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1. INTRODUCTION

1.1. On 1/7/99 the Legislative Assembly resolved as follows:

(1) That the Standing Committee on Urban Services [since renamed Planning and Urban Services] inquire into and report on proposals for the establishment of rural residential development as a land use with particular regard to:

- implications for the future metropolitan development of Canberra;
- impact on the Territory's "land bank";
- environmental and land management issues;
- financial costs and benefits;
- provision of Territory services and facilities;
- consistency with Territory and National Capital Plans, and the ACT and Sub-Region Strategy; and
- any other related matter;

(2) the government not proceed with the further development of proposals for rural residential development in the Territory until the Standing Committee on Urban Services has reported to the Assembly and the Government has presented its response.

1.2. On 10/7/99 and 13/7/99, the committee placed advertisements in the *Canberra Times* and *Chronicle* [respectively] inviting submissions to be lodged with the committee by 27/8/99.

1.3. The committee placed further advertisements in these papers on 18/9/99 and 21/9/99 to inform the public that the committee expected to hold public hearings on this matter on 19/11/99 – and asking people who wished to address the committee at that time to contact the committee secretary.

1.4. On 13/11/99 and 16/11/99 the committee again placed advertisements in these papers to inform the public that the public hearing had been deferred until 2000 but that submissions would continue to be accepted. The reason for the deferral was pressure upon the committee to complete other inquiries by the last sitting day of 1999.

1.5. On 5/2/00 and 8/2/00 the committee placed advertisements in the local papers to advise the public that it would hold a public hearing on proposals to establish rural residential development on 17/3/00. Again, the committee invited persons who wished to address the committee to contact the committee secretary.

1.6. On 17/3/00 the committee held a public hearing at which the following persons and organisations addressed the committee:

— *ACT government*: Mr Adams (PALM) and Mr Hehir (Manager, Infrastructure and Asset Management, Department of Treasury and Infrastructure);

— *ACT Rural Lessees' Association*: Mr Adams (President);

— *Conservation Council of the South East Region & Canberra (Inc)*: Ms Maxwell (President), Ms Davies (Director) and Mr Butler (Weeds officer for the Conservation Council);

— *Village of Hall and District Progress Association Inc*: Mr Crombie (President), Mr Robson (Vice-President) and Mr Morris (Treasurer);

— *National Trust ACT*: Mr Setchell (Vice-President) and Ms Cosgrove (member of the Heritage Committee of the National Trust); and

— Mr Powell.

1.7. Arising out of its call for public submissions, the committee received nine submissions from the following persons and organisations:

- ◆ ACT government
- ◆ ACT Equestrian Association Incorporated
- ◆ ACT Rural Lessees' Association
- ◆ Conservation Council of the South East Region & Canberra (Inc)
- ◆ P&B Hamburger
- ◆ National Trust ACT
- ◆ Mr Powell
- ◆ Ms Rees
- ◆ Village of Hall and District Progress Association Inc.

1.8. The submissions, together with the transcript of the public hearings, were authorised for publication by the committee. They are available on request from the Committee Office of the Assembly (ph: 6205-0127).

1.9. During the course of the inquiry, the committee's attention was drawn to submissions lodged with PALM as part of the public consultation process on the *Discussion Paper: A Study of Rural Residential Development in the ACT* (September 1998, prepared for the Department of Urban Services by TBA Planners Pty Ltd). The committee asked the Minister for Urban Services for a copy of these submissions.

1.10. On 31/5/00 the Minister forwarded the submissions to the committee, with the advice that one submission (out of a total of 31) was confidential at the author's request and a further six (from government agencies) were confidential in line with 'common practice'. In referring to the submissions in this report, the committee has respected the Minister's request for this material to be treated appropriately.

1.11. The committee is conscious of the length of time that has passed since this inquiry commenced. The delay in reporting reflects the great number of inquiries currently before the committee, along with the committee's limited staff resources.

2. EVIDENCE PRESENTED TO THE COMMITTEE

2.1. This section of the report summaries the evidence presented to the committee (arranged in alphabetical order by name of submitter). The summaries identify the principal points (as the committee sees them); they are not necessarily exhaustive. Quotations from both written submissions and the oral testimony are used wherever possible. Dot points are used in an effort to improve clarity.

ACT government

- The government decided ‘to undertake a study into rural residential development in the ACT... in response to the Rural Policy Taskforce Report (June 1997)’.¹ The government’s response to the Taskforce Report was delivered in December 1997
- The government commissioned the rural residential study in April 1998:

[The study] was prepared in the context of the position of the government and the Assembly’s resolution of 28 May 1998 supporting the introduction of rural residential development in the ACT. The [study] included broad financial analysis of the merits to the Territory of rural residential development and identified possible suitable sites at Kinlyside, North Gungahlin and the Melrose Valley.²
- The study was undertaken:

by a team of expert planning and economics consultants ... [and] was prepared in accordance with the principles of the *ACT and Sub-Region Planning Strategy* which recommended rural residential be integrated into urban and rural settlement patterns, clustered around nodes and excluded from isolated areas...³

Following the release of the report as a discussion paper and a two and half month consultation period, the government... decided to proceed with rural residential development in the ACT at the preferred locations of Kinlyside and then North Gungahlin. It was also decided that rural residential at Melrose Valley not proceed... This decision was announced on 25 May 1999⁴
- The government then prepared:

a detailed 6-9 month implementation program for Kinlyside... in readiness for the first land releases. The implementation program was designed to:

 - provide design and engineering guidelines, including dwelling densities and block sizes (in the range of 0.25 hectares to 8 hectares, with more than 200 individual blocks)⁵

¹ Submission dated 29/9/99 p1

² Transcript 17/3/00 p1 [Mr Adams]

³ Submission op cit.

⁴ *ibid.*

⁵ 208 blocks at Kinlyside and 69 blocks at North Gungahlin [Appendix 1 to the government’s submission]

- outline standards to ensure any development is high quality and socially, environmentally and economically sustainable...

- identify full land development and servicing costs, necessary to ensure full cost recovery in subsequent marketing of the blocks.¹

- With respect to the inquiry's first terms of reference (implications for the future metropolitan development of Canberra) the government states that:

Gungahlin will cater for urban development in the ACT for the next 20 to 30 years, accommodating a population of approximately 100,000 people. Kinlyside in the Gungahlin Structure Plan had been identified for urban residential development for some 1,800 dwellings...

[However, the] development of Kinlyside for rural residential will provide a housing choice not previously available in the ACT. Its development at a reduced block yield is now feasible as a result of the lower growth rates being experienced by the ACT which suggest that Kinlyside would not be required for standard residential urban development for 20 to 25 years.²

The development of Kinlyside for rural residential living rather than as a standard suburb will have no tangible impact on the metropolitan growth of Canberra. Within the Gungahlin and metropolitan Canberra contexts, the quantum of the development potential at Kinlyside, under either a standard or rural residential style of development, is relatively small...

Located in a distinctly separate valley, Kinlyside is isolated from both Gungahlin and Gooramoon-Jeir. This, together with the existence of Hall village with its distinctly rural character at the foot of the valley, provides an opportunity for a distinctively rural style of development not otherwise available in the Territory.

[And with respect to North Gungahlin,] the area identified is currently subject to a Broadacre Land Use Policy in the Territory Plan... [and] has not previously been considered for residential development.³

- With respect to the inquiry's second term of reference (impact on the Territory's "land bank"), the government states that:

prudent management of the... land bank should not preclude this option [for rural residential development] where it is economically and environmentally sustainable... [The government notes that Canberra's population growth rate is lower than expected, that there is an] increased dwelling yield likely from

¹ Government submission pp1-2

² The committee was provided with the *Gungahlin Development Sequence* (April 2000) which states that Kinlyside's development 'was assessed as most appropriately occurring in 2019-20. This timing was based on Kinlyside not being in the Ginninderra catchment [which is the focus of development in the next decade], that it would not have provided as much support to the town centre as locations identified for earlier development and the impact its development would have on school capacity' [p2].

