

Bringing Land to Market

An independent review
of the Land Development Processes,
Land Under Development and Titled Land



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Acronyms

DAF	Development Assessment Forum
DAO	Development Applications Online
SAO	Survey Applications Online
DCA	Development Consent Authority
DCMC	Department of the Chief Minister and Cabinet
DIPL	Department of Infrastructure, Planning and Logistics
DITT	Department of Industry, Tourism and Trade
DTF	Department of Treasury and Finance
HESLUP	Holte to Elizabeth River Subregional Land Use Plan
ILIS	Integrated Land Information System
ILUA	Indigenous Land Use Agreement
ISLIP	Integrated Strategic Land-use and Infrastructure Planning
LTO	Land Titles Office
PWC	Power Water Corporation
SDG	Subdivision Development Guidelines

Foreword



The primary purpose of this Review is to enhance the current Land Development Process to achieve a Titled Land Supply that satisfies the market demand in a timely and efficient manner.

Under the current processes this can be particularly demanding during times of either low economic activity, increased economic activity

or when incentive schemes are introduced to stimulate activity.

There are a number of complexities associated with market supply and demand that exist within the Northern Territory that need to be factored into the processes and policies associated with achieving Titled Land.

The Northern Territory economy has historically been subjected to cycles of growth which have resulted in high levels of demand followed by periods of low activity where demand is significantly reduced.

Sustained growth and a broad economic base is needed to achieve a stable baseline economy.

In order to support sustained growth there needs to be an effective and efficient land development industry.

Sufficient Land Under Development is key in order for broader development to take place. Should the demand profile projections not be robust with a strong focus on growth there will not be sufficient land available to develop.

A key focus of this Review is to provide recommendations to achieve an enhanced land development environment, that provides increased certainty for all stakeholders involved in the process resulting in bringing Titled Land to market to support growth.

The enhanced processes and recommended actions have also taken into account not only historical demand but also future demand that will result from the increased activity generated through the efforts to achieve a \$40b economy by 2030. An essential outcome resulting from the recommendations is to, as much as possible, assist in the easing of the effects of the Northern Territory's cyclical economy.

Not factoring in this demand will in fact be a significant impediment to achieving this economic goal.

The review has set out to provide clarification of the process of bringing sufficient land to market and to streamline the subdivision development process.

While there is a major focus on residential land, this Review also addresses commercial and industrial land. Recommendations have been made to address a number of aspects of the process.

It was also found that demystifying and providing clarity and understanding of process by all stakeholders and across the entire sector will in fact result in increased efficiency.

The Review adopted a non-biased and balanced approach, to all aspects of the process and commentary from stakeholders and other interested parties, with a focus on developing recommendations that could be effectively implemented.

It is worthy of note that as at the end of July 2021 there are only 3 Titled lots available for sale in new subdivisions in Darwin and Palmerston with 297 lots being presold and awaiting Title. These Titles are not expected to be available until towards the end of 2021. This situation underpins the need to have sufficient Titled Land available to satisfy the pent up demand in order to allow the construction of new dwellings to be undertaken.

Due to the time constraints associated with the provision of this report there remains a body of work to be undertaken in drafting legislative changes, drafting policies and detailing processes if the recommendations in this Review are agreed to by Government. It is imperative that this work reflects the intent of the recommendations and also provides a high degree of clarity for stakeholders.

The Recommendations included in this Review will benefit both the general economy and all stakeholders engaged in Land Supply and land use.

I would like to acknowledge the Industry Reference Group for providing valuable advice and feedback, and for providing the context surrounding the various issues addressed in this Review. I would also like to thank stakeholders from all sectors, including government departments, authorities, industry associations and the development industry.

I would also like to acknowledge the extensive support and assistance provided by the Department of Infrastructure, Planning and Logistics.

A handwritten signature in black ink, appearing to read 'Dick Guit'.

Dick Guit OAM

Co-chair Team Territory

Executive Summary

Background

As part of Budget 2021, the Chief Minister announced an independent review of the Land Development Process, recognising the importance of the land development industry to the sustainability of the Northern Territory's economy.

The end to end planning and development process has been reviewed with contributions from a wide range of stakeholders including developers, builders, contractors, real estate professionals, conveyancers, valuers, financiers, planning consultants, engineering consultants, environmental consultants and authorities.

An Industry Reference Group was established and provided advice on the potential initiatives to improve the process, with representation from key industry bodies including UDIA NT, Property Council NT, HIA NT, MBA and REINT.

