and Mr Causley, Ms Ellis, Mr Neville, Mr Snowdon, Mr Cameron Thompson and Dr Washer

Senators and members in attendance: Senators Hogg, Lightfoot, Lundy, Scullion and Stott Despoja and Ms Ellis, Mr Snowdon and Dr Washer

Terms of reference for the inquiry:

To inquire into and report on:

The role of the National Capital Authority in determining the extent of redevelopment of the Pierces Creek settlement in the ACT.

WITNESSES

ADAMS, Mr Tony, Consultant, Australian Capital Territory Government..... 1

**HOLLWAY, Mr Sandy, Chair, Shaping Our Territory Working Group, Chief Minister’s
Department, Australian Capital Territory Government..... 1**

MARTIN, Mr Gregory, Consultant, Australian Capital Territory Government 1

**PLOVITS, Ms Jocelyn, Senior Manager, Shaping Our Territory Implementation Group, Chief
Minister’s Department, Australian Capital Territory Government 1**

**TOMLINS, Mr George, Executive Director, Shaping Our Territory Implementation Group,
Chief Minister’s Department, Australian Capital Territory Government 1**

TREBECK, Mr David, Principal Consultant, Australian Capital Territory Government..... 1

Committee met at 12.57 p.m.

HOLLWAY, Mr Sandy, Chair, Shaping Our Territory Working Group, Chief Minister's Department, Australian Capital Territory Government

PLOVITS, Ms Jocelyn, Senior Manager, Shaping Our Territory Implementation Group, Chief Minister's Department, Australian Capital Territory Government

TOMLINS, Mr George, Executive Director, Shaping Our Territory Implementation Group, Chief Minister's Department, Australian Capital Territory Government

ADAMS, Mr Tony, Consultant, Australian Capital Territory Government

MARTIN, Mr Gregory, Consultant, Australian Capital Territory Government

TREBECK, Mr David, Principal Consultant, Australian Capital Territory Government

CHAIRMAN—I declare open this first public meeting of the Joint Standing Committee on the National Capital and External Territories inquiry into the role of the National Capital Authority in relation to the development of Pierces Creek in the ACT. On 4 August 2004 the committee resolved that, as an extension of the review of the annual report of the National Capital Authority for 2002-03—which was tabled in the House of Representatives on 4 November 2003 and stands referred to the committee for inquiry if the committee so wishes—the committee conduct an inquiry and report on the role of the National Capital Authority in determining the extent of the redevelopment of the Pierces Creek settlement in the ACT. A second public hearing involving residents of Pierces Creek and the National Capital Authority will be held on Friday, 13 August 2004. At the conclusion of the inquiry, the committee will report its findings and recommendations to the parliament.

I now turn to the proceedings at hand and call Mr Sandy Hollway and representatives of the ACT government to give evidence. Welcome, lady and gentlemen. Do you have any comments to make on the capacity in which you appear?

Mr Trebeck—Yes. I am a consultant with ACIL Tasman and a consultant to the ACT government on this issue.

Mr Martin—I am also from ACIL Tasman and a consultant to the ACT government on this issue.

Mr Adams—I am from McCann Property and Planning and also a consultant to the ACT government.

CHAIRMAN—Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee then you may request that hearings be held in camera and the committee will consider

your particular request. Before we ask some questions, do you wish to make an opening statement, Mr Hollway?

Mr Hollway—Yes, if I may.

CHAIRMAN—Certainly. However, before you do, I want to tell you that the proceedings will be broadcast throughout Parliament House and are completely open today. Please proceed.

Mr Hollway—In that case, I have completely changed my mind!

CHAIRMAN—It is too late, Mr Hollway!

Mr Hollway—Mr Chairman and members of the committee, thank you very much for the opportunity to talk to you today in this very important inquiry. I would like to say quickly on a personal note that I am grateful to the chairman and the committee for your flexibility in allowing me to speak to you today. I had an unbreakable commitment on Friday and I appreciate your flexibility there. I would like to say on that note also that I have very senior members of our team here today who could be available on Friday or subsequently, should that be useful to you, to provide supporting information or responses to other material that might be put before the committee. So in any way that we can cooperate we will certainly do so.

We have provided today a written submission and supporting documents. What I would like to do is to give a PowerPoint presentation called 'The big picture'. This identifies the crucial issues and explains the ACT government's position. I will attempt to avoid giving excessive detail so that we get the big picture and leave plenty of time for questions.