³ Government submission p3

Gungahlin... [and there is] demand for lower density developments of large blocks in rural style settings throughout Australia including Canberra and the surrounding region. There is also a preparedness to pay significant premiums, in order to achieve this.¹

[On this basis, the government concludes that] the overall impact of reducing the original planned density of Kinlyside would be more than offset by higher densities being achieved in Gungahlin since the original densities were set, and [by higher densities] in redevelopment areas.²

[Kinlyside will either have] 1,800 standard residential blocks or 200 rural residential blocks... Whether we do it or do not do it is not going to make much difference at all in metropolitan planning terms... It is not numerically significant...³

- In relation to the inquiry's third term of reference (environmental and land management issues), the government states that:

an implementation program model for the two proposed rural residential sites has been developed to address the full range of environmental and land management issues. This program will assess various development and infrastructure provision options, identify nature conservation values and land use constraints, and prepare detailed planning policies and environmental management guidelines to ensure the feasibility of rural residential development at each location.⁴

[The government also points to the existing] range of legislative and statutory controls... [to] ensure high quality environmental and land management outcomes.⁵

[The government's submission adds that] the Territory is keen to learn from regional experiences with rural residential development, however the form and densities of development proposed for the ACT differ to that of more traditional hobby farms.⁶

[And in relation to Hall village, the government submits that] a master plan is currently [being prepared and it]... will identify appropriate buffers to provide for the maintenance of the rural environment, an integral feature of Hall village...⁷

- With respect to the inquiry's fourth term of reference (financial costs and benefits), the government submitted that the Territory would gain financially (from the sale of

¹ *ibid.* pp4-5

² *ibid.* p5

³ Transcript 17/3/00 p9 [Mr Adams]

⁴ Government submission p6

⁵ *ibid.*

⁶ *ibid.* p7

⁷ *ibid.* p8

land) by providing a rural residential option for people who presently move over the border to acquire this type of property.

[However, as] a cost against this, the overall supply of land for standard residential purposes in Gungahlin would be reduced. This would not impact on the Territory until the point at which this land would normally have been sold for standard residential purposes. It is expected that Gungahlin will be fully developed in 20 to 25 years. Accordingly, the Territory would be reducing its revenue in 20 to 25 years by the difference between the number of dwellings that would normally have been developed...

[By using standard cost benefit analysis, the government can determine] a set of indicative break even points, ie values at which the Territory would be better off selling the land for rural residential rather than waiting 20 to 25 years to sell the land as standard residential... From this information, the Territory is able to set appropriate reserve prices for the sale of land for rural residential purposes to ensure that the economic return is sufficient to justify release...

The Territory will not sell land for rural residential purposes unless the returns are expected to meet infrastructure costs and achieve acceptable levels of return.¹

- The cost of providing services to Kinlyside, ‘whether it is ordinary residential or not’, will be ‘expensive... because it is isolated’²
- With respect to the fifth term of reference (provision of Territory services and facilities), the government submitted that:

Utility-related infrastructure costs and any associated augmentation of ACTEW’s systems will be treated a cost to the developers...

As a general principle, the level of community facilities and services delivered to rural residential style developments may be lower than for standard suburban development, due to the lower population balanced against the population threshold required to support these types of facilities. Access problems will be greatly reduced in Kinlyside and North Gungahlin because of close proximity of these sites to the facilities and services available in Gungahlin. In addition, the expected high socio-economic profile of the rural residential populations lends to an expectation of high access to private vehicle use.³

[Further,] there will be larger number of people in a relatively isolated location with standard development than with rural residential development. Rural residential development at the upper end of the market will have less demand for the range of community services that are costly to government.⁴

¹ *ibid.* pp9-10

² Transcript 17/3/00 p8 [Mr Adams]

³ Government submission p10

⁴ Transcript 17/3/00 p10 [Mr Adams]

- In relation to the sixth term of reference (consistency with Territory and National Capital Plans, and the *ACT and Sub-Region Planning Strategy*), the government submitted the latter ‘provides several strategies for rural residential development [even] though no nodes are identified in the ACT’.¹

Further, the government stated that:

The National Capital Authority has indicated that rural residential development in Kinlyside and North Gungahlin is not inconsistent with the National Capital Plan provided there is no intrusion into the Hills, Ridges and Buffer Spaces. The Kinlyside and North Gungahlin areas are both within the Urban policy areas as defined in the National Capital Plan...

The Territory Plan is required not to be inconsistent with the National Capital Plan. The Territory Plan currently does not provide specifically for rural residential development. To allow for this form of land use, a Variation to the Territory Plan may be required subject to the density and style of development which is adopted...

The Kinlyside area is currently subject to a Residential Land Use Policy. The proposed initial rural residential development at Kinlyside will be smaller sized blocks which are considered to be compatible with the current Residential Land Use Policy in the Territory Plan.

The North Gungahlin area identified for rural residential development is subject to Broadacre Land Use Policy in the Territory Plan. Alternative lifestyle choices involving larger blocks (up to eight hectares) at Kinlyside and North Gungahlin may require a Variation to the Territory Plan.²

- In relation to the final term of reference (any other related matter), the government submitted that:

the introduction of rural residential development to the ACT offers a quality, contemporary, spacious lifestyle choice, which is currently not available, in an attractive semi-rural environment...[It] will not be hobby farming, it will be more in the nature of high quality blocks with high levels of servicing providing for the upper end of the residential market niche...³

ACT Equestrian Association Incorporated

- The Association submits:

[There is a] need for defined and acceptable purpose for rural residential development... [which might be to allow residents to] establish niche rural industries such as horticulture and viticulture... [or] to allow spatial garden

¹ Government submission p10.

² *ibid.* p11

³ *ibid.* p12

development around residences... or to allow space for pursuit of rural hobbies such as horse ownership or animal studs...¹

[There needs to be] space in rural residential subdivisions for recreational activities... [including] multi-use trails [for use, not just by the residents, but by other Canberra citizens and visitors. Further,] in view of the need for public recreation space in the ACT it is desirable that the recreational use of areas set aside in future rural residential developments is not **subordinated** to conservation requirements as occurs in Canberra Nature Park units.²

[And, there needs to be] space for fire, utility service and emergency access vehicle trails... [which] with imaginative planning... [can] be used also as public recreation space for horse riding, cycling, jogging and walking... [Further, in] the case of Kinlyside... [these trails should be connected] to those in other suburbs [thus forming an all-Canberra network as recommended by this committee in its report on the *Final Draft Management Plan for Canberra Nature Park*].³

[There is an 'urgent' need to permanently re-route the Bicentennial National [Horse] Trail route] direct from Hall to Tallaganda Lane... [and] there is a need for a long-term plan to encircle Gungahlin with a recreational [horse] route allowing equestrian access between the equestrian facilities of Hall and those centred on EPIC.⁴

ACT Rural Lessees' Association

- The Association considers:

the planning process as it applies to [rural residential development] to have been flawed from the outset... No consultation occurred before the scheme was announced... [and] the Consultants Report in late 1998... was a flawed document, hastily compiled and one which glosses over many issues and principles.⁵

- The Association:

has no particular difficulty with [the two areas identified for rural residential development] in that the land concerned, currently held under rural lease terms, will eventually be resumed. However, the development of this land for small rural subdivisions will:

- bring particular rural land management problems into the ACT;
- bring unique environmental problems; and
- introduce bushfire threat and management problems...

The main area of concern for rural lessees is that the present policy... is an

¹ Submission dated 5/1/00

² *ibid.* [emphasis in original]

³ *ibid.* This committee's report was its report No.7 dated September 1998.