Stakeholders were invited to provide their contributions through face to face meetings and written submissions, with over 60 meetings held and 11 written submissions received.

Stakeholders in Darwin, Katherine and Alice Springs were consulted and jurisdictional comparisons have been undertaken with the City of Townsville and Cairns Regional Council.

The Department of Infrastructure, Planning and Logistics (DIPL) has provided the administrative and secretariat support for the Review.

The Terms of Reference for this Review were finalised and adopted on the 11 May 2021 and is included at Appendix A.

A list of all stakeholders who contributed to this Review is included at Appendix B.

Report contents

This report is set out in 8 sections that consider the various topics covered as part of this Review, outlined below:

Section 1 – Context of land development in the Territory;

Section 2 – Overview of Land Supply and recommendations that address provision of certainty of future supply, recognising the ambitious goal of a \$40 billion economy by 2030;

Section 3 – Land Under Development and the requirement for an initiative that holds a reserve of Titled Land;

Section 4 – Overview of the Subdivision Development Process from project initiation, through to the development application process, design and construction and the issue of titles;

Section 5 – Industrial and commercial land (either Land Supply, Land Under Development or Titled Land);

Section 6 – Regional specific considerations for Katherine and Alice Springs;

Section 7 – Other Items of Consideration; and

Section 8 - Implementation of Recommendations.

Key Findings

A total of 23 recommendations are included in this report, addressing two key themes that are central to the sustainable provision of land, to be available at the right time and in the right place; the process for developers to bring sufficient Titled Land to market; and the process to ensure sufficient Land Supply continues to be planned and delivered by the Northern Territory Government.

The recommendations of this Review recognise the importance of understanding the entire land development process, the inter-dependencies between stakeholders and the responsibilities of each party in order to gain efficiencies.

The maximum benefits to be derived from the recommendations in this Review, such as improved timeframes for planning and authority approvals, rely on actions of both developers and authorities and on the informed understanding of the requirements in the Northern Territory Subdivision Development Guidelines. Recommendations have also aimed to provide certainty to developers, and incentivise developers to undertake sufficient design work early and upfront, while acknowledging that this can be at a high cost to developers, particularly in times where economic activity is low.

It remains essential for developers and their consultants to continue to engage early with service authorities to identify the broader context, constraints, opportunities and potential risks which may apply to a subdivision. This early identification allows for changes with minimal impact to cost, early in the project's initiation, as opposed to later when the project is further progressed when the ability to accommodate design changes without significantly impacting cost is reduced.

It was found during the stakeholder engagement phase that there were a number of opportunities for improvement within the various processes that currently exist and several new initiatives that could be incorporated within the current development framework to drive various outcomes to improve access to land.

These opportunities relating to, both the current processes and to the new initiatives were considered and where found to be pertinent and of benefit, formed the basis of recommendations of this Review.

The recommendations as set out in this report will require support from all stakeholders. The implementation of the recommendations, where accepted by Government will require the finalisation of an additional level of detail. It is critical, when developing the detailed requirements resulting from these recommendations, that the overall intent of the recommendations is not lost. There is a strong intent to not increase the overall level of documentation required, but instead to make the development journey more effective and efficient.

The range of stakeholders in the land development process is both broad and diverse. As a result there is a wide variety of views that surround the key issues and activities that impinge on the delivery process. It is important to remember that the supply of Titled Land is fundamental to a growing economy.