CHAIRMAN—Mr Hollway, most of us will need to be out of here by about a quarter to two. We have some other business to conduct when you finish. If you could tailor your presentation and your answers to fit that time schedule, I would appreciate it.

Mr Hollway—Thank you, I will. In that spirit, let us dispense with the first slide. I want to say that, in our view and the view of the ACT government, the inquiry is very important and timely. We are dealing here with important human imperatives—namely, the wellbeing of the people affected by the bushfires at the villages. We are also dealing with an issue that provides an opportunity for the ACT—and, if done right, the chance to leave a very positive legacy. It is important and welcome to have this inquiry also because these are urgent issues and there is the chance of the committee helping to resolve a major public policy issue that is presently before us. In this presentation I am going to talk about the ACT government's analysis of the issues and its decisions and about the problems arising from the National Capital Authority's position, give a critique of the NCA position and then reach some conclusions.

A PowerPoint presentation was then given—

Mr Hollway—Before I go any further, I want to say that there is no rancour or animosity vis-a-vis the NCA. But it is no use gilding the lily for the committee—we do have a significant difference on this issue at this point. The location of the villages is set out on that map. I think I need not dwell on that. The key point to note is that we are talking—with the exception of

Stromlo, which is on the edge of Weston—about two villages, Uriarra and Pierces Creek, which are well away from urban and suburban Canberra.

The impact of the bushfires was devastating. The numbers are set out here and in the submission before you. In view of time constraints, I will not elaborate but give you the overall picture. A total of 56 houses were destroyed; 14 houses are still standing across Uriarra, Stromlo, Pierces Creek and other rural areas. The devastation in the villages was extraordinary—just as it was in the urban areas.

The impact on people is shown in this slide. I will again go straight to the bottom line: we have a situation where 10 families are still resident across the villages and in other rural locations. Fifteen were burnt out and are resident elsewhere. The tragedy cannot be measured in statistics alone. As you would know very well, the fire has deeply affected people. The people in these villages fought for their communities. They saved some houses. They saved the Uriarra community centre, the former school. The villages have a long and proud history, going back 60 or more years. The fires fractured these communities. The residents, I am sure, hope that with the ACT government's decision they will be able to return, but frankly, there is now the risk of those hopes being dashed:

As part of the bushfire recovery, the ACT government examined very carefully the issues of devastation from the fires and of reconstruction in not only the rural areas but also the urban areas of the ACT. That went under the label 'Shaping our Territory'. There was a comprehensive study of these non-urban issues which ranged from forestry and protection of the water catchment through the villages to tourism and recreation. It was a thorough, two-stage process.

The reason I wish to mention that is that the first stage involved putting before the public a very comprehensive report with ideas and options. There was an opportunity for public consultation, which was then demonstrably taken into account, including on this issue of villages, in the preparation of the final report. I also need to give the committee the sense that this work was the work of a study team, involving not only officials but expert consultants and a steering committee on which, frankly, I was blessed to have people of the calibre of Peter Konowsky from the Forestry School at the ANU and Ted Evans, former secretary of the Treasury. This was not a bureaucratic in-house policy exercise. The documents on all of this have been provided to the committee.

This work identified very explicitly a number of options in relation to the villages. The first option was to leave the situation as it was after the fires. That simply would have left 10 families in limbo across the villages and permanently fractured communities. The second option was to take an explicit policy decision that there would not be rural villages. Let us not mince words: that would have been a policy of explicit relocation, demolition and removal of the villages. I think that would have been unconscionable in social policy terms, as well as involving unrecoverable costs and losing a tremendous opportunity.

The next option would have been to replace only the destroyed homes. I will not dwell on that. I am going to come back and spend much of the time available to me addressing that issue in relation to Pierces Creek. But the essence of the matter is that, from the outset, that has been seen as deeply problematic because it would involve such significant cost with such poor social

policy outcomes. It would simply represent the creation of permanent public housing enclaves in the bush at less than critical mass and at very significant cost.