⁴ *ibid.*

⁵ Submission dated 26/8/99

open-ended policy in that any piece of farmland in the ACT could be resumed for rural residential development in the future...¹

- Some particular problems are:

The hobby farmers' average tenure is as little as four-five years, which brings in its wake all those problems which go with short tenancies. Also relevant is the fact that, unlike primary producers who spend money on their farms as 'pre-tax' dollars, hobby farmers, unless they are primary producers, have only 'after tax' dollars to spend on their farms' upkeep. Finally, it is our understanding that land developed for hobby farms is 'used up' at ten times the rate of urban development. The urban land bank is therefore consumed much more rapidly than currently planned with serious implications in the future.²

- The Association considers rural residential development:

to fly in the face of the National Capital Plan which emphasises the value of rural land in the Capital's landscape setting...³

Here in Canberra we have a sharp distinction between urban and nature parks, urban and farmland, nature parks and farmland, as you drive, you get that sharp distinction. That is one of the features of the national capital that set it apart... [It means] that the national capital setting does not suffer from the same blights of the other national capitals where you have urban developments and fringe developments before you get into the countryside.⁴

The Association is of the firm view [that] rural residential development is a form of development which has reached its 'use-by date'. On the other hand, rural village concepts and 'clos' developments are concepts worthy of further examination, particularly in respect of the Canberra and South East Region Strategic Plan.⁵

I think there is an opportunity for things like rural villages and "clos" development which has occurred overseas. There is no reason why the ACT should not be leading the world in doing this...⁶

[But before this occurs, it is first necessary to establish] that there is a demand... [If there is, then discussions should occur with] the National Capital Authority, the Territory planning authorities and the authorities in NSW.⁷

Conservation Council of the South East Region and Canberra (Inc.)

- With respect to the inquiry's first terms of reference (implications for the future metropolitan development of Canberra), the Conservation Council states that rural

¹ *ibid.*

² *ibid.*

³ *ibid.*

⁴ Transcript 17/3/00 p19 [Mr H.Adams]

⁵ Submission *op cit.*

⁶ Transcript 17/3/00 p21 [Mr H.Adams]

⁷ Transcript 17/3/00 p20 [Mr H.Adams]

residential development is ‘inconsistent’ with policies to ‘promote urban consolidation rather than urban sprawl’:¹

An important means of reducing [greenhouse gas] emissions is to locate residential areas close to service work and recreational opportunities. We feel that rural residential development is inconsistent with this sort of planning.²

- With respect to the inquiry’s second term of reference (impact on the Territory’s “land bank”), the Council stated:

Kinlyside and at least part of North Gungahlin lie within areas identified for future development. With greenfield sites tending to be used for low density development, the removal of more than 2,000 housing sites will increase pressures for development access to other areas of the open space system including areas of high environmental value like riverine corridors (eg. Murrumbidgee River corridor) and threatened ecological communities (eg. Yellow Box/ Red Gum Grassy Woodland).³

- In relation to the inquiry’s third term of reference (environmental and land management issues), the Council states that issues like weeds, predation [by dogs and cats, as well as people⁴] and fire have not been adequately dealt with:

It is not good enough, as the government’s Response [to the Discussion Paper] states, that these issues will be considered in the course of planning the development. It is very difficult to make any comment about the appropriateness or otherwise of rural residential development without a consideration of the finer details of environment protection and a commitment to ongoing monitoring...

[For example,] many of the blocks proposed are very small, and where the blocks are located in [valuable Yellow Box/ Red Gum Grassy Woodland, this woodland] will be destroyed, both by initial development activity and subsequent ongoing human pressure...

[And] the small size of the blocks and being connected to town water supplies may lead to the establishment of huge water-dependent gardens with a parallel increase in problems associated with weeds and fertiliser...

[In addition,] measures taken to ameliorate the [bushfire] risk will totally destroy the conservation value of the sites.⁵

[The Council considers that] development based on large blocks of 25 to 30 acres, with monitored conditions of tenure, can do much to conserve and enhance the environmental scenario on any particular block of land. However,

¹ Submission dated 31/8/99 p1

² Transcript 17/3/00 p28 [Ms Davies]

³ Submission p2

⁴ Transcript 17/3/00 p30 [Mr Butler]

⁵ Submission pp2-3

our understanding... is that this rural residential development is to be small blocks, nothing more than large gardens...¹

- The Council is concerned that land management agreements:
 - will be the primary means of environmental management on rural residential leases. It is... extremely doubtful that Environment ACT would have sufficient resources to either develop adequate property management agreements with up to +227 rural residential lessees, or more importantly to monitor and enforce such agreements...
 - If rural residential development were to proceed, the Conservation Council believes that community title offers the best method of land management as well as having the greatest potential for sound environmental outcomes...²
- With respect to the inquiry's fourth term of reference (financial costs and benefits), the Council states that 'using this land for rural residential... rather than urban residential development has a substantial negative impact on the revenue generated from rural residential development'³
- With respect to the fifth term of reference (provision of Territory services and facilities), the Council is concerned that the proposed rural residential development will not have 'five basic requirements: sealed roads; comprehensive stormwater drainage systems; reticulated water, reticulated sewerage and environmental management plans'⁴
- In relation to the sixth term of reference (consistency with Territory and National Capital Plans, and the *ACT and Sub-Region Planning Strategy*), the Council considers rural residential development 'omits and seems at odds with basic Territory and National Capital land bank and use strategies'. Further, it 'has the potential to damage the good working relationship and trust developed between the ACT and surrounding Shires'.⁵

P&B Hamburger

- Consider that:
 - the proposed rural residential development flies in the face of everything we are hearing about land development in Canberra. We have been hearing that we need in-fill, dual occupancy, medium density housing, and now we hear that rural residential leases are to be offered. This does not make sense...
 - [It is an] extreme proposal. It is not needed or necessary in the ACT where there is limited land.⁶

¹ Transcript 17/3/00 p29 [Mr Butler]

² Submission p3

³ *ibid.*

⁴ *ibid.*

⁵ *ibid.* p4

⁶ Submission dated 28/6/99

National Trust ACT

- **The Trust:**

is not opposed in principle to rural residential development, provided it is rural, but the Trust is certainly concerned to ensure that, where rural residential development is proposed, it is proposed in a manner that will ensure that significant elements of the Aboriginal, rural and pastoral history of this district are conserved.¹

Assessment of heritage sites in the areas proposed for rural residential development must be carried out [by independent ‘professional heritage practitioners’ rather than by the proponent], and should the development be found to impact adversely on that site or sites, development should not proceed in that location.²

Our concern is that, in this particular case, there seems to be a little unseemly haste and not all of the preparatory work that we believe should have been done has in fact been done.³

- The entire Hall Village should be placed on the ACT Heritage Places Register and ‘the Master Plan currently being developed for Hall Village’ should be completed before any development takes place. The Master Plan should include ‘the extent of the buffer to protect Hall Village’, as the proximity of Kinlyside ‘may impact on the heritage character of the Village’.⁴

Mr Tony Powell

- Rural residential development ‘is the most inefficient form of urban development’:

It only becomes feasible when reduced development standards and public subsidies are made available to developers and, ultimately, to homeowners... [It] is more costly to service in terms of health, education and community services...

[Further,] the Kinlyside site of 300 hectares would yield 208 (1.2 hectares) rural residential lots. At normal urban densities (11.0-12.5 dwellings per hectare), the site has a development potential of 3,500 lots. In the context of the ACT where – due to tight boundaries and large expanses of water catchment – land available for future urban development is a finite resource, it would surely be highly imprudent to forgo the prospect of over 3,000 detached housing allotments having a population capacity in excess of 10,000 inhabitants, in favour of barely 700 residential dwellers.

[In addition, the value] of land with ‘urban’ development potential... [is] \$145,000 per hectare. This figure drops to \$4,000 per hectare... in the case of rural residential. In other words, raw land with urban potential is 40 times more valuable (or \$42m worth) to the ACT government than is rural residential potential, if sold on similar terms, which is feasible...

¹ Transcript 17/3/00 p13 [Mr Setchell]

² Submission dated 9/10/99 p1; also, Transcript 17/3/00 p16 [Ms Cosgrove]

³ Transcript 17/3/00 p14 [Mr Setchell]

⁴ Submission pp1-2

[It appears] that to 'break even' the ACT government would have to dispose of rural residential land in the price range \$32,723 - \$13,319 per lot, however... [it seems that] the developer's 'affordable' price would only be \$4,743 per lot. In such a situation the government's 'loss' would accordingly be in the range \$27,980 - \$8,576 per lot, or between \$5.8m and \$1.8m. In effect, this would be a substantial subsidy for what would mostly be upper-income housing.¹

- Rural residential development has an adverse impact on the environment:

Without reticulated water on-site, dams would be needed requiring large catchments, which in turn would reduce environmental flows...²

If you look at existing examples of rural residential development in the vicinity of Murrumbateman, where you can see 30 years of rural residential development in about four different stages, you can see what it looks like. It is an untidy, quasi-urban landscape. It represents a form of development that the owners themselves cannot maintain... in a reasonably tidy, environmentally, socially satisfactory way.³

- Unsewered rural residential development would prevent the ACT government from meeting its water quality objective in relation to the Molonglo and Murrumbidgee catchments...

