



**SUBMISSION TO THE  
PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS**

**PROPOSED DEVELOPMENT OF LAND AT LEE POINT, IN DARWIN, FOR  
DEFENCE AND PRIVATE HOUSING**

**May 2004**

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### SUPPLEMENTARY INFORMATION

- Item 1:       Location Map**
- Item 2:       Copy of EoI Calling for Private Joint Venture Partner**

## IDENTIFICATION OF THE NEED

### 1 OBJECTIVES

- 1.1 In this submission, the Defence Housing Authority (DHA) seeks approval from the Parliamentary Standing Committee on Public Works (PWC) to proceed with a major residential development at Lee Point, in Darwin, NT, to be undertaken as a Joint Venture with a private development company. The project objective is to provide fully serviced allotments at Lee Point sufficient both to allow construction of residences to satisfy Defence's continuing needs for community standard houses and to allow for an integrated community development by selling dwelling sites to the public.

### 2 THE NEED

- 2.1 Defence housing requirements in Darwin reflect the need to replace older houses and provide wider choice as part of the DHA's asset management plan as well as the need for additional residences as numbers continue to grow with progressive implementation of the Government's force structuring initiatives. The Lee Point project is an important element of the DHA's strategy to meet the operational requirements of the ADF in Darwin.
- 2.2 The Defence housing requirement in Darwin has been nominated as 1,766 as at 30th June 2004, rising to 1,895 by 30th June 2007. The translation of this requirement into a construction program carries some uncertainty in terms of moves still in the planning pipeline (no final decisions made) and the question of whether Defence will require ageing on-base stock to be retained, replaced or substituted with off-base residences. The DHA's Capital Program covering 2003/04 to 2006/07 notes that taking into account the Defence housing requirement, the Authority's Corporate Plan, the national and regional marketing analyses, the stock situation, and the broad consideration of provisioning options, a significant construction program (see Table 1) should be undertaken in Darwin. Given the planning uncertainties mentioned above, this construction program is regarded as a minimum requirement.

	<i>03-04</i>	<i>04-05</i>	<i>05-06</i>	<i>06-07</i>
TOTAL DEFENCE REQUIREMENT	<i>1766</i>	<i>1799</i>	<i>1857</i>	<i>1895</i>
New Capital Investment Program	<i>35</i>	<i>25</i>	<i>75</i>	<i>120</i>

**Table 1: DHA Residential Construction Requirements for Darwin**

- 2.3 The strategic provisioning plan developed by the DHA to meet Defence needs in Darwin includes construction of at least 300 Defence residences in the Lee Point area, with delivery spread over four to five years beginning in December 2005.

### 3 OPTIONS CONSIDERED

- 3.1 In its satisfaction of Defence accommodation requirements, the DHA uses a mixture of delivery methods, including on-base and off-base construction, direct purchase, and various leasing arrangements. Since the DHA is self-funding, its activities need also to be cost-effective and to have potential for reasonable yield and capital appreciation.
- 3.2 In locations where there is a high level of Defence demand, constructed housing delivered through bulk procurement contracts is the most effective provisioning option because plans can be geared to Defence requirements. Building allotments for this purpose are usually sourced ready for construction from the local real estate markets, or developed / redeveloped by the DHA. Where Defence demand is high, the DHA can undertake significant *englobo* developments, and has done so in the past by entering into joint ventures with private companies in Townsville, Ipswich, Liverpool and Darwin.
- 3.3 New land suitable for the DHA in the Darwin region is in short supply. Most of the existing developed land, and land marked for future development, is located in the Palmerston area, a satellite city located some 25kms from the Darwin CBD. The DHA developed large parts of Palmerston in a joint venture partnership with the Delfin Group (now Bovis Lend Lease). Other suitable land in the inner Darwin area is both limited in volume and expensive to purchase.
- 3.4 To ensure land is available to meet the requirement for Defence residences in Darwin over the next 5-6 years, the DHA intends to undertake development of the 77Ha site at Lee Point as a joint venture with a private development company (see call for Expressions of Interest (EOI) attached as Item 2). It should be noted that the land was initially offered to the Northern Territory Government (NTG); the offer to the DHA was recommended by the NTG when it withdrew from the sale and the land was sold to the DHA in accord with the Government's Property Disposals Policy which requires that Commonwealth property, having no alternative efficient use, is to be sold at full market value.