The option that was recommended and that was ultimately adopted was for moderate redevelopment of the villages. On 8 December 2003, following this very careful and deliberate process, the ACT government agreed in principle to such a course of action, but it still said: 'We want sustainability studies to bore into these issues in more detail for each of the three villages.' Those sustainability studies were done. We have provided to you the two sustainability studies in relation to Pierces Creek and Uriarra, which is the somewhat related issue. The third village of Stromlo is less relevant to the committee, but if that is needed then of course it will be made available.

I wish to emphasise that these sustainability studies were not precooked to provide analysis to support pre-existing policy positions. They were a genuine effort to probe the issues. There was peer review of the quality of the work by SGS Economics. We were advised by a steering committee of high calibre, by the Shaping Our Territory Working Group and by 15 external experts. I have listed them here because I think it is important for the committee to understand—and that is why I am dwelling on this point—the extraordinary depth of analysis that underlies the decision that I am now coming to. That decision was a decision to proceed.

The ACT government was fully aware that issues about the future of the villages existed before the fires. They were starting to run down. What would be done with them? This was an issue pre-existing the fires. One consequence of the fires was that it compelled the issue to be addressed systemically as it had never been addressed before and it compelled the production of a more substantial body of analytical work on this issue than has ever existed before in the ACT. So in my view it gave an unprecedented firm base for policy decisions. That is the summary of the ACT government's decision to re-create and rebuild the three villages at a slightly higher scale: from 23 to 100 residents at Uriarra; 20 to 40 at Stromlo; and 13 to 50 at Pierces Creek, or an increase from 56 to only—I emphasise only—190 across all three villages.

Sustainability has been the whole intellectual and policy framework on which this has been posited. By sustainability I mean the judgment of the policy options against the triple bottom line or the three criteria of people, place and prosperity: what is the best thing to do in terms of people; what is the best thing to do in terms of the environment; and what is the best thing to do from a financial and economic point of view? Much of the bottom line to this extensive amount of work is summarised in the quote from the Office of Sustainability in the ACT government, which I shall not dwell on. You can read it yourselves, but it says that the sustainability studies demonstrate that this policy is good, sustainable and proper.

Moving very quickly across the three criteria on people, the ACT government's decisions would provide a vibrant social mix—including return to new residents—and a mixture of public and private housing. They would embed improved self-reliant living in the ACT and new concepts of self-governance. There would be, for example, for the first time in the ACT—but not the first time in Australia—the use of community title as a developer of social capital. There would be a community development worker. It would be a community strong in social capital and of course it would provide a choice—which is so important for rural village living—for ACT home owners that has never existed in the territory before.

In view of the time, I am going to flick over the next few slides. Suffice to say, if the committee is interested, I have simply sought to address what the rental costs would be, what the opportunity for returning residents to Housing ACT properties to purchase their homes would be, how we view one or two of the issues raised by rural lessees, which we think are entirely manageable, and, importantly—though I think I will work through this slide quickly—bushfire aspects.

There has been extensive analysis as part of the work I have mentioned of the bushfire mitigation, the susceptibility of villages to bushfire and so on. There has been expert advice—CSIRO has been employed, Conacher Travers and so on. The essence of the position is that, because of an abatement zone around the villages, because of house and village design and because the villages would be a point of firefighting capability for all of the ACT, far from bushfire being an argument against the position of the ACT government, the creation of these villages would be a net plus. As the village residents will say, that is a traditional role they have played for decades in early warning and fighting of bushfires.

In terms of the criterion of place, I want to emphasise that the proposal is not for sprawling rural residential development nor is it for Canberra suburbs displaced into the bush. We are after high-quality, sustainable villages with a special look and feel; innovative design; sustainable infrastructure; innovation in water use, green energy and so on; and low environmental impact—in fact, villages that would not simply be the solution to a problem but a model of sustainability for the rest of the ACT, Australia and, conceivably, the world.

I come now to the important matter of the third criterion, which is to do with the economics of the proposition. The ACT government's proposal is a viable, economic proposition. If all the land were sold to private purchasers it would generate \$24 million. However, the net revenue, if 56 blocks go to Housing ACT at no cost, is only \$6.8 million. Housing ACT would have an asset worth \$14.8 million. The committee can see, I am sure—but we make the point explicit—the basic strategy at work here. That is, any proposition to rebuild the villages only at their pre-existing scale without the capacity to generate revenue through some additional land sale and without the capacity to spread the infrastructure and service costs across a range of dwellings, not just a few, renders the proposition uneconomic. But these numbers the ACT government has decided on render it economic.

