SUBMISSION TO THE JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

INQUIRY ON THE ROLE OF THE NATIONAL CAPITAL AUTHORITY IN DETERMINING THE EXTENT OF THE REDEVELOPMENT OF THE PIERCES CREEK SETTLEMENT IN THE ACT



ACT GOVERNMENT

SUMMARY

As announced by the ACT Government, Pierces Creek Settlement should be redeveloped as a world-class sustainable village with 50 houses.

The ACT Government has conducted a comprehensive investigation, consultation process and analysis of the proposal to redevelop the villages of Uriarra Village, Stromlo Settlement and Pierces Creek Settlement and has developed a solid body of evidence to support the proposal to redevelop all three villages. This evidence, as it relates to Pierces Creek and Uriarra, is contained in the attachments to this submission. The attachments include:

- Shaping Our Territory Final Report: Opportunities for Non-Urban ACT (November 2003)
- Pierces Creek Settlement Sustainability Study (May 2004)
- Uriarra Village Sustainability Study (May 2004)
- Media Release by Chief Minister (June 2004)
- Copy of Briefing to Legislative Assembly Members (June 2004)

Like all the villages, Pierces Creek Settlement has a history of over 80 years and is an integral part of the history of the Australian Capital Territory.

Redevelopment following the bushfire disaster presents the opportunity to build sustainable villages with a secure future.

It is a goal of the bushfire recovery process to enable the residents who lost their homes to return to Pierces Creek, knowing they have a secure future. This can be achieved through the completion of the statutory planning processes that enable a vibrant and high quality village, on a small but adequate scale and with a healthy mix of housing types including enabling legal home ownership.

To achieve the secure future the first statutory planning process required is an amendment to the National Capital Plan to change the current land use policy from "Mountains and Bushlands" to "Rural". A "Rural" land use policy at Pierces Creek enables residential development to be approved through a Development Control Plan which must be approved by the National Capital Authority.

The ACT Government requested the National Capital Authority to propose an amendment to the National Capital Plan to enable the redevelopment of Pierces Creek on 25 June 2004. On 1 July 2004 the National Capital Authority announced it would not support the request.

The National Capital Authority proposition that only 13 public housing tenanted homes be rebuilt at Pierces Creek represents very poor social policy, is financially highly problematic and undermines a carefully constructed comprehensive solution to the needs of all three villages.

The ACT Government seeks a recommendation that the National Capital Authority agree to propose an amendment to the National Capital Plan to enable the redevelopment of Pierces Creek on the basis which has been proposed after a year of thorough analysis, consultation and consideration of the policy options.

There is no compelling reason why this should not be approved – and every reason why it should, in order to help the residents to go home to a community which can enjoy a confident future.

INTRODUCTION

The ACT Government welcomes the opportunity to make a submission to the Inquiry into the role of the National Capital Authority in determining the extent of redevelopment of the Pierces Creek Settlement in the Australian Capital Territory.

In announcing the proposal to redevelop Pierces Creek the ACT Government has two goals:

- to return the residents displaced by losing their homes in the devastating fires of January 2003, and
- to create a sustainable settlement into the future.

In making this submission the ACT Government is seeking a genuine and early resolution to what has become an unnecessarily complex and potentially protracted problem, which is adding to the burden already being borne by fire-affected residents.

BACKGROUND

On 18 January 2003 the three rural villages were largely destroyed in the same bushfire disaster that affected over 400 houses in urban Canberra.

The villages of Stromlo, Uriarra and Pierces Creek had been forestry settlements from the 1920s until the 1980s, with job-tied housing for forestry workers. In the 1980s, with modernisation of forestry methods, the houses with their sitting tenants were handed to Housing ACT. Since the houses were on land designated as 'plantation forestry' they were on land that had never been able to be subdivided as residential land and the tenants were not able to apply to purchase their houses.

These settlements have a history of 80 years and in that time have developed their own spirit, their own place in the broader community and are an integral part of the history of the Australian Capital Territory.

1. The Devastating Impact of the Fires

At the time of the fires over 60 families were living in forestry-related housing managed by Housing ACT. The relevant numbers for each site are shown in the following table:

| Impact of the 2003 Fires on Houses | | | | | | |
|------------------------------------|------------------|-----------------------|--|--|--|--|
| Site | Houses Destroyed | Houses Still Standing | | | | |
| Uriarra | 16 | 7 * | | | | |
| Stromlo | 17 | 3 | | | | |
| Pierces Creek | 13 | 1 | | | | |
| Other Rural Sites: | · | • | | | | |
| Cotter - Casuarina | 4 | 1 | | | | |
| Kirkpatrick St, Weston | 4 | 1 | | | | |
| Mt Stromlo - Uriarra Crossing | 2 | 1 | | | | |
| TOTALS | 56 | 14 | | | | |

*One of these houses is condemned.

