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Central Darwin Area Plan – Submission to Stage 2 Draft Area Plan

The Property Council of Australia is the peak body representing the property industry in the Northern Territory.

The Northern Territory Division collectively represents billions of dollars of commercial investment in the Northern Territory. The value of the property industry to the NT economy is second only to the resources sector.

The Property Council's membership draws together key players from property investment and development including owners of commercial office buildings and shopping centres, financial institutions, and construction companies. Our membership also extends to those engaged in professions, businesses and provision of services directly associated with the property industry (architects, engineers, financiers, legal and other consultants, suppliers etc.).

As an industry, we not only have a keen interest, but also a financial investment in the future development of the Northern Territory. We appreciate and take seriously the opportunity to provide comment on the Building Confidence Report and Recommendations.

The Background to the Central Darwin Area Plan (CDAP)

After the finalisation in 2015 of the Darwin City Master Plan, the Property Council strongly advocated for the Darwin City Master Plan projects and urban design principles to be incorporated into the planning scheme, as it was seen as a chance to develop and adopt a holistic and long term plan for our Capital City. In the past, plans had been politically driven initiatives that do not survive the short term electoral cycle.

After much toing and froing on the Master Plan, a compromise was agreed by the Property Council and then Department CEO, Rod Applegate, to create a new document, an area plan for Darwin City that would incorporate the Darwin City Master Plan projects and concepts.

During the lead up to the last election the current Northern Territory Government made a core election promise to the Property Industry that the Darwin City Master Plan would be incorporated into the Planning Scheme.

Unfortunately, and to complicate matters, the CDAP was subsequently hijacked when it was co-opted as part of the Darwin City Deals and become the central planning reform document that formed part of the basis for securing Federal Government funding.

The Property Council remains adamant to the original understanding and undertakings from both the Government and the Department to incorporate the Darwin City Master Plan projects and urban design principles into the Planning Scheme.

Key Industry Concerns

Leaving aside the easy headlines of “Government and Department unleashes miles of new red and green tap on industry already on its knees”, the Property Council still strongly believes that some aspects of the CDAP are worthwhile and indeed would be supported by large parts of the Industry.

The Property Councils has maintained and advocated over a number of major concerns:

- A) The defragmentation of the Darwin Central Business District. We support the introduction of additional planning considerations limiting commercial areas to 200m² per development in the CBD’s neighbouring areas, like Francis Bay, the former Tank Farm, Shell Site and the Waterfront. This can then be reviewed periodically (5-10 years) and reversed once the CBD has reached a critical mass needed to self-sustain and support itself as a capital city.
- B) The need for infrastructure to support the City Central Business District, in particular, infrastructure that improves links/connections to neighbouring adjoining areas. We support putting infrastructure where that infrastructure is of most need. For example, the corner of Knuckey and Smith street is the most heavily pedestrian trafficked area in the whole of the city, but the CDAP does not recognise this nor provided relevant infrastructure to support this.
- C) That forced active frontage (commercial and retail spaces) should be restricted to the city centre (A1 Core) and all other areas should have the flexibility to address frontages in a manner that is commercially viable and which does not lead to permanent vacant ground floor commercial or retail tenancies.
- D) That the NT Planning Scheme and CDAP provide a level playing field. We cannot have rules that put the Darwin CBD at a competitive disadvantage. We will never succeed in creating a vibrant, sustainable and well performing Darwin CBD if our planning scheme continues to encourage inappropriate development outside our primary activity centre.

The Property Council’s comments and positions on the various items raised in the Central Darwin Area Plan are as follows:

1. RESIDENTIAL: Encourage appropriate housing options, neighbourhood and residential amenity to support the lifestyle of a diverse demographic Objectives Acceptable Responses

1.1 The Property Council notes and supports 1.1.

1.2 The Property Council has concerns over 1.2. Specifically, the Property Council recommends 1.2 (iv) active frontage requirement be removed/amended. We support any initiative that leads to improved street level visual amenity, however, imposing and encouraging active frontages (commercial and retail spaces) in economically unviable locations will only lead to higher costs and more vacant premises. Forced active frontage (commercial and retail spaces) requirements should be limited to apply only to the City (A1 Core).

1.3 The Property Council is concerned that additional requirements that will add cost to residential developments will mean a competitive disadvantage for the Central Darwin Area Plan Study Area compared to other locations, e.g. Palmerston, Northern Suburbs, North Crest etc. If this requirement was to be applied equally to all jurisdictions to create a level playing field, then our objection would be moot.