Environmental impact assessments should... be carried out by PALM... [rather than by the developer. Also,] development conditions [should] be fully prescribed... [yet] PALM does not have professional town planning staff with the necessary skills and experience to carry out such work due to the 'deskilling' and 'contracting out' policies of the ACT government.⁴

- Rural residential development:

is contrary to the provisions of the Territory Plan... [and] would require fundamental revisions of the National Capital Plan...

Rural residential development in the ACT should not be determined upon without prior agreements being reached with the NSW government that subdivision restrictions will continue to apply in the border regions in order to protect the setting of the National Capital.⁵

Ms Jacqui Rees

There is no logic, and certainly no justification on environmental or financial grounds, for providing a few people with the opportunity to purchase large semi-urban lots on the one hand while arguing on the other that existing ACT suburbs must give away public space to save land.⁶

¹ Submission dated 3/10/99 pp1-3

² *ibid.*

³ Transcript 17/3/00 p36

⁴ Submission pp3-4

⁵ *ibid.* p4

⁶ Submission dated 27/8/99 p2

The ACT has a very limited land supply. To take the original Kinlyside proposal as one example... carving up land which could make 2,400 urban lots into 227 rural residential lots makes no sense.

[Further,] there have been no substantial studies on the capacity of land nominated for rural residential development to sustain that form of development. The north Gungahlin proposal involves land which is reported to be unable to sustain rural development because of its fragile soils, endangered ecological areas and woodland conservation areas... [and] the impact of rural residential on the quality of water flowing to Lake Ginninderra has not been addressed...

[Also,] no work at all has been done to assess on-going costs to the ACT ratepayers [arising out of the need to subsidise the cost of developing the blocks]...

[In addition,] there has been no examination of the need for rural residential in the ACT. There has been no case made that surrounding Shires cannot meet this need. In fact, there is no evidence anywhere that there is a need.¹

- There has been no consideration of the importance of retaining hills, ridges and buffer spaces as ‘substantially undeveloped’ as set out in the National Capital Plan.²

Village of Hall and District Progress Association Inc.

- The Association states:

The Association... does not of itself have any special expertise or authority in the matters that the committee is inquiring into...

The Association... exists to protect and advance the interests of the residents of Hall village and surrounding district...

Our highest priority is finalisation of the **Hall Master Plan** with the incorporation of a **substantial buffer** around the village...

If this can be achieved, then we do not feel that we have special ‘rights of influence’ concerning what might occur **beyond** the agreed buffer... As Hall residents, we would have a particular interest in the potential impact on the village of any such developments.³

- The Association expresses astonishment that the government is proceeding with rural residential development at Kinlyside ahead of investigating ‘the desirability of such development in the ACT’⁴

Opposition of the Hall community to proposals for rural residential development at Kinlyside was initially galvanised by the government’s abuse of process (the revelation in May 1998 of the secret Cabinet agreement of December 1997). It has been sustained by the government’s obdurate persistence with rural

¹ *ibid.*

² *ibid.*

³ Submission received in the Committee Office on 2/9/99 p1 and p3 [emphasis in original]

⁴ *ibid.*

residential development in spite of a public consultation process which clearly indicated that such development is not supported by well-informed opinion...

It is inconsistent with key principles of the planning and development of the Bush Capital (eg. firm suburban 'edges'), and contravenes key assumptions of the *ACT and Sub-Region Planning Strategy*...¹

¹ *ibid.* p2

3. THE 1998 DISCUSSION PAPER AND SUBMISSIONS ARISING OUT OF IT

3.1. **The first part** of this chapter summarises the Discussion Paper.

3.2. **The second part** summarises submissions on the Discussion Paper. This reflects the committee's agreement with the point, made by several witnesses, that all of the submissions on the Discussion Paper are 'germane to this committee's inquiry.'¹

3.3. The submissions on the Discussion Paper are organised in three sections: those expressing support for rural residential development, those opposing it, and those which expressed neither support nor outright objection.

3.4. In keeping with the committee's usual practice, quotations are taken directly from the submissions wherever possible. However, not all of the quotations are attributed to an individual. This reflects the committee's concern to protect the privacy of individuals who, although they **subsequently** have approved release of the material [in all but seven cases], *did not originally know that their written material might be forwarded to a parliamentary committee.*

3.5. In order to respond to the issue (raised by some witnesses) that they understood the majority of submissions on the Discussion Paper opposed rural residential development,² the committee notes that six of the 31 submissions supported the proposal, 12 objected to it, and 13 did not express a clear position for or against (though many contained reservations about the specific proposal outlined in the Discussion Paper). Given that various government agencies provided a submission from their particular perspective (rather than from a whole-of-government viewpoint) and given that the submissions were not lodged as part of a public hearing process such as that associated with the current parliamentary inquiry, this type of breakup of submissions should be treated with great caution.

The Discussion Paper

3.6. The Discussion Paper states, *inter alia*:

Rural residential is an elusive term. In this paper, it has been defined to mean lots in excess of 0.5ha and less than 8ha in area. The characteristics of rural residential development are that as well as the lots being larger than conventional residential development, the size allows for some forms of rural activities...³

¹ Transcript 17/3/00 p22 [Mr Crombie]

² For example, the president of the Conservation Council stated that 'we believe that only a few of the 30-plus submissions... expressed support for rural residential development'; and the president of the ACT Rural Lessees Association told the committee that: 'It was our understanding that some 19 organisations that made submissions on the consultant's report found no favour in it. We have heard that there were 31 submissions made and that another 12 submissions were treated as confidential and not made available to the public. So one has to ask the question: what did they have to hide?' [Transcript 17/3/00]

³ Discussion Paper p1

Provision of... opportunities [for rural residential development] within the ACT would respond to the needs and aspirations of a sizeable group of Canberrans...¹

The standards and requirements for the servicing and provision of infrastructure for rural residential development need to be established prior to any such development being approved...²

The following three areas have been identified as the preferred locations for further investigation: Melrose Valley, off the Monaro Highway for large lot size development; Kinlyside for small lot size development; and areas to the north of Gungahlin for small lot size development...³

The paper assesses the forestry settlements currently managed by the ACT government within the context of rural residential development. It finds that these settlements would generally be unsuitable for rural residential development and recommends other strategies for them...⁴

The National Capital Plan only allows for rural residential development in rural areas subject to the preparation of a development control plan...⁵ Currently, rural residential development is not recognised [by the ACT Territory Plan] as a separate land use policy. For [it] to proceed in the ACT, a variation to the Territory Plan would be required...⁶

There is a wide range of rural residential development provided for in NSW... Estimates by the NSW local governments indicate that with proposed rezonings and prospective developments there is a ten-year supply in the pipeline. These areas are generally in the commuting range of 30-45 minutes drive from Canberra...