I want to emphasise, however, that this is a social policy objective. It is not a property development objective. If it were, I can assure you we would be advocating the sale of more blocks and significantly larger villages than those proposed here. The idea is to cover infrastructure and service costs but at the same time be responsible to the ratepayer and the community with a reasonable net revenue. A reasonable net revenue for what? To cover the costs of the houses themselves, to provide a contingency for uncertainty, which is inevitable in a project of this magnitude, to provide some cost for bushfire abatement and to leave an asset for Housing ACT—the purchases of the houses and the community as a whole. I do not think I need dwell on this slide but it provides for the committee a very useful summary of the planning processes and the formal steps. The key point for this committee is that we need the amendment to rural land use policy for mountains and bushlands for this to proceed at the National Capital Authority level.

On process and timing, we have established a village project control group. We have engaged the land development authority of the ACT, which is a major organisation capable of undertaking this kind of development. Our target dates were to complete the preparatory work by the end of 2005 and have a situation where people are in, in the case of Uriarra, by the end of 2005—correct me if I am wrong—

Ms Plovits— By March 2006.

Mr Hollway—And, in the case of Pierces Creek, they should be in by the end of 2006. The context is bushfire recovery, not business as usual. We believe there is a strong urgency to this.

I come next to the position of the National Capital Authority and a frank description of why it is problematic to us—again, without rancour or animosity but simply as a significant public policy argument. The NCA proposes 75, not 100, houses at Uriarra and no redevelopment at Pierces Creek, just the rebuilding of 12 burnt houses—one survived the fires. There has been no evidence presented by the NCA to support this in social or financial terms. This contrasts with the very comprehensive analysis supporting the ACT proposal, which I have been at pains to emphasise.

In relation to the 100 houses in Uriarra, the proportion of public housing is 23 per cent. That is what the ACT government proposes. Twenty-three per cent is high by the ACT urban standard of 10 per cent and the New South Wales average of five per cent, but at least we would still have a vibrant and viable social mix. The NCA decision of 75 would raise the proportion of public housing to over 30 per cent.

Regarding Pierces Creek, the replacement of 12 burnt houses for a community of 13 houses simply creates a permanent, 100 per cent public housing enclave in the bush, with no possibility of improving the social mix. It risks being an infrastructure and services backwater again, as it was before, instead of a viable, permanent community into the future. It would involve no statutory planning changes to allow legal subdivision and sale to residents. So we would have a permanent, 100 per cent public housing tenanted enclave in the bush. We can get far better social outcomes than that.

Moreover, since Pierces Creek, in our view, cannot proceed at the size of 13, the 13 houses would need to be offered at Uriarra for the people of Pierces Creek in case they still wanted village living. If only 75 houses in total were built at Uriarra, 36 would be public housing, raising the level of public housing to almost half the total houses built. In short, it is very poor social policy for Pierces Creek, it is poor social policy for Uriarra and it will be all the worse if the two NCA propositions are taken together. There is also a poor financial outcome. The impact of the NCA decision seriously undermines the financial viability of the redevelopment at Pierces Creek and also at Uriarra, if Pierces Creek residents are to be offered houses there.

There is a table in the submission that shows the economics. It is up on the screen now. The conclusion to be drawn is that not only would a developer be unlikely to be attracted to undertake the project, there would also be insufficient returns to allow for project contingency in matters such as bushfire abatement. The land development authority has already indicated to us its concern that, if the villages are pared back so much, the proposition probably becomes unviable.

The way to read this chart, Mr Chairman, without going through the detail—and we can elaborate, of course, if you wish to ask questions—is that, on the ACT government proposal, there are net receipts of \$6.8 million, which is already low. If the NCA decision were understood to be Uriarra with 75 houses and Pierces Creek with 13, the net receipts drop to a mere \$1 million. If the NCA decision was understood to be 75 houses at Uriarra and it was impossible to build any at Pierces Creek, we would be down to \$300,000 as the margin.

A Treasury official would rightly read the figures as being even worse. They would look at the bottom line and ask the question—and believe me, they do—‘How does this stack up in terms of opportunity cost, were such a development to be undertaken elsewhere in the ACT where costs are lower, such as Gungahlin?’ What we see on that measure is that, on the ACT government proposals, we are already under by \$4.7 million, but on the NCA scenarios we have calculated that it becomes \$8.7 million and \$8.9 million. I move now to the third and final part of my submission.