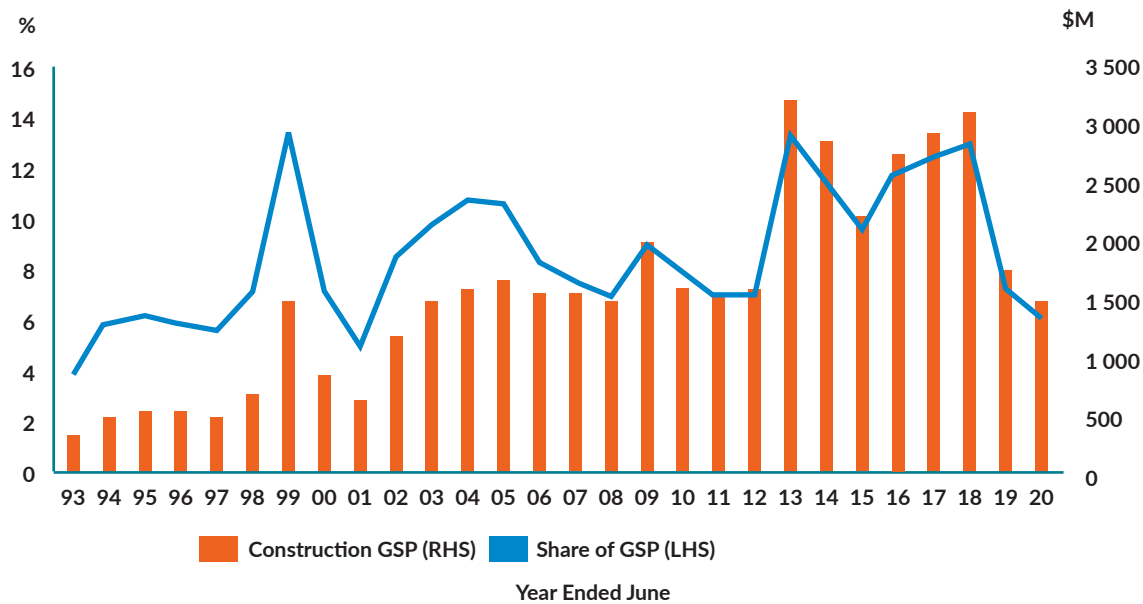
A summary of the recommendations is included in Section 8.1

Section 1 – Introduction

1.1 The Territory Context

The construction industry is a significant generator of economic activity in the Northern Territory, and is the fourth largest employment sector worth between \$1.5 billion to \$3 billion in recent years, and accounting on average 10% of total gross state product (GSP).

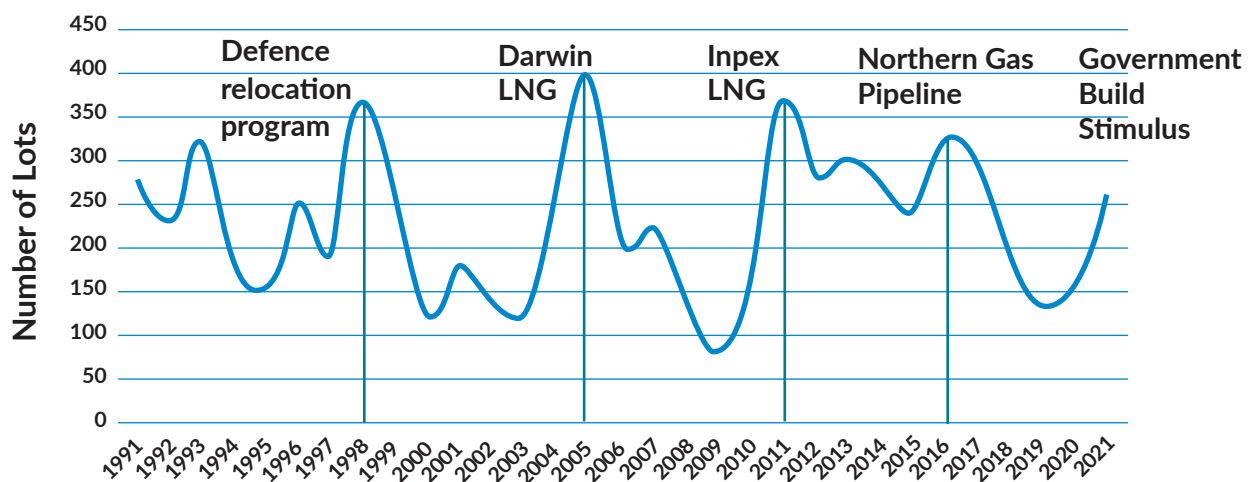
Chart 1: Construction GSP and share of Total GSP¹



The residential land development component is a key driver of private sector residential investment and economic growth, worth \$480 million in 2021, as high as \$819.4 million in 2014 and \$823 million in 2012. An investment of \$174 million in 2021 relates to the construction of new homes.

The residential land market has historically been subjected to peaks and troughs due to surges of confidence in the market, moving from a period of low demand to high demand quickly (as shown in Chart 2) in 1998, 2005, 2011, 2016 and most recently in 2020.

Chart 2: Entry Level Sales



¹10 Year Average, Department of Treasury and Finance, ABS source data.

The market is heavily influenced by major projects and other economic drivers influenced by activity external to the Northern Territory economy. Major project examples that resulted in high levels of residential activity include the development of ConocoPhillips Darwin LNG plant in 2002 and around the timing of Ichthys LNG final investment decision in 2012.