[However,] it is most unlikely that any areas in NSW will be able to provide a comprehensively planned, fully serviced... development with strong environmental management requirements. In particular, it will not be possible to provide land so close to the centre of Canberra and with such ready access to the full range of Canberra's services...⁷

Kinlyside... has two distinct advantages. It is completely surrounded by land designated as hills, ridges and buffers so it is self-contained. Secondly, its natural setting is a well-treed, very attractive valley. Conventional residential development will entirely transform the environmental setting of the valley. A well-planned, sensitive rural residential development could retain very large areas of the existing environmental features and have good proximity to town and access to services...⁸

North Gungahlin... is identified for Broadacre or low density residential uses in the National Capital and Territory Plans. Rural residential use is therefore a

¹ ibid p3

² ibid

³ ibid pp4-5

⁴ ibid p5

⁵ ibid p21

⁶ ibid p14

⁷ ibid p23

⁸ ibid p38

replacement use... [The] area will ultimately be well serviced by nearby Gungahlin urban areas including infrastructure and community facilities and services...¹

Melrose Valley is recommended at this stage because it forms a distinct, discrete area which does not compromise other potential uses. Given the access and topography issues, together with land management constraints, development would be more appropriate at lower density...²

[For purposes of the financial analysis, it is assumed that] the greenfields growth areas of the ACT could yield a potential 32,700 urban density dwellings... [whereas this would drop to] 30,300 urban residential lots [if rural residential was introduced, and the latter would comprise] 277 “small” rural residential lots (average size 1.2 ha) [and] 11 “large” rural residential lots (average 8 ha)...³

[The financial analysis indicates that] the breakeven points range from approximately \$8,000 per block to \$42,000 per block... [Over 30 years,] the study finds allowing rural residential development would result in approximately 4.3% - 2.7% less income (depending on what discount rate is used) than an “urban only” future growth option, under a high growth projection. Under a low growth projection, the rural residential options would result in approximately 2.7% - 0.8% less returns than “urban only” development...

[The] relatively marginal financial impact indicates that non-financial considerations may be of more importance in making a final policy decision on whether to provide for rural residential development in the ACT.⁴

Submissions supporting rural residential development

3.7. One submitter stated:

If this development were to proceed, we would be eager to secure a block... [as] it would be an ideal opportunity to purchase acreage in close proximity to the Canberra CBD... [A particularly] attractive [aspect] about the proposal of Kinlyside is the fully serviced blocks... [The] development could be designed to be a beautiful extension of Hall village... with wide tree-lined streets, street lamps, etc. It could be something truly special and... people would be prepared to pay for a block in such a development.

3.8. Another submitter supporting rural residential development stated that:

It is most important that rural residential developments are only permitted in tandem with the introduction of “communal plans”... [for example, for the provision of dams]...

¹ *ibid* p57

² *ibid*

³ *ibid* p64

⁴ *ibid* pp70-72

[Such plans] introduce a sense of community... [and] are usually also of a less expensive form of development. [And] communal associations often carry out some of the functions normally carried out by a Council...

The type of people that move into rural residential developments are likely to be happy with a less costly form of development with elements such as grass swales for drainage rather than the more formal kerb and guttering.

There may be some advantage in estimating the expenditure and income of some of the rural residential developments in nearby NSW to model and predict their commercial outcome.

The real test would be whether a private sector consortium would partner with the ACT government to participate in such developments. It may be possible to test this to a certain level prior to the government outlaying a significant amount of money on the detailed planning on such developments.

3.9. The Allergies and Intolerant Reactions Association stated:

This proposal offers a unique possibility for the ACT to provide something which is desperately needed but not available anywhere in Australia – allowing those with allergies and intolerant reactions to live in dwellings that can be buffered by large blocks of land from sources of agents to which they may be sensitive, but on fully serviced blocks within a short distance of the facilities of an urban area...

We therefore wholeheartedly support the proposal for fully serviced blocks of varying sizes in the ACT...

[Further,] we request the government to consider some form of community housing options for such rural residential land, preferably a mix of public and private ownership, so that groups of people could live in close proximity, sharing the responsibility for the buffer land.

3.10. Another submitter stated that:

Any proposed rural residential development should be totally financially self-sufficient and not subsidised at any stage by the ACT ratepayer...

[Further,] alternatives such as establishing villages with lot sizes and layouts similar to Hall and Tharwa should be considered... [And] comprehensive networks of equestrian, cycling..., walking trails and flora and fauna preservation corridors, initially at developers' cost then under community group management, should be features in any proposed rural residential development...

3.11. One submission, while not supporting the type of rural residential development outlined in the Discussion Paper, called for a different type of residential development:

The rural residential policy set out in the [Discussion Paper] would:

- return less than 25% direct revenue to the ACT as would a standard residential development
- return less than 25% rates to the ACT as would a standard residential

development

- create 208 units compared to 1800 units under a standard residential development
- cost the ACT significant direct and recurring expenditure on community facilities.

[However,] an environmentally sustainable eco-village in Kinlyside would...:

- return as much direct revenue to the ACT as would a standard residential development
- return as much rates to the ACT as would a standard residential development
- create 1,200 units compared to 1,800 units under a standard residential development
- save the ACT significant direct and recurring expenditure on community facilities, and
- provide a model for development of land not suitable for standard residential or rural residential...

The land mix for Kinlyside is envisaged as being:

- 200 – 250 Hall style grid residential units (0.125 hectares)
- 250 – 300 Park Residential units (0.25 to 0.5 hectares)
- 250 – 500 Rural Multi-density units...

The Park Residential component would provide a new dimension to the ACT market... It would provide capacity for a range of uses not normally available in standard subdivisions eg. vegetable gardens, free range chickens, flower gardens...

The Rural Multi-density component... [would see] each block [having] a cottage garden component based on the old English plot system for use by the owners...

Submissions opposing rural residential development

3.12. Three local governments objected to the proposal. They include Cooma-Monaro Shire Council which:

stresses its opposition to the proposal, which... has the potential to undermine confidence in the work undertaken for the *ACT and Sub-Region Planning Strategy*... [The document is] poorly presented... [and it is regretted that the] outside consultant had no input to the Strategy and its directions...

3.13. Queanbeyan City Council, while noting that the ‘potential change in policy direction by the ACT government will have only a marginal effect on Queanbeyan’:

is concerned that the strategies for providing for rural residential development and the associated actions as set out in the *ACT and Sub-Region Planning Strategy* have not been adhered to in the consideration of the development of rural residential development in the ACT...

[Further, the Council states] there are smaller fully serviced rural residential developments within Queanbeyan, contrary to what is stated in the Discussion

Paper... [and these have produced] problems in the long-term management... including the proliferation of invasive plants, management of waterways, loss of native habitat and exacerbating these, over-grazing where stocking is allowed.

3.14. Yarralumla Shire Council expressed concern that:

the issue of rural residential development within the ACT has not been considered in the context of the *ACT and Sub-region Planning Strategy*.

Of greater concern is the apparent disregard for the planning principles set down in the Strategy. While the Strategy does not preclude rural residential in the ACT, it does... put in place parameters for providing for rural residential development...

[Further, the Council] wishes to express its disappointment at the lack of consultation between governments.

3.15. The ACT Rural Lessees' Association opposed rural residential development:

on economic, environmental and social grounds. Such a policy we consider to be quite detrimental to the sound development of the Nation's Capital. Furthermore, it has the very real potential to destroy the integrity of the remnant rural lands of the ACT...

[In addition, the policy is opposed because] ACT ratepayers will be required to subsidise any rural residential development in the ACT...

As an alternative to rural residential development, the... government could consider initiating studies into the suitability of urban village or rural village developments for the ACT on land already set aside for urban use as being a more socially acceptable and economically sound form of development.

3.16. The Hall and District Progress Association opposed rural residential development because of doubts about the veracity of the financial assessment set out in the Discussion Paper, concern about the effects of such development on Hall Village, support for the well-established practice of confining rural residential development to certain areas in nearby NSW, and doubts about the environmental effects of the proposal. In particular, the Hall Association:

Seeks an undertaking by the ACT government that the Hall Master Plan (which examines the buffer question, among many other issues) will be allowed to be completed prior to any decision being taken for any type of development on Kinlyside land.

3.17. The Conservation Council opposed 'the concept of rural residential development as proposed by the Discussion Paper'. The Council added:

While the Council is not completely opposed to rural residential development, there are too many problems and inequities associated with the current proposal to support it. The Council recognises however, that it is a complicated issue and would like to be involved in any further discussion.

3.18. Another submitter stated that:

To use land in the ACT suitable for urban purposes for rural residential development would reduce opportunities to house residents in the ACT in the future...

[And] acceptance of the principle of rural residential development could erode the position of rural leases in the ACT.

