

The Hon. Adam Giles
Chief Minister
Minister for Economic Development and Major Projects
GPO BOX 3146
DARWIN NT 0801

Dear Chief Minister

RE: Luxury Hotel Request for Expressions of Interest

The Northern Territory Division of the Property Council of Australia collectively represents billions of dollars of commercial investment in the Northern Territory. The property sector has a larger footprint on the Northern Territory economy than any other industry.

As an industry, we not only have a keen interest, but also a financial interest in the future development of the Northern Territory, and we appreciate and take seriously the opportunity to provide comment on proposed planning developments.

The Property Council of Australia would like to provide comment on some matters that have been raised by our members regarding your Luxury Hotel Request for Expressions of Interest which has recently been issued.

We appreciate and acknowledge the effort that has been made to encourage private sector investment here in the Territory and most notably, to boost growth and development in the Darwin City Centre. As one of Australia's fastest growing economies we need to ensure that all plans and ideas have been strategically assessed before decisions are made as to new government initiatives.

The concerns surrounding the proposed luxury hotel that have been raised include:

- the effects of government's intervention in a free market economy;
- the suggested government site (part of Lot 10176, Town of Darwin);
- the need to maintain a disciplined and strategic planning regime for the Darwin City Centre and immediate environs.

Free Market Intervention - As you are aware, when any government becomes involved in a market sector, such involvement can easily lead to that market becoming distorted and unbalanced. Whilst we accept and indeed support the role of government to provide a stimulus to strategically important market segments, in this case we caution government involvement in a sector that shows no current market failure, and would attract private sector interest at an appropriate time.

Lot 10176, Town of Darwin - The amount of land owned by the Northern Territory Government in and around the Darwin City Centre is extremely limited. We believe that what little public land is still owned by the Northern Territory Government should not be sold or utilised for private business purposes, but retained to meet future community needs and/or infrastructure. Such community infrastructure is critically important in ensuring the long term prosperity and growth of the City Centre.

Planning regime - The Property Council of Australia notes that within the current Darwin City Centre Master Plan there are already two locations that have been identified for luxury hotel accommodation. One is a government-owned site in Herbert Street and the other site is located within the Darwin Waterfront Development. There are also a number of privately-owned sites in and around the Darwin City Centre that would be well suited for luxury hotel accommodation.

We believe that the Northern Territory Government should consider these sites as the primary available sites for any proposed luxury hotel development. We note that the Northern Territory Government proposed site (Lot 10176) has already been earmarked as a public swimming beach in the Darwin City Centre Master Plan. The Master Plan was specifically formulated and designed to build and strengthen new and existing synergies within the Darwin City Centre; any variation or deviation from the overall plan could potentially reduce those synergies and lead to a fractured and under-performing City Centre.

Lastly, we note that the Darwin City Centre Master Plan is in the final stages of being adopted into the Northern Territory Planning Scheme. The introduction, at this very early stage, of any new initiative that operates outside that plan and which has not been carefully considered, could potentially erode the efficacy and integrity of the Master Plan.

The Property Council is the peak body representing the property industry in the Northern Territory. We appreciate the opportunity to comment on the proposal and look forward to continuing to work with you during the process.

Should you have any queries or require elaboration, please do not hesitate to contact rpalmer@propertycouncil.com.au

Yours sincerely



Ruth Palmer
NT Director