The fires destroyed 46 houses in the three villages and 10 in other rural locations, but the effect of the disaster must also be considered in human terms.

This was a profound human and community tragedy.

| Impact of the 2003 Fires on Families | | | | | |
|--------------------------------------|--------------------------------|----------------------------|--|--|--|
| Site | Families resident elsewhere | Families still resident | | | |
| Uriarra | 15 | 6 | | | |
| Stromlo | 16 | 3 | | | |
| Pierces Creek | 12 | 1 | | | |
| Other rural sites: | | | | | |
| Cotter - Casuarina | 1 | 0 | | | |
| Kirkpatrick St, Weston | 4 | 0 | | | |
| Mt Stromlo - Uriarra Crossing | 2 | 0 | | | |
| TOTALS | 50 | 10 | | | |

The families fought for the community, some houses were saved as were some facilities like the community center (former school) in Uriarra. But the fires fractured these long standing communities and left the people, who were the victims of the fires, uncertain, dispossessed and wanting to go home. This is what drives the urgency of addressing the redevelopment of the villages.

2. Policy and Coordination Process

Following the devastation of the 2003 bushfires the ACT Government set up special machinery to drive and coordinate all aspects of the recovery extending from human services to physical rebuilding. By mid 2003, as part of this process, the Government appointed a well-informed and influential Steering Committee and Study Team to develop an integrated and coherent policy and an action plan for the recovery of the non-urban areas. The Steering Committee was chaired by Mr Hollway and the membership is outlined in <u>Attachment 1</u>.

The Committee focused on fire abatement, water quality and a range of community recovery issues including, importantly, the return of the fire-affected residents of the ACT's rural villages. In effect, the bushfires compelled the ACT Government and community to formulate a policy on rural villages.

The Committee released a draft policy in its first report, which was publicly released on 12 August 2003, widely distributed and subjected to extensive consultation. This first report, *Shaping Our Territory: Options and Opportunities for Non-Urban ACT*, outlined five options for addressing the post-fire future of the villages:

- 1. demolish the villages;
- 2. rebuild and retain villages as they were;
- 3. sell sites for an alternative (non-residential) form of development;
- 4. expand the villages to a moderate degree ('small village'); or
- 5. expand the villages to a significant degree ('large' village).

The report also canvassed options for additional rural villages in the areas of the Cotter, Tidbinbilla and Williamstown, and for rural residential development at Ingledene.

The public consultation that followed is documented, and its outcomes are detailed, in the Non-Urban Study's final report, *Shaping Our Territory, Final Report: Opportunities for Non-urban ACT*, which was released 4 November 2003. This Report is <u>Attachment 2</u>.

Many people and organizations that made submissions to the Study Team on the subject of rural villages which expressed strong views either for or against villages. Some people saw then as 'suburbanisation' of the rural areas, or the 'thin edge of the wedge'. Others welcomed the idea. They saw the villages as offering a new and attractive lifestyle option for Canberra residents similar to that available now at Hall and Tharwa. Most people who were in favour of the villages were particularly concerned that the residents of Uriarra, Stromlo and Pierces Creek should have the opportunity to go home.

The National Capital Authority stated the consideration of the rural villages must be supported by a detailed planning study based on sustainability objectives and economic viability.

The Study Team considered the comments received (be they full written submissions, feedback forms, or comments provided at community or individual meetings), sought further expert advice and, where relevant, followed-up issues with stakeholders, and formulated the final policy on this basis.

The recommendations in the final Report reflected the consultation. Whilst key matters such as: enabling the residents to go home; the redevelopment of Uriarra, Stromlo and Pierces Creek to a moderate degree; sustainable development; and high quality innovation and design for the housing and village layout were included, the final Report did not recommend pursuing other proposals such as larger scale villages or additional villages such as at Williamsdale, Cotter and Tidbinbilla or rural residential development at Ingledene.

The final Report was based on sound policy and consultation processes about the restoration and rehabilitation of non-urban ACT. The Report recommended that the villages be redeveloped at slightly larger sizes, providing genuinely sustainable communities into the future, and to meet financial goals for the redevelopment. This recommendation was accepted in-principle and the Government asked that more detailed sustainability studies be completed.