1.4 The Property Council is strongly opposed to 1.4. It is a classic example of policy that will not achieve its intended outcome, but only create additional costs on an industry currently experience severe downturn. Firstly, most residential units are strata titled, so this would mean individual owners were the ones retrofitting these areas (usually 2-3 car parks). Secondly what about future services to those areas such as air-conditioning, fire safety, bathrooms, electrical switch boards, plumbing etc. Thirdly, it is highly hazardous to establish planning policy based on the **anticipated** result of untested technologies that have not yet been fully implemented in any part of the world. The only known result of this policy is that the developers and residential property owners are bearing all the risk.

1.5 The Property Council notes and supports 1.5.

The Property Council strongly supports growing the population of the Central Darwin Area, however, there seems to be no real measures under this section that will help to achieve that objective.

2. MIXED USE: 2. Support a dynamic mix of uses that contribute to safe, active, attractive, and diverse localities

2.1 The Property Council is opposed to the concept of “*single use developments are to be avoided.*” The Property Council supports all measures to improve the street level visual amenity and cooling, however, we do not support the indiscriminate forced creation of further oversupply to the market of retail and commercial space that is uneconomically viable. The free market is willing and able to meet demand where genuine demand exists. We do support active frontage (commercial and retail space) being required for all developments located within the city centre (Core A1), which have strong economic viability.

2.2 See 2.1 above. The Property Council only supports these requirements for buildings in areas Core A1.

2.3 The Property Council strongly supports the measures under 2.3 as a practical planning outcome and objective. The Property Council also recommends that some concessions be given to laneway street frontages if the developer enters into binding arrangements to allows blank walls to be used for public artwork and/or graffiti artwork.

2.4 The Property Councils notes and supports 2.4. We would further highly recommend that any future unit titles will need to contain restrictive covenants on their titles certificates that acknowledges and restricts complaints based upon noise from night-time economy related activities that are in close proximity.

2.5 The Property Council supports in part 2.5, but believes that the major focus needs to be more on street level visual amenity and cooling.

2.6 The Property Council supports in part 2.6, provided that such measures do not materially affect commercial viability. We recommend that the word “reasonable” be inserted into the start of 2.6 (i).

2.7 The Property Council regards 2.7 as a matter for local/territory government. It is worth noting that bus stops are adaptable and easily moveable infrastructure nodes that are frequently prone to locational changes.

2.8 The Property Council notes and supports 2.8, subject to further consideration as to designs on how to minimise the potential impact of vehicle access on laneways activation and pedestrian movement.

2.9 The Property Council would be more supportive of 2.9, if you deleted the word “innovative” and the insertion of the word “reasonable” in clause 2.9 (i).

2.10 The property Council is concerned that with 2.10, that a number of these “Gateway Locations” are not yet developed and whether these measures will only contribute in them remaining undeveloped due to additional costs and compliance. The proposed conditions and additional amenities being proposed will no doubt add costs to these developments. Concessions and/or incentives should be provided to the proponents of these developments. The community wants these sites to be developed as a priority. It is important that we do not impose planning rules on these important sites that discourage their re-development.

2.11 The Property Council notes and supports 2.11.

3. SOCIAL INFRASTRUCTURE: Identify social infrastructure that meets the needs and aspirations of the community

3.1 The Property Council notes and supports 3.1.

3.2 The Property Council notes and supports 3.2. We strongly believe that the existing public spaces in the Darwin CBD should be maintained/protected and that these spaces should be enhanced to encourage their use.

3.3 The Property Council notes and supports 3.3.

3.4 The Property Council notes and supports 3.4, save and subject that major civic related facilities should be located in the Civic Precinct.

3.5 The Property Council notes and supports 3.5, save and subject to final identification of a location.

4. CULTURE AND HERITAGE: Protect and enhance sites of cultural significance and historic value to enrich community awareness and experience

4.1 The Property Council does not support specific additional heritage considerations for developments under 4.1.

4.2 The Property Council believes that the measure under 4.2 is redundant, it is introducing regulation for the sole purpose of regulation sake. The Heritage Act already provides ample powers and scope to the duly appointed Heritage Advisory Committee. This is a classic example of introducing

another agency (red tape) to a matter that is currently operating well and is not an issue being advocated by either the community or the industry but solely by bureaucrats.

4.3 The Property Council notes and supports, in principle, 4.3.

4.4 The Property Council notes and supports 4.4.

5. ENVIRONMENT: Protect and enhance the functions of the natural environment for the continued enjoyment of the community

5.1 The Property Council notes and supports 5.1.

5.2 The Property Council is opposed to protecting remnant vegetation (in other words regrowth due to a lack of proper historical maintenance) in certain areas (Esplanade and Harry Chan (Waterfront)). Primary consideration must be given to street level visual aspects and view corridors to areas adjacent or with sea views. Vegetation consideration in these areas need to focus on shading and cooling not blocking sea views.