CHAIRMAN—Is that going to be very long, Mr Hollway? We have not got much time and I know there are members who wish to ask some questions so that they can form a better opinion at the end of the day.

Mr Hollway—Okay, I shall be very brief. We do not believe, either, that the arguments evinced for the NCA position stack up. The National Capital Plan already allows for developments such as tourism facilities. Pierces Creek would not impinge on nature conservation values. It is a small, consolidated development. It is not visible from the parliamentary zone. The photographs, which we will flick through very quickly, demonstrate that we are talking at most about a pinprick on the horizon—indeed, invisibility—from the various points from which we have photographed Pierces Creek.

It seems to us ironic that 50 houses which are out of sight would be opposed on visual grounds when anything up to 10,000 houses in the Molonglo Valley are being contemplated. It strikes me as ironic that urban and suburban sprawl in Canberra is acceptable but 50 houses at Pierces Creek might be open to question. Pierces Creek is part of the history of the ACT and Australia. It is part of the national capital tradition; it is not an add-on. But it need not be frozen in history and can be rebuilt to meet contemporary needs like ecologically sustainable development.

You may hear the ‘thin end of the wedge’ argument—that if we have these three villages, there might be no reason to prevent more being created. That is a complete furphy. The ACT government, in fairness to it, is proposing no such thing. No ACT government in its right mind would wish to embark on this level of political argument again, other than in the circumstances that have been raised by the bushfires. The statutory processes provide all sorts of checks and balances against a thin end of the wedge, and ultimately the Commonwealth powers can preclude it.

In conclusion, if the planning authorities agree to the redevelopment, it could end forever the uncertainty about the future of the villagers and give people the opportunity to go home. The proposal follows exhaustive analysis of the options, and the proposal stacks up, whereas any other course of action is deeply flawed, socially or financially. The decision not only resolves a problem but provides a major opportunity for the ACT, a choice for the people of the ACT and a living model for best practice sustainability for Australia and maybe even the world. In my view,

the solution is there to be grasped, but we meet today with a real risk of it slipping away. I would urge the committee to support the position that is being put. I apologise for taking so long. Thank you very much for your forbearance.

CHAIRMAN—Thank you, Mr Hollway. It is a very important issue.

Ms ELLIS—I am extremely familiar with these issues. If other members have questions before me, I am comfortable if that is the case.

CHAIRMAN—Could I ask, Mr Hollway—and I will go to someone once they have formulated some questions—how did you arrive at your 100 houses, and what is the cost, say, over a period of 10 or 20 or 25 years? Is there any net value to the ACT in establishing those houses? You mentioned a rental of \$300 per week. Could you give the committee some idea of the cost to the ACT? What years does it break even, for instance? Do you have something like that there? Do you have a model on that basis?

Mr Hollway—We have done a lot of modelling. I might ask in the first instance Mr Trebeck to address some of those issues and then come in if I need to supplement him.

CHAIRMAN—They can be short answers.

Mr Trebeck—First of all, 100 ended up being the option that was picked. There were other options for larger numbers analysed. Ultimately, there is a physical constraint on the size of the area for that village. Once you go much above 100, you are starting to run into problems in that respect.

CHAIRMAN—You run into, say, potential bushfire problems?

Mr Trebeck—Not really, because there is a fire abatement zone built into the west of the village.

CHAIRMAN—Does the option of 100 build up to the perimeters of the fire abatement zone?

Mr Trebeck—It would get close to the zone. We could give you a copy of a more detailed map, which sets that out quite clearly, or we could discuss that off-line with the secretariat.

CHAIRMAN—We would appreciate a copy of that.

Mr Trebeck—One of the reasons why some of the costs of the houses would be higher than those in the suburbs is that they would have a mandatory requirement to have some particular bushfire prevention technology built into them, like stronger flyscreens that will protect from ember attack and that type of thing.

In terms of the overall impact on the ACT government and when it would break-even, essentially we have tried to front-end load all of the costs so that when the blocks are sold—whether they are sold to the private sector or allocated to Housing ACT—all of the relevant costs will be met up front. One of the concerns is that you would get people in there and then they

would start to complain more or they would want to have garbage collection seven times a week or that type of thing. It might start off looking okay, but in time it would slip.