### 4 DESCRIPTION OF THE PROPOSAL

- 4.1 The project involves developing a site previously owned by Defence to provide serviced allotments ready for housing construction. The site is presently vacant.
- 4.2 Infrastructure works, including headworks, involving supply of roads, water, sewerage, storm water disposal, establishment of electricity supply and telephone services will be undertaken as agreed with the NTG and Darwin City Council both off-site and on-site (see paragraph 13 below).
- 4.3 Development objectives / principles have been mandated for the site as follows:
  - (a) Provide a mix of housing which encourages predominantly detached dwellings, but provides opportunities for medium density housing in

appropriate locations to encourage a range of housing choice and affordability.

- (b) Lot size and orientation should include consideration of energy efficiency concepts and initiatives such as ventilation, natural breezes and sufficient space to allow shading of western and eastern walls.
- (c) Lot size and orientation should include house siting that provides sufficient private space and ensures privacy and acoustic protection.
- (d) Land should be made available for non-residential uses including community purpose, recreational, open space and commercial.
- (e) The road network should provide permeability and improved legibility and encourage pedestrian and cycle movement through reduced traffic speeds and increased accessibility.
- (f) Public transport routes/nodes should be provided within 400 – 600m of any individual dwelling.
- (g) The pedestrian and cycle network should provide a high amenity environment and promote access to key focal points within adjoining suburbs and key recreational areas.
- (h) Landscaping and open space is to include retention and use of native and remnant species.
- (i) Stormwater systems should be designed to include the use of retention basins, increased infiltration on site and other Water Sensitive Urban Design (WSUD) initiatives.
- (j) Infrastructure design should be such as to reduce servicing cost per dwelling and encourage Ecologically Sustainable Development (ESD) principles.
- (k) Encourage permeability and linkages with surrounding land uses, including access requirements for the Hospital and connection with existing pedestrian and cycle networks.
- (l) Integrate Tracy Village Social and Sports Club into the subdivision, including through consideration of potential impacts on residents, provision of necessary buffers, rationalisation of access, and additional non-residential land uses.
- (m) Use Crime Prevention through Environmental Design (CPTED) principles when planning public space and vulnerable land uses.
- (n) Identify opportunities for community involvement in the design and management of community space.
- (o) Create a high amenity family environment.

## 5 ENVIRONMENTAL CONSIDERATIONS

### 5.1.1 Flora and Fauna

- 5.2 In 2001 a flora and fauna study of the site was undertaken for the Department of Defence by Low Ecological. Sites surveyed in the original survey were resurveyed in February 2004, to identify any changes in the conservation and biodiversity values for the area.
- 5.3 During the initial survey, seventy-two terrestrial vertebrate species were recorded representing the most common species present in the Darwin district. The 2004 survey identified three new bird species for the site. None of the species recorded are listed as endangered, threatened or rare under the *Territory Parks and Wildlife Conservation Act* (Threatened Wildlife Register). In addition, no species recorded in either survey is listed under the *Commonwealth Endangered Species Protection Act 1992*.
- 5.4 One species *Cycas Armstrongii* has been listed as a vulnerable species under the *Territory Parks and Wildlife Conservation Act*. As such a permit will be required if it is necessary to remove the species from the site.
- 5.5 Significant habitats within the Lee Point study area include a small stand of mature eucalypt forest on the northern border of the site, and a strip of riparian vegetation along the creek which runs through the centre of the site. As this creek feeds into the Casuarina Coastal Reserve, disturbance within this habitat is likely to produce consequential effects that may jeopardise the conservation values of the Reserve. Protection of the vegetation along the creek, and its associated flora and fauna, will reduce potential sedimentation of the creek. Protection of habitats will also act as a refuge for fauna during and following development of the area, as well as a biodiversity source for post development rehabilitation.

### 5.5.1 Site Contamination

- 5.6 The potential for the site to be contaminated was assessed initially by an inspection and by reviewing aerial photography, historical information and past environmental reports. Records indicated that WWII activity may have occurred on site, and that gun emplacements using earth-filled drums were deployed in the area. An electromagnetic survey plus a full and systematic assessment of groundwater and soil contamination has been commissioned, and the results will become inputs to development planning / engineering design with the DHA's Joint Venture partner.

## TECHNICAL INFORMATION

## 6 LOCATION

- 6.1 The site is located on the fringe of the northern suburbs of Darwin, with Wanguri to the South, Tiwi and the Hospital (Royal Darwin Hospital, Private Hospital and

Health precinct) to the West and Defence land to the East and North. The site is approximately 1.2km north of Casuarina Shopping Square, the major commercial and administrative hub of Darwin's Northern Suburbs, approximately 2 kilometres from the Charles Darwin University, and 16km from the Darwin City CBD.