The most recent spike in 2020 was due to a combination of a number of factors. Since 2016, the residential market slowed and demand was at its lowest on record in twenty years, with only 210 urban residential lots titled in 2019 and conditions continuing to look bleak with the emergence of COVID-19. Subsequently, the continued production of serviced / Titled Land slowed to meet the significantly reduced demand. The lack of availability of Titled Land was a direct result of a lack of confidence in future demand on the part of the development industry. Planning and construction activity ceased or slowed as industry waited for positive signals to become evident.

Following the Federal Government's HomeBuilder grant in addition to the Northern Territory Government's Home Owner Discount and the BuildBonus grant, coupled with extremely low borrowing costs, an unexpected upswing in the market in 2020 meant existing stock of Titled Land (or ready to be Titled Land) was quickly taken up and developers experienced delays in releasing new titled stock to market.

The delays were associated with the timeframes required for developers to undertake planning approval processes, design work and subdivision construction, which currently can take 9 months or longer, depending on the stage of development. Seasonal factors in the Territory also play a significant role in the ability for subdivision works to be progressed quickly.

The existing planning system in the Northern Territory is considered structurally sound and in some cases stakeholders expressed that overall it is better than other jurisdictions in Australia. The work undertaken as part of Planning Reform by the DIPL has in general been well received by industry. Furthermore, development applications online (DAO) and survey applications online (SAO), the online application lodgement systems underpinned by the Integrated Land Information System (ILIS), is valued for its efficiency and time-saving functionality.

ILIS is integral to all stages of the land development lifecycle, managing everything from initial planning and development approvals through to issue of Land Title. DIPLs' ownership and management of ILIS allows it to quickly adapt, implement and respond to changes for government and industry.

The recent spike in demand post COVID-19 has highlighted certain aspects of the planning approval processes and their associated timeframes that can exasperate the land development industry and cause delays to the end consumers' ability to purchase a titled lot.

These spikes in the market are highly unpredictable, resulting in land developers unable to produce titled lots quickly enough to meet consumer demand in the short-term with end consumers' experiencing waiting timeframes of up to 9 months before they can settle on their land and are able to commence the building of a home.

The flow-on impact of this results in an inflationary market, where increased costs of building materials must be absorbed by either the builder (in fixed price building contracts) or the end consumer (in contracts which allow for cost increases).

This creates a situation where in fact the financial viability of Home Builders can be put at risk and where consumers are put at risk with their lending institutions. It also has the potential to result in poor planning decisions by Government in order to alleviate short term pressures.

An additional factor of concern is the negative influence created by the fact that there is a significant delay in economic activity as a result of the inability of residential construction work to commence.

Other regional areas such as Townsville and Cairns are subject to the same volatility in market cycles that create challenges for developers to meet demand in times of high economic activity following a period of low activity, requiring an immediate ramping up of their production rate.

The Northern Territory is unique in that it has a greater level of control in the delivery of land, in particular entry level land, given that a significant portion of land for future development is Crown land as opposed to regions such as Townsville and Cairns (and other locations on the east coast), where it is in private ownership.

During the Review a common sentiment from proponents was that the delay in the "issuing of Titles" was of significant concern. However, it was found that the time taken to issue a "Title" itself takes only 1-2 days once the necessary Land Title Office (LTO) forms are submitted to the LTO and the LTO is satisfied there is an approved survey plan by the Surveyor General.

The Review identified that the delays are in fact associated with the processes that occur prior to the issuing of a title, as part of the subdivision development process and within key areas identified below.

Development approval process:

- The timeframes taken to assess certain development proposals that are perceived low impact, i.e. being a staged development from a previously approved masterplan.
- Incomplete or lacking information provided by developers as part of the development application.

During the design and construction process:

- The protracted timeframes associated with the Place Names process and the requirements on developers to undertake the consultation with all interested parties for proposed names for roads, streets and/or parks within subdivisions;
- Inconsistencies relating to development conditions that cause confusion and delays in sign-off;
- The timeframes to obtain design approvals for public infrastructure through local governments and service authorities;
- Inconsistencies relating to the application of subdivision design requirements within the same local government jurisdiction;
- Inconsistencies relating to quality of design documentation from developers' consultants.

After completion of works:

- Delays in acceptance of public infrastructure by local governments and service authorities (commonly referred to as obtaining Part 5 clearance) for a variety of reasons; and
- Ability to lodge the survey plan early to facilitate titles.