5.3 The Property Council notes and supports, in principle, 5.3.

5.4 The Property Council notes and supports, in principle, 5.4.

6. MOVEMENT AND TRANSPORT: Provide an interconnected movement network that is safe and efficient for all users

6.1 Provided that all of 6.1 measures apply only to very large blocks (7,200sqm plus), the Property Council supports, in principle, these measures.

6.2 The Property Council notes and supports, in principle, 6.2, save and subject for practical and reasonable measures being examined so as to minimise some of the negative effects this would have on pedestrian movement in laneways.

6.3 The Property Council makes no comment on 6.3 as it is a matter for local/territory government.

6.4 The Property Council strongly advocates for the provisioning of the rapid transit corridor to continue up Knuckey Street (Knuckey street is the only internal street that runs vertically through the whole CBD grid). It is simply good and responsible planning to facilitate future infrastructure where it is most needed. The Darwin City Master Plan recognised the corner of Smith and Knuckey as the most heavily pedestrian used area in the whole city, but the Planning Commission is choosing not to support the location at all in the CDAP. Whilst there is an argument for the location of the Ferry Terminal (due to engineering issues to be at Frances Bay) the Property Council will consider this omission a critical failure of the CDAP.

6.5 The Property Council makes no comment on 6.5 as it is a matter for local/territory government.

7. ESSENTIAL INFRASTRUCTURE: Provide for adequate power, water, sewerage, digital, and telecommunications infrastructure

7.1 The Property Council notes and supports, in principle, 7.1.

7.2 The Property Council notes and supports, in principle, 7.2.

7.3 The Property Council notes and supports, in principle, 7.3.

8. CITY CENTRE – Maintain and enhance the City Centre – Core as a high intensity, safe, and connected retail and commercial dominant environment Objectives Acceptable Responses

8.1 The Property Council notes and supports 8.1.

8.2 The Property Council notes and supports, in principle, 8.2.

8.3 The Property Council is strongly opposed to this measure, specifically 8.3 (iv) as it is currently drafted. Is this requirement only intended for the Smith Street Mall or all of Core A1?

What consideration has the Planning Commission given to connectivity between the Waterfront and the Mall? This needs to be reconsidered and additional measures included into the CDAP to strengthen connectivity.

9. FORMER SHELL SITE: Enable and facilitate the development of the former Shell Site recognising the opportunity that its development including for sporting and recreation facilities

9.1 The Property Council could support, in principle, 9.1 provided that an additional requirement is inserted of *“the net floor area of a commercial land use does not exceed 200sqm per development”*, which has been copied from the requirements under Item 15 (Tank Farm).

9.2 The Property Council supports, save and subject to further detailed designs, 9.2.

9.3 The Property Council notes and supports 9.3.

9.4 The Property Council strongly supports the creation of an additional road linking Tiger Brennan with Knuckey Street to run along the boundary of the Shell Site. This is a critical project of the Darwin City Master Plan that the Property Council is pleased to see incorporated.

9.5 The Property Council notes and supports 9.5.

9.6 The Property Council notes and supports 9.6.

10. EDUCATION AND CIVIC PRECINCT: Create an integrated urban village with a high intensity environment, with focus on education which is complementary to the City Centre – Core

10.1 The Property Council notes and supports the development of an education precinct with provision for car parking, student accommodation, university campus, public bus terminals and a consolidated territory and local library.

10.2 The Property Council notes and strongly supports integration of the education precinct into the city A1 Core.

10.3 The Property Council notes and supports 10.3. Provisions and/or easements should be examined to allow Garramilla Blvd to continue through to Peel Street.

11. ESPLANADE CHARACTER: Development reinforces the established role of the Esplanade Character Area in providing accommodation, cultural, entertainment, and recreation activities for tourists and residents

11.1 The Property Council notes and supports 11.1; as this area has been the subject of separate and additional development requirements, the proposed changes are both practical, reasonable and allows for greater flexibility.

11.2 The Property Council notes and supports 11.2.

11.3 The Property Council notes and supports 11.3, and strongly supports improved connections of this area into the City Core A1.

12. DARWIN WATERFRONT: Continued development reinforces the established character of the Darwin Waterfront, reflects its maritime and historical connections, and enhances connectivity with surrounding localities

12.1 The Property Council could support, in principle, these measures provided there was the additional requirement inserted of *“the net floor area of a commercial land use does not exceed 200sqm per development”*, which has been copied from the requirements under Item 15 (Tank Farm). The Property Council already has written confirmation from the Northern Territory Government (Chief Minister Claire Martin) that no departments would be relocated to the Waterfront or large-scale commercial office developments undertaken as part of its development.