- 6.2 The Defence land to the east has been cleared and has a number of communications transmission masts and aerials. The Defence land to the north is relatively uncleared and hosts a Defence radar facility.
- 6.3 A site location map is attached (Supplementary Information, Item 1).

## 7 LAND OWNERSHIP

- 7.1 The land is owned by the DHA, having been purchased from the Department of Defence in December 2003. Tracy Village Social and Sports Club has been subdivided from the subject site and is now owned by the Northern Territory Government.

## 8 SITE DESCRIPTION

- 8.1 The site is described as Lots 9774 and 9779, Town of Nightcliff, Lee Point Locality (Survey Plan No (2001/071)), with a total area of approximately 77 Ha. The site is contained within the Darwin City Council area of planning control.
- 8.2 A small pocket of land zoned O3 (Conservation) adjoins the lot on the western boundary. This land separates the Hospital from Rocklands Drive and contains sections of Sandy Creek, which collects stormwater from the Hospital, the subject site, adjacent Defence land and the suburbs of Tiwi and Wanguri.
- 8.3 The site is generally flat, with a slight slope in a westerly direction towards the centre from both the north eastern and south eastern sections. A small ephemeral creek runs east to west through the centre of the site. There are a number of soil mounds and erosion gullies present, many of which have been subject to minor erosion. There are also areas that have been stripped of surface soil layers resulting in minor depressions that pond stormwater.
- 8.4 The DHA site is vacant; there are no buildings or formal internal networks on site. Although there is light open woodland existing across the site, the majority of the site has experienced a significant level of disturbance associated with past land uses, resulting in the presence of access tracks, rubbish, and areas of fill.
- 8.5 The Tracy Village Social and Sports Club, established to provide housing and support amenities for the workers who came to Darwin from many parts of Australia to help rebuild the city in the aftermath of Cyclone Tracy, was originally part of the site, but has been sold to the NTG and has been separated by subdivision. The Club (zoned O2 – Organised Recreation) will adjoin the DHA site to the south west.

## 9 SCOPE OF WORK

- 9.1** The Authority is keen to ensure that potential development partners from the private sector have the opportunity to use their own experience to generate proposals which ensure not only that all the DHA requirements are met but that commercial opportunities are exploited. For market testing, and subject to receipt of firm, fully costed development proposals from private companies interested in joint venturing, the business case for the project has been worked around a feasible development option which envisages an ecologically sustainable development yielding 725 building lots.
- 9.2** The scope of work envisaged to be undertaken by the developer(s) is outlined in paragraphs 12 and 13 below.

## 10 HERITAGE CONSIDERATIONS

### 10.1.1 Aboriginal Heritage

- 10.2** The site falls within the traditional territory of the Larrakia people and is currently under Native Title Claim (Claim No DC96/7).
- 10.3** Advice from the Australian Government Solicitor (AGS) is that:
- (a) based on tenure history information referred to in legal opinions from Ward Keller Lawyers and the Northern Territory Department of Justice, there are very strong grounds for concluding that native title has been extinguished over Lot 9774; and
  - (b) there are strong grounds for concluding that native title has been extinguished over Lot 9779.
- 10.4** A register search which included the Aboriginal Areas Protection Authority (AAPA) Sites Register, the Register of the National Estate, and the NT Heritage Register has indicated that no sites of significance have been registered on the site. A previous survey undertaken by Heritage Surveys for HLA Envirosciences had identified the presence of an artefact; however it was classified as having a low level of archaeological significance. An Authority Certificate as required by the Aboriginal Sacred Sites Act 1989 is being sought.
- 10.5** The Native Title Unit of the Commonwealth Attorney-General's Department has been informed of the development proposal although the legal advice would seem to support a conclusion that the acts involved in the development would not constitute acts which affect native title, such as to trigger the requirements under the *Native Title Act 1993*.

### 10.5.1 Non-Aboriginal Heritage

- 10.6** No non-aboriginal heritage sites are listed with the NT Office of Environment and Heritage and National Heritage Trust.



- 10.7** A report prepared by the NT Department of Lands and Housing (1991) stated that the site had contained a heritage site associated with a World War II Ack Ack Battery said to have been manned by an American company stranded after their ship was sunk during the Japanese bombing of Darwin. However, the report also mentioned that this site had been destroyed by clearing and stripping of soil on site.
- 10.8** During a general site inspection, a structure was found which appeared to date from World War II. However, the nature and context of the discovered site has not been thoroughly tested, the structure is temporary in nature, and the site contains a significant amount of litter and rubbish. The site will be documented by a local heritage expert before the remaining structure is demolished or removed.