This Review has provided the opportunity to assess options to streamline and simplify planning approval processes in the Northern Territory without compromising statutory intent and good planning and development outcomes for the community as a whole, and facilitate the ability for private investors to respond nimbly to market conditions. The efficiencies to be gained will also reduce developer delays to bring titled lots to market at times of high economic activity, particularly following a period of low economic activity.

Whilst the volatility of the Northern Territory residential market puts pressure on the land development industry to deliver product to meet spikes in demand and can adversely impact the end-consumer, at a macro-level this boom bust cycle also negatively impacts private investment and growth in the economy more broadly and impacts overall population growth.

It is recognised that a stronger and more diversified economic base is needed to smooth out volatility in the market as much as possible and to maintain sustainable growth in the long term. Work is currently being undertaken in this space as a result of the Territory Economic Reconstruction Committee (TERC) and the ambitious goal to reach a \$40 billion economy by 2030.

Although the work associated with the implementation of the TERC recommendations is outside the scope of this Review, the impact on the residential land market if this goal is to be achieved is significant and is addressed in Section 2: Supply of Residential Land.

1.2 Land for Development

With a total land area of 1.33 million km², land is an abundant resource in the Northern Territory. However, without the appropriate strategic planning, zoning and investment in infrastructure to facilitate development of strategically located land, economic development and population growth is constrained by a lack of serviced land for residential, commercial and industrial land uses.

This Review has recognised the need to address the common misconceptions between **Land Supply** and **Land Under Development** (further discussed in detail in Sections 2 and 3). The understanding of these key terms is considered imperative so that Government, industry and the general community can better understand and address key issues, constraints and opportunities.

For the avoidance of any doubt, the terms are defined as:

Land Supply – Land with the potential for providing serviced lots, identified through strategic plans with constraints to be resolved (e.g. tenure, environmental factors) and trunk enabling infrastructure to be delivered, through the integrated strategic land-use and infrastructure planning process, before *land is released for development*.



Land Under Development – Land in the hand of developers, to be subdivided and reticulated infrastructure service connections provided through the subdivision development process, to produce **Titled Land** to market.



Titled Land – Land available to the end consumer (allows residential construction to commence).



The Northern Territory like other states operates in accordance with the Torrens System of title which ensures that a person or entity purchasing land is able to acquire a secure title to that land in a process that facilitates timely and effective land dealings for the community and the broader economy. The Torrens System, through the provisions of NT legislation ensures indefeasibility of title and that the interests (rights, restrictions and responsibilities) of registered owners, and other registered proprietors of land are recorded and protected. Titles are important in ensuring boundaries and services, amongst other things, are appropriately and accurately identified and provided to each title or lot.

Recommendation 1: Standardised Terminology

Standardised terminology is adopted by Government and Industry to cover definitions for Land Supply, Land Under Development and Titled Land, as follows;

Land Supply – Land with the potential for providing serviced lots, identified through strategic plans with constraints to be resolved (e.g. tenure, environmental factors) and trunk enabling infrastructure to be delivered, through the integrated strategic land-use and infrastructure planning process, before *land is released for development*.

Land Under Development – Land in the hand of developers, to be subdivided and reticulated infrastructure service connections provided through the subdivision development process, to produce **Titled Land** to market.

Titled Land – Land available to the end consumer (allows residential construction to commence).

Section 2 – Land Supply

Planning for the future supply of serviced land is critical to not only maintain Land Under Development, but also to provide competition in the market to limit the potential for unsustainable increases in land prices, which significantly affects the cost of living in the Territory.

This is particularly important for the supply of entry level land, which is a significant focus of this Review.

Historically, urban land release in the Northern Territory has primarily occurred through the development and sale of Government owned land (Crown land). Prior to 1980, the Northern Territory Government was the landowner, infrastructure provider, land developer and in the majority of cases the builder.

In the last 40 years, the Northern Territory Government has generally relinquished its role as the land developer and house builder, however has continued to fund district infrastructure (through its Capital Works Program) to support the development of Crown land, enabling private developers to undertake their internal subdivision works and builders to build houses.

More recently, there is the increasing potential for strategically located land to support population growth to be located on private land rather than Crown land, evidenced by the number of Area Plans prepared by the NT Planning Commission over private land.

2.1 Future Demand Profiling

Demand can be difficult to predict in the Territory, and is often very subjective, cyclical in nature and changes unpredictably, particularly in the regions.

A review of historical land sales indicates that Land Supply has been out of sync with economic drivers that would create demand for titled lots, leading to increased land prices particularly when the levels of entry level stock are low.