We have been through all those types of issues. Essentially, the extra costs that would occur for residents in the village would be clear, known up front and paid for up front. Beyond that, if you and the secretariat would like more detail, it might be more efficient to do that off-line because it does start to get a bit technical—and I am not across all of the technical aspects myself. Suffice it to say that, within the reports, all of that is set out fairly comprehensively.

CHAIRMAN—In terms of your organisation's proposal for 100 houses as opposed to the NCA's 75—which I think is also the recommendation of this committee in its report—what services would you have to delete if 75 were decided upon as the optimum figure for rebuilding Uriarra? Would there be any services that you could not deliver? For instance, would a bus service not go there if there were only 75 as opposed to 100?

Mr Trebeck—No, I do not think it would be the case that there would be a cliff edge and that, if you fell below that, service X would suddenly drop off. But the cost of providing the services would start to increase, and it would probably increase exponentially as you scaled down the number of houses. From our viewpoint—

CHAIRMAN—When you say 'exponentially', do you mean it would double, redouble and redouble again? Are there certain figures used?

Mr Trebeck—I do not know. It depends on what assumptions. Obviously—

CHAIRMAN—I was just using your term 'exponentially'; that was all.

Mr Trebeck—Yes. In some of these areas you are dealing with a fixed cost component, which is going to be incurred almost regardless of the size of the village and the number of residents. As you reduce the number of residents, that cost will be shared over a smaller number of households. You also have some costs which are in the nature of just a per house cost, so they would stay more or less constant.

The meeting of bus costs, water provision and garbage and so on will start to increase if the size of the village is reduced. The way we would look at it—and this comes back to the main point that Mr Hollway made—is that, in the analysis that was done for his working group, all of the assumptions were set out pretty comprehensively and the logic that got us to the position that we recommended was clear. We have not seen that in terms of any of the information from the NCA. If we had more of that information from them, we could get to grips with it ourselves and understand where they are coming from and why, as opposed to just knowing what their asserted position is.

CHAIRMAN—Have you established the type of home that the planning authority will allow to be built at Pierces Creek? Is it going to be brick veneer, solid brick, timber framed or a mix of all those things? Have you put a dollar figure on them? Are you going to allow a one-bedroom with kitchen and lounge, for instance, to be built out of weatherboard? Are you going to say, 'You can build what you want but this is the minimum square metres that you are allowed to build, and we want it to be in the vicinity of \$150,000, \$200,000 or \$250,000 per house'?

Mr Hollway—I will ask Tony Adams to respond to that, but let me just say that a tremendous amount of importance is attached to tight and firm design parameters for these houses. None of us would be comfortable with any situation where it was other than quite clearly specified going forward in the development. If I may, I will ask Tony to add to that.

Mr Adams—We consider that the housing typology is crucial to creating the appropriate look and feel of a rural village in the future. Therefore, through the development process, there will be quite stringent design controls. That is very achievable in the ACT under the leasehold system—perhaps more so than elsewhere. What we have not done is specify to the last colour and last nail what those design controls are at this stage. We are looking for that to emerge from a competition process, which actually gets the best design, rather than us nailing it down to the last item at this level.

On pages 83 to 85 of the report that has had been prepared on Pierces Creek, we have included some diagrams of house typology. Included on our study team when we prepared this work was Ric Butt from Strine Design, an architect who has won a number of awards, specifically for rural housing and specifically for housing in bushfire-prone areas. There are a number of comments that have been made in the report on the types of design outcomes that we will be looking for in terms of the housing. They include things like pitched metal roofs, solid fencing—there are fire related issues for that—small-scale articulated house forms, pavilion house forms, informal layouts and elevations, verandas and pergolas—I will not go through them all—and breezeways. They are the sorts of housing typology that you would see in an Australian rural landscape. We have not actually said that every house has to have a pergola, because that would not give a good outcome. But we will be looking for a process, which will be tied to the land sale, that will achieve the spectrum of outcomes that we have discussed in here. It is a fairly clear outcome that is being looked for. I know that it is achievable.