## **11 ZONING AND APPROVALS**

- 11.1** The Northern Territory Government, through the Department of Infrastructure, Planning and Environment (DIPE), administers planning in the Northern Territory, not the Local Government. The Development Consent Authority (DCA), a Statutory Body, is the decision making authority, with administration and assessment services provided by DIPE. Strategic planning, transport planning and land administration is also managed by DIPE.
- 11.2** Although the DCA is responsible for the determination of development applications including subdivisions, the Minister for Planning is responsible for rezoning applications, which are lodged under the *Planning Act 1999* as an amendment to the Northern Territory Planning Scheme - a Scheme which includes Land Use Objectives (Strategic Statements), Development Provisions (Town and Control Plans) and Incorporated Documents (e.g. Design Guidelines).
- 11.3** The Local Government Authority for the site is the Darwin City Council, with responsibility limited to the provision of local roads, open space, stormwater, lighting, parks, garbage collection, footpaths etc.
- 11.4** After consultation with the NT Government, application has been made for the site to be rezoned to a Specific Use (SU) zoning under the Darwin Town Plan 1990. The SU zoning allows a statement of intent and permitted uses and can provide conditions on development. A separate application for subdivision approval will be required at a later stage.

## **12 SITE DEVELOPMENT CONSIDERATIONS**

- 12.1** The main site development considerations identified by the DHA's urban planning consultants (apart from services, for which see paragraph 13 below) are addressed in this section, noting that issues will need to be reviewed and pursued by the Joint Venture when formed.

### **12.1.1 Roads and Site Access**

- 12.2** Access to the site is available from Lee Point Road (a two-lane single carriageway on the eastern boundary), Tambling Terrace (a two-lane single carriageway on the

southern boundary), and Henbury Avenue and Rocklands Drive (both four-lane dual carriageway to the west). The surrounding road network is carrying significant volumes of traffic, and the Darwin City Council has stated that a Traffic Impact Study will be required to fully address requirements on all of the affected main roads and intersections in the vicinity.

**12.3** A preliminary traffic impact assessment has been undertaken on the assumption that the anticipated total traffic generation for the development site will be in the order of some 6,400 vehicles per day. On that basis:

- (a) Lee Point Road, north of Tambling Terrace, will need to be upgraded to an urban standard. The appropriate standard to service the proposed development consists of an 11m sealed carriageway, kerbed both sides, complete with underground drainage;
- (b) The two-way capacity of Lee Point Road, south of Tambling Terrace, is estimated to be 1,800 to 2,000 vehicles per hour. Therefore, the existing road has adequate spare capacity to accept estimated traffic volume from the proposed development;
- (c) Tambling Terrace is considered to have adequate spare capacity to accept the additional traffic flow generated by the site; and
- (d) Junctions with the existing road network will probably be required at the following locations:
  - Lee Point Road (Southern Connection);
  - Lee Point Road (Northern Connection);
  - Henbury Avenue; and
  - Tambling Terrace.

**12.4** The roads within the development site will be designed and constructed in accordance with the requirements of Darwin City Council (DCC) and, on completion, given to DCC to own and maintain.

#### **12.4.1 Hydrology and Drainage**

**12.5** Sandy Creek, which traverses the site, is a sensitive ecosystem containing some mangroves, rainforest and dense vegetation. The proposed development site forms a significant part of the headwaters of Sandy Creek which, from the site, flows along Rocklands Drive to the western extremity of the Royal Darwin Hospital, then in a northerly direction for approximately 3 km parallel to Casuarina Beach before discharging into the sea.

**12.6** The NT Department of Housing and Construction (DHC) commissioned a study in 1974 to investigate stormwater drainage within the Sandy Creek catchment. The study identified a number of initiatives that would mitigate the impact of urbanisation on Sandy Creek, including a retarding basin that was recommended to be constructed within the site near the intersection of Henbury Avenue and Rocklands Drive. It is accepted that a retention / retardation basin will be required

to reserve an area for flooding that would also be beneficial in terms of retaining existing vegetation, and this has been incorporated in all planning options considered.

### 12.6.1 Stormwater

12.7 Peak tropical cyclone storm surge tide levels have been determined by the Department of Infrastructure, Planning and Environment for various sites in the Greater Darwin Region, including Lee Point (near the outfall of Sandy Creek) which is well to the west of the site. The predicted peak storm surge level with an Annual Exceedence Probability (AEP) of 0.01% (once in a thousand years) is 6.5m, while the minimum level within the proposed development site is well above this at approximately 13.0m.