The importance of robust demand profiling to inform Land Supply planning and sufficient Titled Land cannot be understated particularly if the ambitious goal of \$40 billion by 2030 is to be achieved. Obtaining a better understanding of the potential of future growth areas and the impact on land requirements (residential, industrial and commercial), will aid in ensuring sufficient Land Supply to ensure economic growth is not constrained.

Planning for future growth, underpinned by historical growth patterns and also informed by robust demand profiling, is critical to ensure that land is available when there is a spike in demand. Insufficient Titled Land available when demand rises is considered more detrimental to the economy than the cost of bringing forward the servicing of land and the risk of a low predicted uptake.

The challenge is to have land 'development ready' with the option to release to market (for Crown land) when demand substantiates it. Natural market forces will determine the release of private land, providing the trunk infrastructure is in place to support the land use.

A key factor to consider in the process of bringing new land to market is the considerable time required to resolve land constraints and to deliver trunk infrastructure. Planning ahead is critical to allow for the sustained delivery of trunk infrastructure to support land release, particularly given this process can take 5 years and longer, depending on the scale of infrastructure required or land constraints to resolve.

Given the potential for demand forecasts to be informed by other strategic priorities of the Northern Territory Government, the demand forecast should be undertaken by an experienced external consultant engaged by the Department of the Chief Minister and Cabinet (DCMC), in coordination with the Department of Industry, Tourism and Trade (DITT), the Department of Treasury and Finance (DTF) and DIPL.

It is envisaged that the management of this process would be undertaken by a group such as Investment Territory within DCMC.

Recommendation 2: Future Demand Profiling

In order to achieve a greater level of certainty in regards to future demand to inform Land Supply planning for residential, commercial and industrial land, establish an ongoing external consultancy through the Department of Chief Minister and Cabinet, to undertake detailed demographic/demand forecasts. This consultancy is to be engaged on a rolling program, with projections to be reviewed on an annual or as required basis, for the medium to long term to influence the decisions regarding the start date for future supply planning for the Greater Darwin, Katherine and Alice Springs regions.

2.2 Integrated Strategic Land Use and Infrastructure Planning Framework

DIPL undertakes its role in accordance with a draft Integrated Strategic Land Use and Infrastructure Planning (ISLIP) framework to coordinate a number of key functions, including:

- Strategic Planning which includes the preparation of land use plans by the NT Planning Commission and includes extensive consultation with stakeholders and the community;
- Land Supply priorities, established for a 20 year period, and includes:
 - a minimum of five years of Land Under Development;
 - development prioritisation over 20 years based on estimated yields from Area Plans, and;
- infrastructure delivery priorities over time for the construction of trunk infrastructure to support development potential in Area Plans.

The draft ISLIP framework is part of an ongoing process definition by DIPL in order to provide better clarity and transparency to plan for Land Supply and to better inform decisions to invest in infrastructure and to release land.

Critically, the draft ISLIP framework allows for the efficient planning of enabling infrastructure to facilitate new development in accordance with an Area Plan.

To provide certainty, it is recommended that the draft ISLIP framework is finalised and adopted.

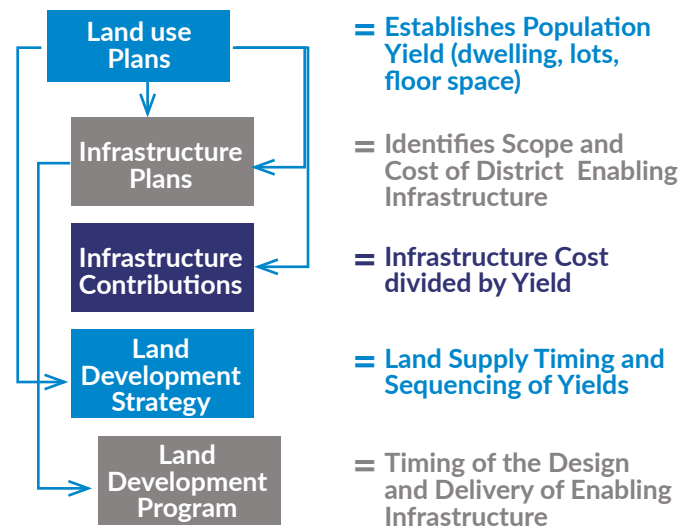
The draft ISLIP framework coordinates a number of critical processes with strong interdependencies, including:

- Land use plans that establish development yields (dwelling numbers);
- A Land Development Strategy that establishes timing and sequencing of development in accordance with Area Plans;
- A Land Development Program that provides for the masterplanning, design and construction of infrastructure; and
- Infrastructure Contributions that support the equitable distribution of costs for the provision of infrastructure to support the development of private land in accordance with an Area Plan.