The three sustainability studies (one for each village) were presented to the Government in May 2004. The studies were developed by experts, in consultation with government agencies and other stakeholders. This work was oversighted by the Shaping Our Territory Working Group which is chaired by Mr Hollway. <u>Attachment 3</u> provides the membership of the Group appointed by the ACT Government to implement the next stage of the bushfire recovery in the non-urban areas. Also included in <u>Attachment 3</u> is the list of experts who provided information and analysis for the sustainability studies.

The sustainability studies found the only viable solution was to proceed to redevelop the villages.

3. ACT Government Decision

After careful consideration of the options and recommendations outlined in the sustainability studies, on 3 June 2004 the Chief Minister announced the Government's decision to proceed to redevelop all three sites so that the residents could return and so that the villages would be sustainable into the future.

This decision was not a hasty judgment. It was based on a very solid body of research work and extensive advice from experts. In summary, in relation to the number of houses, the decision announced the development of sustainable villages with 100 houses at Uriarra, 40 houses at Stromlo and 50 houses at Pierces Creek. Proportions of these numbers were allocated to Housing ACT to ensure the residents could return. Of particular interest to this Inquiry are the *Pierces Creek Settlement Sustainability Study* (at <u>Attachment 4</u>) and the *Uriarra Village Sustainability Study* (at <u>Attachment 4</u>). The conclusions and recommendations in the studies are to be found on page 147 and page 151 respectively.

4. Sustainability

The ACT Government has developed a sustainability policy – *People Place and Prosperity: A Policy for Sustainability in the ACT* (March 2003). In the policy 'sustainability' is defined in terms of three interdependent elements: People (social sustainability), Place (environmental sustainability) and Prosperity (financial and economic sustainability).

This concept of sustainability provides an integrated approach to protect and enhance the qualities the ACT community values most about the ACT: the well-being of our citizens; the capacity of our economy and institutions to support our community; the breadth and health of our natural environment and the benefits it provides; and our role as the national capital. The ACT Government policy was developed to ensure that sustainability was incorporated into the decision-making processes and that it could be applied so that the ACT could become a leader in sustainability and positively influence the broad community to adopt sustainable practices.

Each sustainability study for the villages developed a matrix to address the sustainability principles and applied them in the particular setting of each village. This process assisted in determining many features including promoting the social capital that had been built up in these locations for 80 years, preserving both the Aboriginal and European heritage and utilising concepts such as community title to encourage social interaction on matters of importance to the villagers. This includes maintenance of public areas and common infrastructure and participation in the bushfire brigade, strategies to promote an improved social mix, strategies to promote bushfire management and prevention, strategies to promote conservation and strategies for improved self-reliance into the future.

5. Social Sustainability

The literature on this subject, and referred to in the sustainability studies, discusses social sustainability in terms of social capital. The main features of social sustainability proposed are:

- A vibrant social mix including returned and new residents.
- Robust spirit and enriched social capital.
- Mix of public and private housing.
- Subsidised rents where eligible for public housing.
- Ability to apply to purchase the house for public tenants.
- Improved self-reliant living in the ACT.
- New concepts for self-governance.
- Participation in volunteer bushfire brigade.
- Community development worker.
- Provision of a flexible choice of rural/urban options for ACT homeowners which has never existed before.

The concept of social capital is a useful measure of the level of social sustainability within a community. Social capital is high when individuals have strong personal connections through networks within their community. This leads to high levels of perceived personal security, self-reliance and the capacity to trust and rely on friends and neighbours. Such communities are characterised by a "can do" and "self help" approach to the management of community affairs. Social capital was found to exist in abundance in each village.

Community and individuals' aspirations in achieving goals, solving practical problems and meeting day to day needs are more likely to be met from within the community rather than by a reliance on outside assistance. High levels of social capital therefore, can translate directly into lower levels of reliance on Government services such as welfare, police and health.

Since social capital was found to have been already in existence in Uriarra, Pierces Creek and Stromlo, the planning for the redevelopment of the villages deliberately fostered social capital. This included a proposal to implement a mix of housing types and a mix of families across the socio-economic spectrum.

6. Environmental Sustainability

As stated in the *Shaping Our Territory Final Report*, "The concept of the rural villages is not a transfer of a Canberra suburb to a rural locality. Villages must have their own sense of purpose, point of difference or identity contributing to the strong community character. New or rebuilt villages should be excellent in design and architecture. They should be built taking into account principles of sustainability, with innovations in matters such as solar power, waste disposal and recycling, and water supply" (p. xvii).