3.19. Moreover, a further submission expressed the view that:

It is surprising that the North Gungahlin area has been identified for possible rural residential development. This form of development is not a 'replacement use' for the Broadacre use provided for in the National Capital or Territory Plans and is not appropriate for the North Gungahlin area.

The soil profile in the North Gungahlin area is shallow and fragile... rural residential use will result in significant increased demands being placed on the land. If one reviews areas where rural residential activity has taken place around the ACT eg. Murrumbateman and Wamboin, it is not hard to see the extra demands put on these areas in regard to roads, houses, stocking rates etc. The North Gungahlin area with its shallow soils, woodland conservation areas, endangered ecological communities cannot sustain rural residential development. It is far more suited to Broadacre activity with low sustainable stocking rates and minimal development...

[Also,] the North Gungahlin area includes a number of significant archaeological sites containing significant aboriginal artefacts... These areas need to be protected and preserved which cannot be guaranteed with rural residential development...

From reading the Discussion Paper it appears that criteria for identifying possible rural residential sites has been too restrictive. As a result, the most appropriate sites in the ACT have not been identified. If the objective is to provide suitable rural residential blocks they should be located in areas where the environmental characteristics can withstand the demands that this form of development will place on the land. The land needs to be reasonably highly productive, a good water supply needs to be available and transport facilities need to be able to be provided cost effectively and with minimal impact on the environment. The North Gungahlin area does not meet any of these criteria...

In summary, we do not believe that rural residential development is warranted in the ACT as there is a significant supply in the adjoining NSW areas.

3.20. The rural lessee of land in the Melrose Valley strongly criticised the inclusion of the valley in the rural residential study for reasons that include the high quality conservation value of the property, its educational and tourist value, its catchment protection value (for water entering Lake Tuggeranong), the historic and Aboriginal heritage of the site, and the fragile nature of the land. Further, he queried the integrity of the process used to identify Melrose Valley as a site for rural residential development.

3.21. A further criticism of the Discussion Paper related to the lack of information about the basis of assessing nature conservation issues (compared to heritage, landscape and other issues). It was remarked that, while issues associated with the endangered yellow box/red gum community were highlighted in the Paper, issues to do with grasslands and birds were not fully appreciated (for example, there are four threatened bird species in the locations.) The study was criticised for using a decision-making framework based primarily on marketing considerations and which effectively treats environmental considerations as just an ‘add-on’.

Submissions not falling into a clear category of ‘for’ or ‘against’

3.22. The National Capital Authority stated that:

Development of land at Kinlyside shown in the National Capital Plan as being for “Urban” use would not be inconsistent with the National Capital Plan provided that the proposed development does not intrude into the adjoining “Hills, Ridges and Buffer Spaces”.

[And] development of land in North East Gungahlin for rural residential purposes would not be inconsistent with the National Capital Plan provided that the proposed development does not intrude into the adjoining “Hills, Ridges and Buffer Spaces”...

The Authority is concerned that the Discussion Paper focuses only on supplying rural residential development inside the ACT and does not examine the question of rural residential development on a sub-regional basis which would provide a contextual basis for the need for rural residential development in the ACT...

The Authority believes that if rural residential development does proceed in the ACT then it should be on the basis of world’s best practice in keeping with Canberra’s national significance and past record on leadership on urban development.

Best practice development does not appear to underpin the discussion paper. The values of Canberra which are highly regarded such as high-quality urban environments, maintenance of landscaped setting and open space system, maintenance of bio-diversity and wildlife preserves etc, could be maintained with rural residential development at the urban fringe if that development was sensitively designed...

It would also be preferable if the Discussion Paper acknowledges that it is not rural residential development that is being proposed, but predominantly semi-urban development. Blocks of land ranging from one to two hectares with the full range of urban infrastructure provided are not rural residential.

If the thrust of the envisaged development is large lot, semi-urban development, then innovative solutions to development should be fully explored. Community and group titling for rural residential development which, for example, are extensively practised in NSW and Queensland, provides the opportunities to utilise limited urban land for the built component of a community title while maintaining largely intact rural components.

The innovative clos sub-division technique being experimented with in various parts of Australia offers the opportunity to keep and to enhance viable agricultural activities within the rural lands at the urban fringe while keeping the urban component restricted in size and within the urban perimeter of Canberra.

Further, clos titling would support infant industries like wine and cork production while (because of the taxation advantages) appealing to the high income earners who are likely to be attracted to the form of rural residential lifestyle proposed.

Clos subdivision in particular has the opportunity to drastically reduce the amount of urban land used in a rural residential development and to drastically reduce infrastructure costs due to the small area that needs to be serviced to full urban standards. This would appear to fulfil the desired outcome in this case.

The notion of development plans of management, which would enable large rural residential lots to be later sub-divided, and which would minimise the alienation of suitable urban land could also be better explored. There is potential to provide sub-division solutions which would achieve both a rural residential sub-division in the short-term and which enables flexibility in the longer-term to reuse the land for higher densities without land resumption or retro-fitting of trunk infrastructure.

The Authority believes that the case for rural residential development could be greatly improved if even some of the innovations discussed above were further explored. It is possible to provide rural residential lifestyles in the ACT without alienating large tracts of suitable urban land.

Another issue that needs further consideration is the public cost and benefit of such development. Land identified for urban development in the ACT is a limited commodity and using “Urban” land for sub-urban purposes is not necessarily a desirable outcome, given that urban land in the ACT is a limited and valuable resource.

3.23. The Royal Australian Planning Institute (ACT Division) [RAPI] submitted that:

For a policy development that has major implications for the Territory, such as rural residential development in the ACT, there needs to be a greater level of debate and consideration than that conducted to date.

RAPI has a number of specific concerns... [including]:

- There is a lack of demonstrated evidence of the demand for rural residential development...
- ... there is very little land in the ACT suitable for rural residential use which is not also suitable for residential development. On the basis of the calculations in the paper, 277 rural residential lots would be provided on land which can accommodate 2400 urban lots – and once this land has been utilised for rural residential purposes, it would be very difficult to utilise it later for another use

- if the Territory was prepared to undertake rural residential development, as a minimum requirement, it should seek to recover the infrastructure costs associated with the development...
- it is not clear from the Paper how the form of development proposed would relate to the existing communities in the areas identified, or how it would accommodate the inevitable problems in the transition to rural residential development...
- if rural residential development proceeds in the Territory, it will directly compete with the developments available in the surrounding shires. The surrounding local governments are likely to reconsider whether they should continue to respect the needs of the national capital. Clearly the paper should address this issue and consult with the Strategy participants accordingly...
- RAPI considers that if rural residential development was to proceed, consideration should be given to innovative development and types of built forms. For example, a multi-density development with consolidated, community titled, social, cultural and recreational facilities (including a system of plot gardening) should be considered. This provides an opportunity to capitalise on property values whilst adding to the diversity of housing options in the Territory. It would also work towards best practice in the area of sustainable urban development, with particular regard to water harvesting, composting waste management and the maintenance of bio-diversity.

Community and group titling for rural residential development which, for example, are extensively practised elsewhere in Australia provides the opportunities to utilise limited urban land for the built component of a community title while maintaining largely intact rural components.

The innovative clos sub-division technique being experimented with in various parts of Australia offers the opportunity to keep and to enhance viable agricultural activities within the rural lands at the urban fringe while keeping the urban component restricted in size and within the urban perimeter of Canberra...

The notion of developing plans of management, which would enable large rural residential lots to be later sub-divided, and which would minimise the alienation of suitable urban land could also be better explored...

- RAPI notes the views expressed in the Paper that redevelopment of some of the forestry settlements is not appropriate. It is considered that further work should be done to explore whether the recommendations are viable. While the redevelopment of such areas might not be consistent with the preferred/serviced model, the settlements seem to offer an 'alternative' lifestyle which, in the case of Uriarra, is supported by the residents. It may well be the case that such form of settlements would be supported by the market.

A similar suggestion is made in respect of areas designated as 'hills, ridges

and buffers'. It would appear that there may well be opportunities for innovative/alternative rural settlements in such locations that could be self-supporting.