The hierarchy of these processes is shown in Diagram 1.

The draft ISLIP framework is outlined at Appendix C and key functions are further detailed in the following parts of this Section.

Diagram 1: Hierarchy of ISLIP Processes



Recommendation 3: Integrated Strategic Land Use and Infrastructure Planning Framework

Finalise and adopt the Integrated Strategic Land Use and Infrastructure Planning framework (ISLIP) to guide and coordinate the planning of future Land Supply, to:

- effectively plan for sufficient Land Supply to meet the needs of the market; and
- provide certainty to industry and the community on the prioritisation and timing for the investment in trunk infrastructure to support development.

2.2.1 Land Development Prioritisation

It is recognised that commercial interests will drive private enterprise in undertaking its own analysis in regards to private investments in areas perceived to have future potential prospects.

There are however, economic and resource limitations on the extent to which Government can invest in concurrent infrastructure delivery at the one time to meet long-term growth and market demand. Investing in multiple small development fronts across a large area, is not the most efficient use of government funding, and limits population density within primary commercial catchments, reducing the viability and vibrancy of commercial precincts.

While land use plans determine 'where' growth can be accommodated, the DIPL's land development role identifies the 'when' and 'why' to efficiently plan for the orderly and sustained investment in infrastructure over time to support long-term growth.

The DIPL's role and responsibility in land development seeks to provide an efficient pattern of development based on (1) supply targets and (2) sequencing priorities, facilitating the orderly and timely investment of district enabling infrastructure to meet Land Supply needs within regions and sub-regions.

As demand is difficult to predict in the Territory, and is often very subjective, cyclical in nature and changes unpredictably, (particularly in the regions) supply planning is critical to plan for a continued and sustained supply of land that aligns to the historical 10 year supply average and takes into account DTF's population growth projections.

For example as at 30 June 2021, DIPL's analysis of the 10 year supply average for Greater Darwin is 484 lots (this includes entry level, premium and rural for detached residential lots) and is summarised in Chart 3.

Looking forward it is also important to consider supply scenario planning to take into account the potential for additional demand which is expected to result from economic growth associated with a \$40 billion economy by 2030.

This will be particularly important for entry level lots, which are often made available by developers of Crown land, and with sufficient competition in the market, act as a floor price for residential lots and protect the market from price escalation, maintaining downward pressure on house and land prices, a key factor in providing an affordable cost of living in the Territory.

Under the draft ISLIP framework, Land Supply priorities are established for a 20 year period, and includes:

- Supply targets to determine the 'when' and 'how much' developable ready land is needed to meet growth projections over the short, medium and long-term based on an understanding of current and future supply needs across a variety of land uses; and
- Sequencing of Area Plans which sets out the development prioritisation of the yield established in the Area Plans to meet supply parameters, addressing economic/ social objectives outlined in these plans and optimising the efficiency of infrastructure delivery.

The preparation of a Land Development Strategy to formalise DIPL's Land Supply priorities, across each regional/subregional land use plan, have commenced. These set out the sequencing strategy over time to meet the objective of supply targets for residential, industrial and commercial land.