12.8 Internal stormwater drainage infrastructure will be put in place throughout the site. The system will be designed and constructed in accordance with the requirements of Darwin City Council and, on completion, given to the Council to own and maintain.

## 13 SERVICES

### 13.1.1 Water Supply

13.2 There is no existing reticulation within the site area that has potential future use. There are some disused water supply mains, but the Power and Water Corporation (PAWC) has advised that these are obsolete and can be removed.

13.3 PAWC estimates that, for this development site:

- (a) a new DN450 water main will need to be constructed from Jabiru Street to Fitzmaurice Street (length approximately 1650m);
- (b) the existing water supply to Tracy Village will need to be relocated; and
- (c) internal water reticulation will be required to service all lots and open space areas within the site.

13.4 The necessary reticulation system will be designed and constructed in accordance with PWC requirements and, on completion, given to PAWC to own and maintain.

### 13.4.1 Sewerage

13.5 PAWC has advised that a number of disused sewer mains exist within the site which are obsolete and can be disregarded.

13.6 A DN1050 trunk sewer crosses the site from the north east corner of Tracy Village Sports Club to Lee Point Road within a 10m easement which will be integrated either into public open space or within a widened road reserve. The sewer varies in depth across the site from approximately 4.4m to 6.3m. Discharging into this trunk

sewer is a DN200 uPVC sewerage rising main is located along the eastern side of Lee Point Road.

**13.7** The following additional ‘backbone’ works are required to service the DHA site:

- (a) A major pumping station at the western side of the site near the Hospital;
- (b) a new DN375 Vitreous Clay gravity sewer from Lee Point Road to the Leanyer Sewerage Ponds (length approx. 1550m); and
- (c) a new DN300 uPVC rising main to connect the new pumping station to the new DN375 gravity sewer on Lee Point Road (length approx. 1150m).

**13.8** Internal sewerage reticulation will be required to service all lots within the site. This system will be designed and constructed in accordance with PAWC requirements and, on completion, given to PAWC to own and maintain.

#### **13.8.1 Electricity**

**13.9** The existing supply to Tracy Village will have to be relocated in the course of the subdivision.

**13.10** The PAWC has requested that the DHA set aside a block of land (about 30m by 40m) for a future zone substation and to incorporate a duct bank for cable access to the selected site.

**13.11** Electricity supply within the subdivision will consist of a number of new substations (typically 300 and 500 kVA capacity), high and low voltage reticulation and street lighting.

#### **13.11.1 Telecommunications**

**13.12** The site currently has no internal telecommunications reticulation other than the Tracy Village supply, but Telstra cables are present in Tambling Terrace, Henbury Avenue and Lee Point Road.

**13.13** Approximately 4m inside the property boundary alongside Lee Point Road there is an optical fibre cable together with a copper cable which provides service to the RAAF Radar Facility and Lee Point Caravan Park to north. The precise location of these cables is not known, but relocation or duplication of cables is likely to be at the developer’s expense.

**13.14** The telephone service to Tracy Village will need to be relocated as part of the subdivision process.

## **14 CODES AND STANDARDS**

**14.1** A joint NTG / DHA committee (The Lee Point Project Committee) was established under the aegis of a Memorandum of Understanding (MOU) signed between the

two parties on 10th December 2003. The Committee's purpose is to provide a forum for the parties to cooperate and work together in good faith to facilitate and achieve:

- (a) appropriate rezoning of the Property to allow development of the Property for residential, commercial, recreational and other uses; and
- (b) design and development of the Property by the DHA and any private sector participant(s) in accordance with NTG development criteria, statutes and regulations.

**14.2** The design of the development is to satisfy the Northern Territory Planning Scheme and also Darwin City Council standards and requirements with regard to road width, physical infrastructure and waste management.

## **15 ENERGY CONSERVATION**

**15.1** Energy conservation will be a prime design consideration in planning, design and construction. All DHA houses will be required to provide optimal passive solar performance and achieve a minimum of 4-star energy rating in accordance with government policy, and the development planning is required to facilitate this objective.

## **16 LANDSCAPING**

**16.1** Basic landscaping, protection and trimming of existing trees will be included. Some additional general landscaping will be provided as contextual elements complementing the proposed 'lot' landscaping and streetscaping.

**16.2** The Sandy Creek system and riparian vegetation provides an opportunity for linear open space that would buffer the system from surrounding land use as well as provide opportunity for formalised bicycle and pedestrian footpaths.

**16.3** Darwin City Council requires functional open space to be provided a 500m safe walking distance from individual dwellings. This open space area will contain park infrastructure such as play equipment, irrigation, seating, rubbish bins, water bubbler etc. Open space will also allow for shade, clear views and incorporation of CPTED principles.