With regard to the pricing of the houses, estimates of housing costs are in here. We have particularly addressed that because some of this housing is going to be for ACT Housing. The remaining houses and the ones that were burnt out were three-bedroom, one-bathroom modest cottages. We will be looking at those to be recreated, but some of that housing will be bought by its owners. They may enlarge them over time. The private housing that will be built will probably be to a larger scale, but having a consistent design typology means that it will look like a reasonably consistent village with the same sorts of design—not a brick mansion with columns and lions at one end of the street and a weatherboard cottage at the other. I do not like uniformity and we do not want uniformity but we will achieve a village typology through the range of sizing and pricing. That is very achievable with the systems that are applied every day in the ACT with housing control.

CHAIRMAN—Has there been any consideration given to replicating the former building superstructures that were there one way or another or a complete replication of those? Are you encouraging people who rebuild there to consider what was there before in terms of not just its microaspect but the architectural or aesthetic appeal, considering it was part of the landscape for 60 years?

Mr Adams—One of the elements of the work was a heritage assessment of the site. The heritage recommendation is that the road pattern and the remaining buildings be retained because they are now very much part of the ACT's heritage. With the housing typologies we are

talking about, we want to build and reflect on what is there. We do not want to contrast with it. We do not want to clash with it. As a design person I would resist building modern replicas of that style. It does not usually give you a good outcome—mock-Tudor or whatever or the Australian vernacular version of that. There is a photograph here of a modern house that has a relatively similar look and feel. They will sit well together. The houses that remain in Uriarra are scattered around the village. They are not all in one area, so they will be mixed and matched. There is only one remaining at Pierces Creek. It is quite a magnificent looking cottage. I would expect that we would look to build on those themes rather than replicate.

Ms ELLIS—Thank you very much for the presentation today. I think it has given my colleagues on the committee and me a great understanding of the work that is being undertaken. I have a couple of points. First of all, there is the bushfire side of the story. I think it has been discussed broadly around the community—and I am not sure to what degree the NCA subscribes to this—that you cannot really rebuild out there because of the possibility of bushfire again, when in actual fact for 60 or more years those villages have been there despite bushfires. I would venture the opinion that they have actually assisted over those 60-odd years in abatement of fires coming into Canberra because they had active fire units. Could you elaborate or comment on that and on how you see the re-establishment of those villages picking up that role again?

Mr Tomlins—There are a number of points. Conacher Travers and CSIRO expert Justin Leonard have been involved in the formulation of these principles. They are happy with the rebuilding of the villages along these lines. We are also putting in a rural fire service and increasing the size of the villages, which will ensure that the rural fire service will be staffed by volunteers. That provides an early warning system for any fire outbreaks such as the disastrous January 2003 fires, which were started by lightning strikes and a dry thunderstorm, and of course early attack and suppression. That will certainly help.

The villages have ample abatement zones with the fire service and the new technology that will allow foam to be laid around the villages. In those firebreaks, they will be much safer than they have been over the previous 70 years. There are a number of benefits to the villagers and the entire Canberra community in the structures that have been established. There is an added cost going into the villages that was not there in their initial format in terms of those rural fire services, but it will help not only the villages but the whole area.

Ms ELLIS—Mr Hollway, the process that the ACT government, through your committee, has undertaken in examining the future of these villages has been a very long, detailed and careful process. It has not been done in secret—and I am making a point by saying that. It is true to say that some members of the villages, some members of the community and some members of your own organisation here today may have started off on that journey with a slightly different view of the potential for the re-establishment of the villages as to where the whole process has ended. To what degree did the NCA participate? It does not need to be invited; it is a freethinking authority. Did it take part in any way in that process? Did it submit? Did it participate in the way every other section of the Canberra community has in the determination of the future of the villages or did it become involved only when the conclusions were drawn?

Mr Hollway—If I may, I will divide my response into two parts. I will ask Mr Tomlins to respond on the second and harder part, because it goes to a recollection of when—at what points—the NCA was involved in our processes. But I would like to respond to the first part of

your question very quickly. Your point about the journey is absolutely relevant. When I took on this work and I heard about the village issue, I frequently heard the view that the villages were, for want of a better phrase, running down anyway. The service delivery to them had become increasingly fraught and difficult. Whether they were viable communities was an open question. It had been very hard for the government of the ACT to deal with these issues in the past. Previous studies had been done, but no conclusion had been reached. There was a view that, the fires having wreaked such carnage, really we should be looking in some form at not rebuilding and at either deliberate or other decline.