The Report went on to state "The design and nature of new or rebuilt villages must be excellent in terms of being in harmony with the landscape and innovative in demonstrating the principles of sustainability, including social character and minimal environmental impact" (p. 113).

The sustainability studies contain detailed analysis of all the issues raised in the Report and in terms of environmental sustainability, the main features to be implemented are:

- The special look and feel and spirit of the village.
- Reliance on 'green energy" such as through a mini-hydro on Corin Dam and the use of solar energy.
- The goal of reducing reliance on mains water by up to 80 per cent through:
 - o Efficient rainwater harvesting for potable water
 - o Recycled grey water on-site
 - Reduction in black water to on-site processing
 - Storm water 'recycled' through water sensitive swale design.
- Innovative house and village design.
- Sound strategies for bushfire prevention and management.
- Broadband connections.
- Initiatives like car-pooling.
- Promotion of conservation measures in landscape management.
- Protection of significant trees and threatened fish in nearby waterways.
- Control of weeds and domestic animals.

Whilst the studies establish there already exist viable solutions for these goals, the Expression of Interest and tender process will be used to elicit the best possible specific sustainability solutions.

7. Financial Sustainability

Equally as important for the sustainability of the villages has been the development of concept plans and infrastructure models to demonstrate that the redevelopment of the villages is viable in financial terms. These models and their analyses can be examined in detail in the sustainability studies. In total, across the three villages, the redevelopment project was found to be viable given consideration of the asset acquired by Housing ACT.

The main features of the redevelopment of the three villages are:

- The project is a viable economic proposition.
- Net revenue of \$ 9.2 million (given that Housing ACT has the right to reoccupy 56 blocks which have to be serviced).
- Housing ACT will have an asset worth \$14.8 m.

This is a reasonable economic outcome which does not seek only to maximise financial return. It provides a balance for the social objectives and it covers infrastructure and service costs. This approach is responsible to the ratepayer and the community with reasonable net revenue to cover the cost of the houses themselves and wider costs such as contingency for uncertainty and bushfire management.

8. National Capital Plan Processes

To give life to the ACT Government's decision to redevelop the villages, the initial step is to complete the statutory planning arrangements, including amendments required for the National Capital Plan and variations to the Territory Plan and so enable the leasing and subdivision that is essential for residential development. Amendments to the National Capital Plan are required first as they inform variations to the Territory Plan.

In 1992 the residents of Uriarra commenced a process of seeking that the statutory planning be completed so that house purchase was possible. This has been facilitated by the NCA in recent years and has given a 'head start' to the planning changes that are now required for Uriarra. With Minister Lloyd's approval for Draft Amendment 34 to be tabled in Federal Parliament, another important step has been taken towards completion of the statutory arrangements under the National Capital Plan. It is to be hoped it is progressed quickly through the Parliamentary processes.

Whilst the planning change has taken a considerable time, the passage of time was not such an issue for Uriarra residents because at least they were living in the location where they wanted their village to be.

With the bushfire tragedy the residents from Pierces Creek have a number of problems to address including not being able to live where they want their village to be. It is untenable on compassionate grounds for these residents to be asked to go through similar long periods as has applied to progressing the Uriarra redevelopment.

9. Timing and Process

In announcing the redevelopment of the villages the ACT Government also announced goals for the return of the residents. It was considered that if all the planning processes went smoothly, and all construction processes proceeded according to plan, Uriarra and Stromlo could be completed by March 2006 and Pierces Creek by end 2006.

A process has been established to accomplish this including:

 The Village Project Control Group – this Group is already working hard to get the residents home as soon as possible.

- The ACT's Land Development Authority has a substantial role, as it is the only body within government which can take on a project of this scale. It charter ensures that matters such as the viability of the project and financial reporting are addressed.
- The formal planning processes have commenced as is documented in the following table:

| | Planning Summary | | | | | |
|---------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| | National Capital Plan | Territory Plan | | | | |
| Stromlo | Already "Urban" land use policy – no change required | Variation required to change land us from "plantation forestry" to "Residential" with defined land provisions. Public consultation commenced | | | | |
| | | 19 June 2004 and closed 9 July 2004. | | | | |
| Uriarra | Draft Amendment 34 to amend from "Mountain and Bushland" land use policy to "Rural". | Variation to change from "Plantation Forestry" to "Rural" with an overlay which includes "residential". | | | | |
| | DA 34 has been tabled in Federal Parliament. | Public consultation commenced 19 June 2004 and closed 9 July 2004. | | | | |
| | Development Control Plan is being drafted. | | | | | |
| Pierces Creek | Draft amendment needed to amend from "Mountain and Bushland" land use policy to "Rural". | Will require variation to change from "Plantation Forestry" to "Rural" with an overlay which includes "residential". | | | | |
| | NCA decision will not allow this to progress. | Cannot progress until draft amendment commences for the National Capital Plan. | | | | |