## **PROJECT PLANNING**

### **17 PROJECT FEASIBILITY**

**17.1** The broad feasibility of the project has been assessed. After allowing for the transfer of Tracy Village, stormwater retention and local roads and parks, the land yield has been conservatively estimated at 725 developed residential lots.

- 17.2** A financial analysis confirms that overall the construction project is feasible within a budget of around \$40 million (GST included, but excluding the cost of land). The cost of required headworks and on-site development will be around \$50,000 per block. Allowing 5% of costs for sales and marketing, the required sales value per block is estimated at between \$95,000 and \$115,000 to achieve a reasonable rate of return on capital invested. The DHA's consultant valuer (Landsburys) has advised that developed land on this site would be worth, on average, at least \$120,000 per block at today's prices. Inclusion of the completed house and land product in the sale and leaseback program will provide additional financial return.
- 17.3** The DHA Board is satisfied that the proposed development as described in this submission is an appropriate, timely and cost effective way to partially meet the future housing needs of ADF personnel and their families in Darwin. It is not anticipated that a private joint venture partner would seek to reduce the overall profitability of the development.

## **18 COMMUNITY AND NEIGHBOUR CONSULTATION**

- 18.1** Land to the north and east of the site is owned by the Commonwealth Government (Department of Defence). The RAAF radar station to the north is expected to remain operational for 2 to 3 years and then be decommissioned.
- 18.2** The Tracy Village Social and Sports Club adjoining the site in the south-west has plans to develop into a major sports facility, providing a venue for higher level sporting activities (e.g Territorial and Australian competitions, Arafura Games). It will also seek to develop night time and weekday capacity. The integration of this establishment into the development is an important planning issue.
- 18.3** A small retirement village adjoins the site near the south eastern corner. As an aged care facility, it is similar in form and function to unit / medium density development. No concerns have been identified.
- 18.4** The land to the west of the site houses the Royal Darwin Hospital, the Menzies School of Health and the Darwin Private Hospital. Consultation has been undertaken with the Hospital and the following principles were raised:
- (a) the Hospital would like to retain the emergency access through the site;
  - (b) security is a paramount consideration for the Hospital, so appropriate boundary fencing would be sought;
  - (c) there are potential housing opportunities for hospital staff; and
  - (d) appropriate noise buffers (e.g earth mounds etc) might be required to safeguard against hospital plant noise.
- 18.5** The Casuarina Coastal Reserve adjoins the site on the western boundary, via a small portion of land (zoned O3 – Conservation) associated with the Sandy Creek system. The DIPE (Parks and Wildlife) is responsible for the ongoing management of the

Reserve. Work on the site will take into account that development will have direct impact on the current flows and water regime of Sandy Creek. Increased pavement and impermeable surface will increase freshwater flows to the creek.

## **19 OTHER ORGANISATIONS /AUTHORITIES CONSULTED**

**19.1** The supportive role of the NT Government and the direct assistance provided has been explained above. High level officers from the NT Department of Infrastructure, Planning and Environment (DIPE) have been consulted regularly through the NTG/DHA Project Committee, and individual elements of DIPE have been consulted in relation to particular matters as indicated below:

- (a) DIPE (Strategic Planning) in relation to land use objectives, design guidelines, the required development mix, the proposed future land use and development, and consideration of community facilities;
- (b) DIPE (Development Assessment) in relation to rezoning requirements, DCA policies (e.g Duplex), and the Darwin Town Plan;
- (c) DIPE (Natural Resources) in relation to soil and water conditions and associated development considerations, water quality including stormwater runoff, and soil quality and constraints;
- (d) DIPE (Public Transport) in relation to adequate sight lines and road widths for public transport, existing routes, and potential linkages;
- (e) DIPE (Parks and Wildlife) in relation to existing conservation requirements, proximity to Casuarina Coastal Reserve, and Sandy Creek Management;
- (f) DIPE (Office of Environment and Heritage) in relation to non-indigenous heritage issues on site.

**19.2** The NT Department of Business, Industry and Resources has been consulted in relation to past extraction licenses.

**19.3** Meetings have been held with Darwin City Council, which supports the development, in relation to stormwater, subdivision guidelines, parks and landscaping requirements, existing and proposed pedestrian and bicycle networks, road network and access requirements, and required developer contributions.

**19.4** The Medical Entomology Branch of the NT Department of Health and Community Services has been consulted in relation to problem areas and required buffers for biting insects.