I went into meetings myself, not only with experts but, most movingly, with the bushfire-affected residents, and these were some of the preconceptions that I personally took into those discussions. I raised issues, such as, 'How can we build back? Infrastructure costs are high. Service delivery is very difficult. Would you not be happy or at least content with housing elsewhere in the ACT? Is that not a legitimate position for an ACT government to take?' and so on. We worked through community meetings—meetings that I was at—and all of those points were very well handled by the residents, in terms of not just the human emotions we would all have towards somebody affected by fire but the quality of the response.

I will not dwell on it, Mr Chairman, because we have limited time, but I will just take the issue raised by you and answered by Mr Tomlins earlier on bushfires. In response to any suggestion that the villages would be prone to fire and at risk of fire and ought not to be rebuilt for that reason, the villagers made very good arguments about how in fact it is a net plus to have them out there, not a net minus. That is just an example.

The reason I am here today strongly advocating this position is a year's worth of deep contemplation and analysis of the policy options by somebody who has come on a personal journey from a position that was different, to one of which I am persuaded completely now. I have often said in my reflection on my life in the public service that, for governments, the choices are never between good and bad policy—that would be easy. The choices are actually between a set of good options but with limited resources or sometimes, when you are in a difficult position, bad options, and the question is which is the least bad. I am very close to saying, however, that this is one of the very few instances in my experience where the choice is between good and bad policy.

I am sorry, Mr Tomlins; I did not leave you much time. Just quickly, on the NCA, our analysis here of the NCA is utterly without rancour; it is just an issue that needs to be frankly discussed.

Mr Tomlins—In the first two studies you have—the *Shaping our territory* draft and final versions—the NCA were in the team. There were 13 on that steering committee. The NCA participated in that. They asked for the sustainability studies, which were done, and we invited them to be involved in that. They indicated in broad terms—and I might have it wrong—that they wished to wait until the study was completed. We have met with the staff of the NCA, and I think the villagers and rural lessees have met with the staff. I am not sure who has been to the board; I know we have not.

I guess one thing that they have missed out on by not being in the sustainability studies has been seeing the condition and having intimate knowledge of the village residents. While most of the Canberra urban people have been able to go home, the village residents have not, and some

of them have taken it quite hard. There is one person living in Ballina, ringing up all the time and asking, 'When are you going to rebuild the house?' There is one in Tarago and a couple living in shearing sheds because they do not want to live in the urban areas.

Ms ELLIS—Mr Tomlins, did you just say that the NCA were participants in the non-urban study?

Mr Tomlins—In the shaping of the first one, yes. Not the sustainability one.

Ms ELLIS—Yes. But it was their decision not to be in the sustainability study.

Mr Tomlins—In broad terms, yes.

Mr SNOWDON—The ACT government is going to an election later this year. For the purpose of this exercise, is it likely or possible that this could be an election issue? I do not expect you to say yes or no.

Mr Hollway—I was not going to make that point. Since my former role, I am happier to talk about political matters. The point I was going to make was a different one—namely, that I genuinely would not be good at weighing up the extent to which this will be a divisive political issue in the ACT, but I think it is going to be an issue of public debate. There is no doubt about that. I am not sure if it is a partisan issue in the ACT.

Mr SNOWDON—I appreciate that.

Mr Hollway—I suspect it might not be.

Mr SNOWDON—I certainly hope it is not. My point in raising that is that the ACT government is an elected government, elected to make decisions on behalf of the people of the ACT. The ACT was given self-government by this parliament against the wishes of the ACT. I was born here. I know Pierces Creek, Uriarra and all those little timber places. I have to say, Mr Chairman, that I would be very concerned if this committee took a decision which did not support the ACT government's position.

CHAIRMAN—Thank you, Mr Snowdon. I thank all witness for their appearance here today. Will you have someone here on Friday morning?

Mr Hollway—Yes.

CHAIRMAN—Good. There may be some point that needs to be amplified or clarified or a more definitive answer given and we may be able to call on someone then.

Mr Hollway—We certainly will, and in that and in any other respect where we can help, we will do so. Thank you again for your flexibility, for having us here today and for giving us so much time.

CHAIRMAN—It is a pleasure.

Ms ELLIS—I move that the committee accepts the submissions from the witnesses.

CHAIRMAN—There being no objection, the motion is carried.

Committee adjourned at 1.53 p.m.