NATIONAL CAPITAL OPEN SPACE SYSTEM ISSUES

In responding to the ACT Government's request to propose a Draft Amendment to the National Capital Plan to enable the site at Pierces Creek to be redeveloped for a settlement of 50 houses, the National Capital Authority stated:

The Authority's view is that there should be no residential villages in the National Capital Open Space System or in the Rural Areas in the ACT. However, the authority does recognise the pre-existing residential use in the Stromlo, Uriarra and Pierces Creek settlements.... The Authority considered that the construction of a rural village and Pierces Creek would further erode the values and qualities of that part of the National Capital Open Space System. For these reasons the authority has decided not to propose a draft amendment to the National Capital Plan to exercise the area at Pierces Creek from the National Capital Open Space System. This negative view is very disappointing against the background of the very thorough work that has been done and it is not soundly based.

The principle for "Mountains and Bushland" outlined at 8.7.2 of the National Capital Plan is as follows:

The Mountain and Bushland area is to be maintained as an important visual backdrop to the National Capital; to protect both its nature conservation values and Canberra's existing and future water supply and to develop appropriate National Capital and tourist uses, particularly in the Tidbinbilla/Paddy's River area.

Tourist facilities, overnight camping, special development, scientific establishments and dwellings required for the operations of any approved use are permitted uses in mountains and bushlands.

Pierces Creek lies outside the water catchment area and development at Pierces Creek would not impinge on nature conservation values because the area was formerly pine forest with some isolated eucalyptus. It fact its redevelopment proposes landscaping and community education which will promote wildlife conservation.

Other issues relating to the National Open Space System require more detailed consideration. Firstly, Pierces Creek is not visible from the Parliamentary Zone. Since it is about 20 kilometres away from central Canberra, it is barely a speck when viewed from such outlooks as Black Mountain Tower. As it lies in a secluded valley it is not even visible from Tourist Drive 5 as it passes very close by Pierces Creek. It is an irony that 50 virtually out of sight rural village dwellings would be opposed on visual grounds when the ACT and National Capital planning authorities are undertaking a joint study into the feasibility of locating more than 10,000 houses between the Parliamentary Zone and the villages.

Secondly, Pierces Creek, as a forestry village, is part of the history of Canberra and the history of Australia. The forests in the ACT were established to address major soil erosion problems caused by rabbit infestations and overstocking. The villages were established as part of this initiative to provide housing for forestry workers.

Thirdly, the village represents consolidated development with minimal impact on the environment. While the blocks are larger than comparative blocks in urban areas, the village is not a rural residential development with, say, 40-acre blocks.

Fourthly, the villages as proposed will be able to protect the National Capital Open Space System. Bushfire services are planned in each village and will be staffed by volunteers from the villages. They will be able to provide both early warning of the outbreak of a fire on the western edge of Canberra and also because of their location, early attack on, and response to, any fire outbreak.

Given these considerations and the fact that the National Capital Authority has agreed to the Uriarra Village, that there are also villages in the ACT at Hall and Tharwa and that it is totally consistent with the rest of Australia to have villages in the hinterland of cities, a village of 50 houses in a secluded location at Pierces Creek seems entirely appropriate and in keeping with the National Capital Open Space System.

NATIONAL CAPITAL AUTHORITY DECISION

On 1 July 2004 the NCA announced two decisions both of which have wide ramifications:

- 75 houses at Uriarra Village would be approved instead of the 100 proposed by the ACT.
- No support for an amendment under the National Capital Plan to enable the redevelopment of Pierces Creek Settlement, however the NCA would allow the 13 burnt houses at Pierces Creek Settlement to be rebuilt.

NCA Decision – 13 Houses at Pierces Creek

It is entirely understandable that the overriding desire of the residents of Pierces Creek is to have their houses rebuilt and to go home. It is also entirely understandable that the ACT Government should wish to do so on a basis which represents sound public policy in all three facets of sustainability – social, economic and environmental. The NCA approach does not represent such an option.