3.24. Another submission stated:

[The concept of rural residential development] appears linked to a shift away from the planning concept of an "urban edge" which, since at least the 1960s, has identified a clear demarcation from non-urban land (eg. the hills, ridges, and buffer areas of the National Capital Open Space System). The document does not clarify what happens to the National Capital Open Space System but suggests that the new category is a semi-urban phase between urban and non-urban.

I question, in this instance, whether "rural residential development" is the correct term, especially as these ACT sites, if released, would be offered as "economically serviced" land with reticulated water and sewerage, sealed roads and underground power... In other words, the ACT government would be appealing to a higher level market than that taking up less well serviced rural residential land in adjacent NSW shires. The Discussion Paper refers to a "quality market niche" which appears... to be sufficiently distinctive to label the category as semi-urban residential, particularly since none of the possible land release appears to be associated in any way with a supportive rural node in the NSW sense...

This Discussion Paper [should be] followed up by much more rigorous market assessment of the demand. Beyond the ACT, two types of rural residential markets can be identified – hobby farmers who seek a small acreage to plant trees and crops or run poultry or a few animals, and village dwellers who enjoy the rural folk scene but do not want the responsibility of too much land to maintain. My interpretation of [the Discussion Paper] is that it seeks a third type of more up-market buyer with access to a larger amount of capital outlay in return for a higher level of urban-type services...

[Further, it may be queried] whether rural residential development can be afforded within ACT government finances...

3.25. A further submission stated that:

Kinlyside and Gungahlin North are the last opportunity and ideal locations for an innovative residential ecologically sustainable development. Inspiration should be obtained from innovative working examples from round the world eg. Radburn in New Jersey; Village Homes, Davis, and Laguna West near Sacramento in California; Haymount, Fredericksbury in Virginia; Curitiba in Brazil; numerous co-housing developments in Europe, North America and Canada...

This would make it an ideal testing ground for future development in Jerrabomberra, which could then easily become a showpiece development of world standard using the best practice. This could be achieved by careful innovative planning using the right people eg. starting with Synectics Group that has done an excellent work in 1994 on the Jerrabomberra National Ideas

Competition; Delfin Property Group of Adelaide that has logged an impressive success record throughout Australia; DPZ (Andres Duany & Elizabeth Plater-Zyberk) Group of Miami, Florida (now in-and-out of Australia working for Lend Lease in Penrith); and others....

The concept of rural residential development [as in the Discussion Paper] is completely faulty... It usually really means a rural sprawl...

3.26. Some of the submissions referred to detailed land management issues that would arise if rural residential development takes place. These issues include bushfire management, water quality, stormwater management, stock control, and flora and fauna management.

3.27. In relation to bushfire issues, the committee understands that stringent design standards for structures and roads would be required for any development in North Gungahlin, Melrose Valley or Kinlyside. The access roads would need to be all-weather routes—wide enough to allow two large fire units to pass in smoke—and located, where possible, away from dangerous fire situations (such as near heavy fuels).

3.28. The committee understands that the requirement to address these issues would add to the costs of any development.

4. CONSIDERATION BY THE COMMITTEE

Rural residential development— implications for the future metropolitan development of Canberra

4.1. There is no question that the introduction of a land use category of rural residential has implications for the future metropolitan development of Canberra. In order to assess the nature of these implications, each term of reference for the current inquiry needs to be addressed.

Impact on the Territory's "land bank"

4.2. The establishment of rural residential development would certainly affect the "land bank" of the Territory. The impacts are likely to be both direct and indirect. An example of the former is some reduction in the amount of land available for 'normal' suburban development. An example of the latter could be (as the Conservation Council noted) some pressure to find replacement suburban land in 'other areas of the open space system' such as riverine corridors or areas containing threatened ecological communities—or even in areas over the ACT border.

4.3. *Members of the committee assess these impacts differently.*

4.4. *One member (Mr Hird MLA) considers that, while the indirect effects of the proposed rural residential development on the land bank of the Territory would need to be carefully watched, the direct effects would indeed be marginal, as claimed by the government. This is because the Kinlyside proposal involves the 'loss' of around 1,600 'normal' blocks while the north Gungahlin proposal involves **no** loss of land presently earmarked for suburban development. In the overall context of suburban development in Gungahlin, the 'loss' of 1,600 blocks is relatively small.*

4.5. *Another member of the committee (Mr Corbell MLA) considers that the impact of rural residential development upon the land bank of the Territory would be serious and detrimental. He considers that the ACT has such a limited amount of land that none of it should be used for rural residential. Instead, this kind of land use should be confined to surrounding areas of NSW which have a far greater amount of land suited for this purpose and which have been earmarked already for such development (in the ACT and Sub-Region Strategy).*

4.6. *The third member of the committee (Mr Rugendyke MLA) considers that the jury is still out on the precise impact of rural residential land use upon the land bank of the Territory. Therefore, more detailed investigation is required [see further below].*

Environmental and land management issues

4.7. The committee agrees with most submitters that the possible establishment of rural residential development in the ACT raises many environmental and land management issues. In the case of Kinlyside, these issues have to be placed in the context of the land being already earmarked for suburban development; hence, extensive

environmental impacts are inevitable—and it is possible that they may even be less severe with rural residential development than with ordinary suburban development.

4.8. The committee agrees with many submitters¹ that the current environment and heritage studies of the areas proposed for rural residential development should be expedited. At the same time, the committee acknowledges that much of this work was in progress when the Legislative Assembly passed the resolution establishing this inquiry—and the Assembly’s resolution directed the government to ‘not proceed with the further development of proposals for rural residential development’ until the inquiry is complete ‘and the government has presented its response’.

4.9. Also of concern to submitters is the design and type of proposed rural residential development. The committee was particularly struck by the comments of the NCA that ‘innovative solutions to development should be fully explored’, including community and group titling and clos sub-division; and similar comments by RAPI and the Conservation Council, with the latter stating: ‘if rural residential development were to proceed... [then] community title offers the best method of land management’ [see chapter 3]. Other submissions on the Discussion Paper also called for innovative development and even cited specific examples of what were seen as successful rural residential developments in Australia and overseas [also see chapter 3].

4.10. The NCA also suggested that ‘development plans of management..., which would minimise the alienation of suitable urban land,’ be considered for rural residential land uses. If these ideas are reflected in the final shape of development proposals, then the NCA considers: ‘It is possible to provide rural residential lifestyles in the ACT without alienating large tracts of suitable urban land’ [again, see chapter 3].

4.11. *The committee appreciates these suggestions and considers they should be examined further.*

4.12. There are several specific land management issues raised by the rural development proposals. One concerns the Melrose Valley. For reasons set out in the submission by the present rural lessee in the Valley [summarised in chapter 3], *the committee agrees with the government’s decision to exclude the Melrose Valley from consideration as a site for rural residential.*

4.13. Another specific land management issue concerns the future of forestry settlements and their possible link to a rural residential type of development. Some submitters including RAPI raised this issue, in part because the Discussion Paper found that these settlements are generally unsuitable for rural residential development (see chapter 3). RAPI, however, observes that the forestry settlements ‘seem to offer an ‘alternative’ lifestyle which, in the case of Uriarra, is supported by the residents’. This led RAPI to wonder if such settlements might be ‘supported by the market’. *The committee agrees that this is an issue to be monitored.*

¹ These include the National Trust ACT, Conservation Council, Ms Rees and RAPI.

4.14. A third specific issue concerns Hall village.

4.15. Most submitters supported the preservation of the existing rural nature of Hall village by way of finalising a master plan incorporating an appropriate buffer zone between the village and any residential development.¹ The committee concurs with this view and, in relation to developments at Kinlyside, particularly notes the following statement by the Treasurer of Hall Progress Association:

[Rural residential development would be] far more desirable [than normal urban residential]. I think a good example of that is... on the outskirts of Albury, to provide a buffer between Albury and the farming population on the other side. There are established precedents throughout Australia. We think this would be a far better approach than having residential development within 50 metres.²

4.16. The committee agrees with officials who stated:

the relationship between [Hall] village and whatever happens in the [Kinlyside] valley is very important and needs to be treated sensitively. At the moment, there is residential zoned land within 50 metres of the village. That is probably too close. There is also a substantial stand of trees which needs to be considered.³

4.17. Against this background, the committee recommends:

- *That the Hall Master Plan (incorporating wide community input) be finalised before a decision is made about the nature of residential development (of any type) in Kinlyside; that the Master Plan incorporate a more substantial buffer zone between the village and any further residential development; and that the Territory Plan be amended (by way of a draft Variation) to formally establish and protect the buffer zone.*

Financial costs and benefits

4.18. The committee (in chapter 3) quoted the conclusion of the Discussion Paper about the 'relatively marginal financial impact' of the rural development proposal. In terms of providing services to Kinlyside, the cost is expected to be higher than normal (whether the development is normal residential or rural residential) because of the area's relative isolation.⁴ Some submitters consider that the proposal necessarily involves a substantial public subsidy to any private developer (see chapter 2).