**19.5** The Power and Water Corporation has been consulted in relation to existing power and water utilities, service requirements, and connections / upgrades required.

**19.6** Telstra was consulted on the supply of telecommunications to the proposed development, in relation to connection points and installation details, high speed communication points, and broad band installation.

**19.7** Neighbours, including the Royal Darwin Hospital, the Tracy Village Social and Sports Club, the retirement village on the south east corner of the site, and the Department of Defence, have been consulted as indicated in paragraph 18.

## **20 PROJECT PLAN**

**20.1** Based on an aim of having progressive delivery of Defence residences starting by December 2005, significant milestones needing to be achieved are shown below. Noting that expressions of interest in Joint Venturing with the DHA were invited in April and the DHA is in the process of deriving a shortlist of Respondents who might then be invited to submit a proposal for a joint venture, no circumstances are anticipated at this time that would make the nominated target dates unachievable.

- |                   |   |
|-------------------|---|
| (a) July 2004     | issue Joint Venture RFP to selected recipients;   |
| (b) August 2004   | close RFP;  |
| (c) October 2004  | complete evaluation & negotiation;  |
| (d) November 2004 | obtain Board approval to seek Ministerial approval to contract with preferred tenderer; |
| (e) November 2004 | obtain Ministerial approval to form JV and contract with preferred tenderer;            |
| (f) November 2004 | sign JV development contract; and   |
| (g) December 2005 | target date for delivery of first DHA houses.   |

**20.2** Subject to Parliamentary and DHA Board approval, the development program is planned to commence in February 2005 to enable the first Defence houses to be available for the ADF's 2005/06 posting cycle.

## **21 PROJECT ESTIMATES**

**21.1** The estimated cost of the proposal is \$41,381,480 (incl. GST). This includes construction costs, civil works, headworks charges, and contingency & professional fees. If delivery is undertaken under joint venture arrangements costs to the DHA will be halved.

**21.2** A breakdown of cost will be provided separately to the Committee as Commercial-in-Confidence material, together with a financial feasibility analysis.

## **22 FINANCING ISSUES**

**22.1** Capital funding for the proposal will be sourced by the DHA from any or all of the sale of surplus housing stock, the public sale of development houses, funds realised from the sale and leaseback scheme, application of surplus operating capital, or debt financing.



## 23 PROJECT MANAGEMENT

- 23.1 The project will be managed by a Joint Venture formed between the DHA and a private developer. There were eleven respondents to the EOI referred to in paragraph 3.4 above, from which up to four will be selected to receive a request to submit a formal proposal.

## LOCAL IMPACTS

### 24 ECONOMIC EFFECTS

- 24.1 The proposed project will have a positive economic effects during the construction period, not only on the local economy through persons working directly on the site but also through the many others off-site, local and national, who will be supplying material, plant and equipment.<sup>1</sup>
- 24.2 The Defence presence in the Northern Territory is an important contributor to economic growth. The increased Defence population in the Territory (which has more than doubled since the early 1990s) has had a significant impact on industries such as housing and retail trade and has helped to broaden the NT industry base.
- 24.3 The Defence population contributes to the economy not only through consumption and investment but also through skilled dependents entering the labour force. The 1999 Defence census found that approximately 60% of partners worked full time, and that 40% of these had formal educational or vocational qualifications.
- 24.4 With particular reference to the DHA activity, the *Northern Territory Economy Overview*, released with the NTG's 2003-04 Budget Papers, notes that "investment in facilities such as the Carey Street apartment complex adjacent to the Darwin CBD has boosted expenditure in recent times..... the Defence Housing Authority is expected to undertake substantial capital works in ..... 2003-04 and 2003-05". Clearly, the economic effect of the DHA activity in Darwin will be welcomed.

### 25 COMMUNITY EFFECTS

- 25.1 Community impact is assessed as potentially low. The site is an extension of existing suburbs with institutional neighbours on most boundaries and clear separation from what will become neighbouring suburbs.