From the social policy point of view:

- Simply rebuilding the 13 houses at Pierces Creek amounts to establishing a public housing enclave in the bush. This is a radical departure from the vision of a diverse community, still small but at critical mass and able to look forward to confident future.
- History suggests it would tend to become a backwater in terms of provision of infrastructure and services, with maintenance (at high per-capita cost) sliding and decline over time. Indeed one of the most advantageous opportunities coming out of the tragedy of the fires is the chance to correct the decline of all the villages and rebuild on a scale which provides certainty of their permanence and gives them real standing in the total ACT community.
- The 13 houses would still not have the statutory changes in place to allow legal subdivision and the possibility of sale to tenants and owners, and the tenants themselves could not even, if they wished, buy their homes. It is a recipe for permanent tenancy.

From the economic point of view, the detailed Table at pages 109 and 110 of the *Pierces Creek Sustainability Study* shows that, under the ACT Government's policy, redevelopment of a property sustainable high quality village of 50 homes (of which 13 would be public housing) can be achieved with a sound and responsible buffer in net receipts of \$4.3m.

In considering how this outcome falls away if the number of houses is reduced to 13, two scenarios arising from the NCA decisions must be considered:

- 1) 75 at Uriarra and 13 at Pierces Creek
- 2) 75 at Uriarra, of which up to 13 extra public houses would be provided as homes for the Pierces Creek residents should they wish to continue in a rural village. The ACT Government would wish to make such an offer to the residents if the NCA remained adamant that it would only agree to 13 houses at Pierces Creek and the Government felt unable to proceed with such an unsustainable proposition.

It should be noted in passing that 75 rather than 100 houses at Uriarra is certainly suboptimal in social and economic terms, and it is to be hoped that constructive discussion will continue with the NCA on this matter as an important one its own right.

| Estimated Fiscal Impacts of Village Redevelopment | | | | | | | | |
|---------------------------------------------------|-------------------------|---------|------------------|-------------------|------------------------------|------------------------------|--|--|
| Item | ACT Government Decision | | | Total ACT Govt | NCA Decision Version 1 | NCA Decision Version 2 | | |
| Site | Stromlo | Uriarra | Pierces Creek | | U = 75 $PC = 13$ $S = 40$ | U = 75 $PC = 0$ $S = 40$ | | |
| Total No of blocks | 40 | 100 | 50 | 190 | 128 | 115 | | |
| No of blocks to Housing ACT | 20 | 23 | 13 | 56 | 56 | 56 | | |
| Net receipts from land development | \$2.1m | \$2.8m | \$1.9m | \$6.8m | \$1.0m | \$0.3m | | |
| Net fiscal impact | \$(3.9)m | \$0.8m | \$(1.6)m | \$(4.7)m | \$(8.7)m | \$(8.9)m | | |

The two scenarios are summarised in the following table:

Notes:

- 1. Receipts from land sales less development costs for all blocks including Housing ACT blocks.
- 2. Net fiscal impact: village development compared to suburban development.
- 3. Figures in brackets () are a cost.

The table also shows that compared to the "alternatives" of developing elsewhere in the ACT where land values are higher the costs are \$8.7m if NCA Version 1 were to proceed and \$8.9m if NCA Version 2 were to proceed. This imposes real and significant costs on the ACT community and does not achieve the goals for sustainability that are being sought.

The above analysis shows that from the developer's perspective the net receipts are reduced under each of the NCA Versions to the extent that there is a real possibility that the project will not be able to attract a developer.

CONCLUSION

The reduction from 100 to 75 houses at Uriarra is sub-optimal in social and economic terms.

The reduction from 50 to 13 houses at Pierces Creek is very poor social policy and renders the redevelopment economically unviable.

Taken together, the two decisions yield particularly poor outcomes from both the social and financial points of view. There are no compelling grounds for either decision. The ACT Government has put together a solid and carefully constructed package, which only needs to be picked up and implemented to get the residents home into sustainable villages of the highest quality, with benefits extending to the wider community.

The NCA decisions put this at risk.

RECOMMENDATION

That the Joint Standing Committee on the National Capital and External Territories:

- 1. support the ACT Government's proposal for the redevelopment of Pierces Creek as outlined in the *Pierces Creek Settlement Sustainability Study*, and
- 2. note the appropriate size for Uriarra is 100 houses.