¹ These submitters include the government, the National Trust ACT, and the Hall Progress Association. An exception is Mr Powell who stated 'I do not think the village of Hall is a consideration in this. The village of Hall, regardless of the fact that it is named a village, is no more a village than the end of my street. It has very few, if any, rural or natural landscape characteristics... it is just a small suburb' [Transcript 17/3/00 pp38-39]

² Transcript 17/3/00 p25 [Mr Morris]

³ Transcript 17/3/00 p6 [Mr Adams]

⁴ Transcript 17/3/00 p8 [Mr Adams]

4.19. **The committee notes unanimous agreement—by government and submitters alike—that any proposed rural residential development should be financially self-sufficient and not be subsidised by the ACT ratepayer.¹ The committee concurs with this view.**

4.20. Many submissions called for greater examination of the demand for rural residential development (see chapters 2 and 3). The committee agrees that greater information is needed about the likely market demand for this type of development in the ACT.

4.21. However, the committee also draws attention to two important differences between ‘traditional’ rural residential development and that which the government is proposing. First, the block sizes are expected to be smaller than the ‘traditional’ form of around 20 acres. Second, a higher standard of infrastructure servicing will be provided. In the government’s view, this makes the proposal more akin to low-density residential than rural residential as traditionally understood.

4.22. *Members of the committee assess the financial costs and benefits of rural residential land use differently.*

4.23. *One member (Mr Hird MLA) considers that the financial costs and benefits are likely to be relatively marginal, as stated in the Discussion Paper [see chapter 3]. If this is the case, then a final decision on rural residential development might not depend so much on the financial aspect as on other considerations such as assessment of the demand for this type of development so close to the centre of Canberra. Given the great amount of rural residential development in surrounding NSW, it appears likely that people will be prepared to pay a premium for this kind of development in the ACT. As noted above, Mr Hird joins other members in concluding that any proposed rural residential development should be financially self-sufficient and not be subsidised by the ACT ratepayer.*

4.24. *Another member of the committee (Mr Corbell MLA) considers that the small scale of any rural residential development in the ACT means that its economic benefits will be negligible but its cost considerable. To Mr Corbell, this is one of several reasons why rural residential development in the Territory is inappropriate.*

4.25. *The third member of the committee (Mr Rugendyke MLA) considers that the financial costs and benefits of rural residential development are, to date, unproven and therefore more detailed investigation by the government is required.*

¹ The government stated that it would not sell the land unless the sale price covers the development costs [Transcript 17/3/00 p5 Mr Hehir]. The government officials consider that the preliminary evaluations by the Australian Valuation Office (which suggested the developer’s affordable price would be only around \$4,700 per lot) are on the low side, being based on the sale price of rural residential land located outside the ACT [ibid p6].

Provision of Territory services and facilities

4.26. The exact nature of Territory services and facilities in a rural residential land use is not yet determined, though the government expects the level to possibly be lower than for standard suburban development (chapter 2). There are basic standards for certain important service which, in the committee's view, must apply in any type of development (whether rural or normal residential)—and these include adequate access roads (especially for emergency services), careful planning for bushfire control, appropriate stormwater drainage and sewerage systems, water quality, stock control and appropriate flora and fauna management. In an area such as Kinlyside, services of this standard have to be provided whether the eventual residential development is rural or suburban. In an area such as north Gungahlin (with a Broadacre land use), these services would have to be designed 'from the ground up'.

4.27. *The committee considers that the nature of infrastructure servicing to go into rural residential development should be finalised as early as possible.*

Consistency with Territory and National Capital Plans, and the ACT and Sub-Region Strategy

4.28. In view of the fact that the Territory Plan is required by law not to be inconsistent with the National Capital Plan, the view of the NCA is very important; and its view is that rural development at Kinlyside and rural residential development at north east Gungahlin 'would not be inconsistent with the National Capital Plan' (chapter 3). As already noted, the NCA suggests the use of innovative designs and titling arrangements, along with 'development plans of management'.

4.29. While acknowledging the government's view that some doubt exists about whether the Territory Plan will need amendment to deal with the proposed category of rural residential land use (see summary of the government's submission in chapter 2), **the committee considers that a draft Variation to formalise this type of landuse would enable the many issues surrounding the proposal to be publicly aired and considered. Such a draft Variation would of necessity involve public comment followed by consideration by this committee and the Assembly.**

4.30. The committee recommends:

- *That, if the government proposes to establish rural residential development, then it bring forward a draft Variation to the Territory Plan to introduce the new landuse classification of rural residential development. The draft Variation should consider the many heritage and environment issues raised by the proposal as well as the issues of infrastructure servicing and possible community/group titling, clos sub-division and 'development plans of management' (to enable large rural residential lots to be later sub-divided, as suggested by the NCA). In making this recommendation, the committee appreciates that the draft Variation process is not usually the place for such detailed consideration [draft Variations involve land use issues, not aspects of service design]. However, in the case of rural residential development, the committee*

considers that these detailed aspects should be addressed in the proposal that comes before the Assembly.

4.31. The committee acknowledges the view of many submitters that the proposed landuse does not accord with the current *ACT and Sub-Region Strategy*, which states that rural residential development should be facilitated in certain parts of surrounding NSW.

4.32. *One member of the committee (Mr Hird MLA) considers that the ACT and Sub-Region Strategy does not rule out this type of development in the ACT, especially considering the smaller block sizes proposed by the government and the higher level of servicing (when compared to traditional rural residential developments). He considers that it is appropriate for the ACT government to offer the widest possible choice of lifestyle within its borders. Given the strong demand for this type of development in surrounding NSW, it is highly likely that the market exists for it in the ACT. While the extent of such development in the ACT can only be small, this should not rule it out in specific areas—of which Kinlyside and north Gungahlin are two.*

4.33. *Another member of the committee (Mr Corbell MLA) strongly considers that the proposed landuse threatens the ACT's good relationship with the region. He considers that the surrounding shire councils have cause to be upset at the action of the ACT government in announcing a policy of rural residential development. He thinks it is sensible to encourage such development in these surrounding shires, thus enabling the ACT to focus upon the suburban type of development.*

Rural residential development: any other related matter

4.34. The committee acknowledges the concern expressed by many submitters about the process leading to the government's announcement of its intention to proceed with rural residential development. The establishment of this parliamentary inquiry by the ACT Legislative Assembly in July 1999 in large part reflects this concern. In this report, the committee has tried to focus upon the merit or otherwise of the proposal *per se*, rather than upon the merits or otherwise of the specific scheme favoured by the government.

4.35. In this regard, the committee appreciates the point made by the Conservation Council that the whole issue is complicated and needs further discussion, though the concept should not be opposed outright (see chapter 3).

4.36. The committee's unanimous call for the government to bring forward a draft Variation to the Territory Plan for this type of landuse indicates its concern that it is time more detailed work, and more formal public consultation, takes place.

5. APPRECIATION

5.1. The committee thanks all those who participated in this inquiry, including those who lodged submissions and who addressed the committee. The committee also thanks the Minister for Urban Services (Mr Smyth MLA) for his cooperation, and the cooperation by officers of his department. Finally, the committee thanks those who, in taking the time and effort to lodge submissions on the Discussion Paper, indirectly provided a very useful source of information to this parliamentary committee inquiry.

Mr Harold Hird MLA
Chair

October 2000