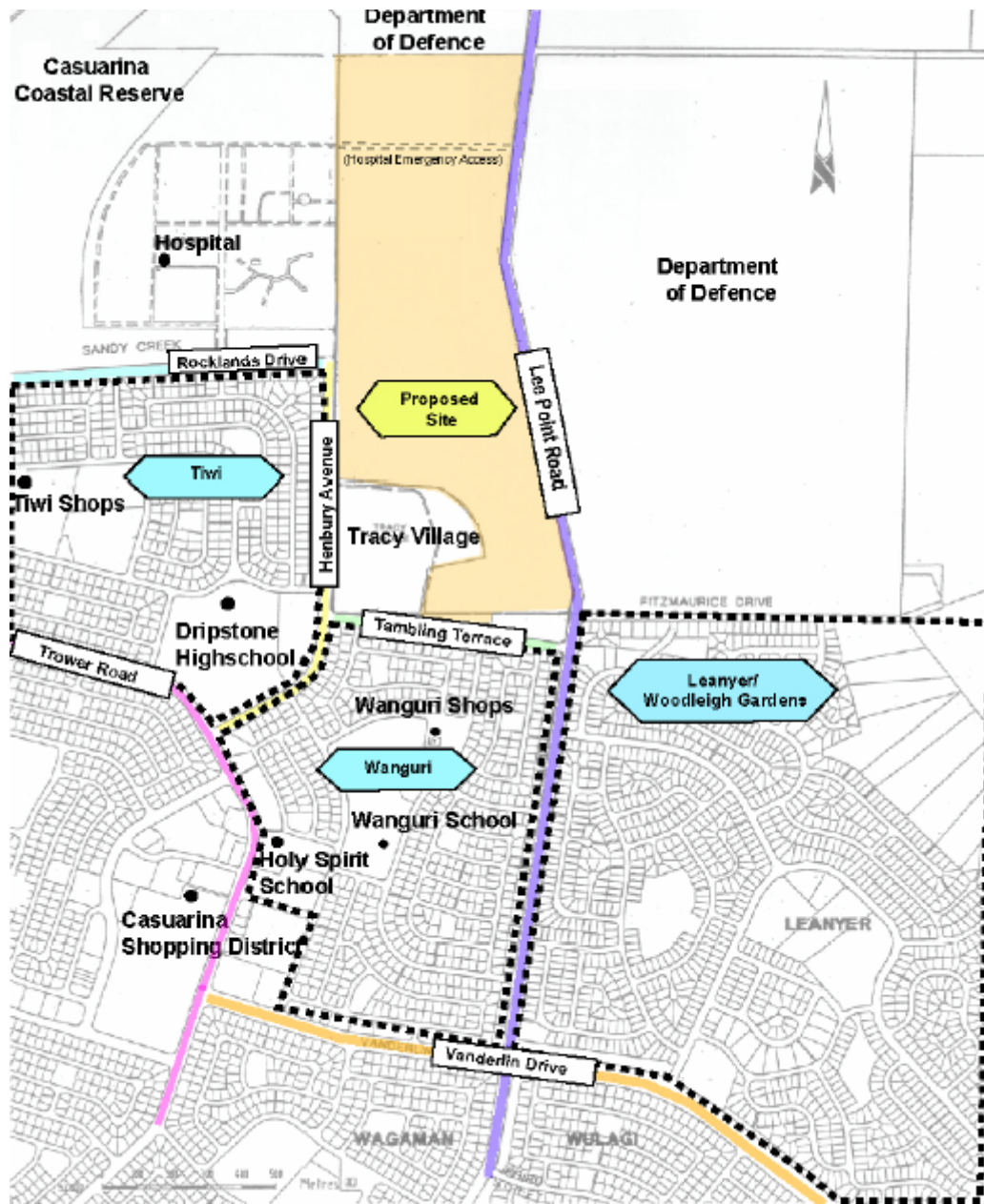
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<sup>1</sup> Economic effects cannot be precisely estimated. However, an article contributed to the ABS' *Year Book Australia 2002* by the Department of Industry, Science and Resources uses 1996-97 data (the latest available) to illustrate the possible size of the multipliers for output and employment in the construction industry and concludes that every \$1m spent on construction output in 1996-97 would have generated in the economy some 9 jobs in the construction industry directly (the initial employment effect) and a total of 37 jobs in the economy as a whole from all production and consumption effects.

## **26 HOUSING MARKET EFFECTS**

- 26.1** In the Darwin housing market, development of 700+ serviced blocks will be a significant project.
- 26.2** Economic and demographic factors indicate that population growth in the Territory is likely to be slow. However, household growth appears to be higher than population growth due to falling average household sizes, and household growth in Darwin is expected to average around 2-3% pa over the medium term. This will generate demand for new housing lots and homes.
- 26.3** There is very little land available for sale within Darwin proper, Lee Point is an attractive location, and many families living in the northern suburbs would like to live in a new house. Palmerston, the other obvious option for relocation, is perceived to be an inferior location to Lee Point Road.
- 26.4** Overall, the development is expected to meet a continuing demand for serviced land in Darwin and not adversely affect the market.

Item 1: Location Map



**Item 2: Call for Expressions of Interest in Joint Venturing**