12.2 The Property Council notes and supports 12.2.

12.3 The Property Council notes and supports 12.3.

12.4 The Property Council would like to see the specific addition of connectivity between the Waterfront and the City Core A1 included under section 12.4. The Darwin City Master Plan envisaged a grand staircase from Smith Street to the centre of the Waterfront. This should be included in the concept drawings for the finalised CDAP.

12.5 The Property Council notes and supports 12.5.

12.6 The Property Council notes and supports 12.6.

13. OLD HOSPITAL SITE / MYILLY TERRACE: Encourage revitalisation in line with cultural and social historical connections

13.1 The Property Council refers to its previous submission on the matter of the Old Hospital Site. Essentially, that the whole of the land be reserved solely for a landmark public institution / amenities. This is the last large piece of land that the NTG owns, it should not be wasted! There is ample private land available to meet residential, commercial and retail demands in the Central Darwin Region. Nonetheless any planning framework or proposals that are made for this land must be part of an integrated and holistic site master plan. Piecemeal landmarks should be avoided at all costs.

13.2 Refer to 13.1 above.

13.3 The Property Council notes and supports 13.3.

13.4 The Property Council notes and supports 13.4.

14. FRANCES BAY: Transition to a mixed use precinct that maintains the historic role of the locality as the home of the fishing industry while provide connections to the city centre and the Darwin Waterfront

14.1 The Property Council notes and supports 14.1.

14.2 The Property Council could support, in principle, these measures provided there is the additional requirement inserted of *“the net floor area of a commercial land use does not exceed 200sqm per development”*, which has been copied from the requirements under Item 15 (Tank Farm).

14.3 The Property Council would like to see improved connections of Frances Bay into the City Core A1.

14.4 The Property Council notes and supports 14.4, and strongly supports all attempts to integrate Frances Bay into the city centre and neighbouring areas.

14.5 The Property Council notes and supports 14.5.

14.6 The Property Council notes and supports 14.6.

14.7 Whilst the Property Council has strongly advocated upon the Ferry Terminal location being that as envisaged in the Darwin City Master Plan, we understand that there are legitimate engineering issues. However, the Planning Commission must consider other infrastructure projects to support the Darwin Central Business District and include them as part of the CDAP. The Property Council considers the Knuckey Street Transit Corridor as a critical piece of infrastructure to support the most heavily pedestrian trafficked area in the whole of the city. This is currently not reflected in the CDAP and is a major oversight by the Planning Commission.

15. FORMER TANK FARM: Allow for the redevelopment of the former tank farm for residential and open space while recognising the social, cultural, and historical value of parts of the locality

- 15.1 The Property Council supports, in principle, however, there needs to be recognition of the heritage significance of the area.
- 15.2 The Property Council strongly support 15.2 and recommends that similar provisions (200m2 commercial limit per development) be adopted in other newer areas to avoid defragmentation of the city centre in the short to medium term.
- 15.3 The Property Council notes and supports 15.3.
- 15.4 The Property Council notes and supports 15.4.
- 15.5 The Property Council notes and supports 15.5.

Major Recommendations/Compromises:

- 1. The issue of defragmentation remains a grave area of concern that has not been adequately addressed under the CDAP. We believe that the provisions identified under the Tank Farm area (limiting commercial to 200m per development) would address this concern for all areas specifically identified above.
- 2. Infrastructure that meets future key demand needs to be incorporated into the CDAP, such as those specifically identified above.
- 3. An alternate solution (in the event that you reject our various positions), is create a provision in the CDAP that would provide major exemptions / concessions to all new CDAP requirements for development applications in the Darwin Central Business Districts that are either:

- a. less than 5 stories (25m); or

(Smaller scale buildings have far less visual impact on the cityscape than larger buildings and their economic viability is substantially impacted by any increased red/green tape.)

- b. pre-existing older and long term vacant buildings that are being repurposed to an alternate use.

(We need to ensure that there are no additional barriers to revitalising vacant buildings in the city centre. Industry needs flexibility in repurposing the vast oversupplied of stock that currently exists in the city centre.)

(Note that active frontage (Commercial and Retail Space) in the Core A1 should still apply to all development applications within that area.

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Property Council of Australia – NT Division Submission

4. Lastly, how does the Department envisage the CDAP, which is essentially a development specific performance based model working within the context of the existing planning scheme which is essentially a prescriptive model?

We thank you for your time and consideration and look forward to meeting with you to further discuss our concerns with the CDAP in due course.

Should you have any queries or require elaboration, please do not hesitate to contact me on rpalmer@propertycouncil.com.au or 0450 428 314.

Yours sincerely



Ruth Palmer
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