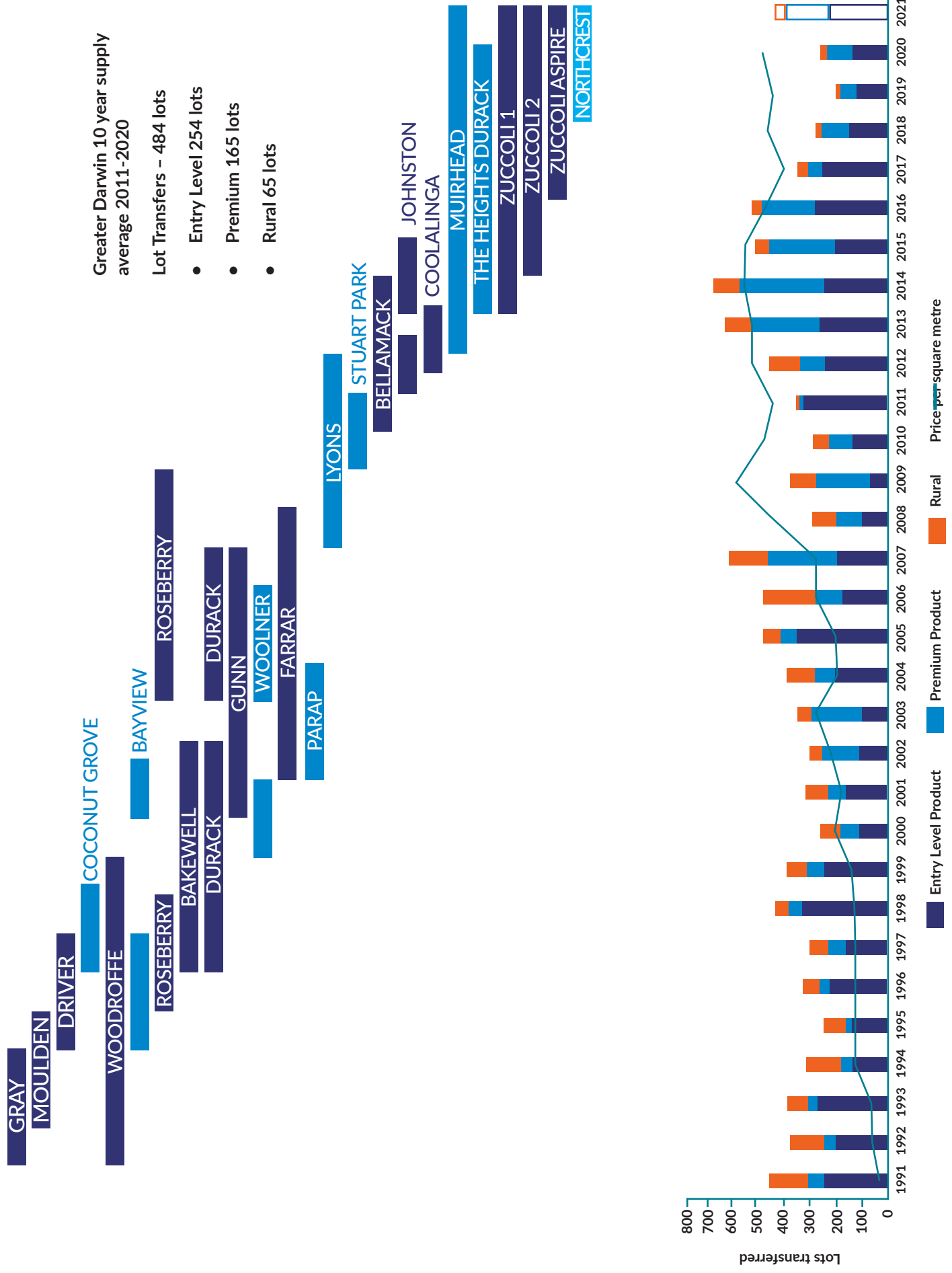
A **Land Development Strategy** would allow the DIPL to forecast more accurately (based on the supply parameters) when additional land releases are required to augment Land Supply in a particular region. This in turn triggers either strategic planning to identify additional areas to contribute to future Land Supply, development planning to resolve constraints and achieve approvals or the design and construction of enabling infrastructure to support development.

A Land Development Strategy would provide greater certainty to the community and industry regarding the future development of urban areas, providing the basis for investing in land and planning/technical investigations.

The finalisation of a Land Development Strategy to inform Land Supply decisions will also address Economic Reconstruction Recommendation PL1, including:

- preparing strategic plans to identify land to contribute to future Land Supply; and
- release of Crown land to maintain the supply of entry level land in a competitive market environment.

Chart 3: Historical Data - Greater Darwin Residential Lot Transfers as at 30 June 2021.



2.2.2 Delivery of Infrastructure

The delivery of district enabling infrastructure through a sustained, rolling program is vital to facilitate a pipeline of infrastructure projects to support Land Supply, eliminating the need for unviable, one-off large investments for district enabling infrastructure impacting on the Territory's budget.

The establishment of a formalised Land Development Program that responds to the Land Development Strategy, as a living document, would incorporate projects sequenced over a 20 year planning horizon, informed by land use and infrastructure plans.

The infrastructure identified through the strategic infrastructure planning process, staged appropriately, provides the scope and estimated costs to inform a Land Development Program.

This infrastructure is master planned, designed and delivered as part of the implementation stage of the ISLIP framework, with increasing certainty of the cost of delivering this infrastructure through this process.

With designs for enabling infrastructure, the DIPL can respond appropriately to market conditions, bringing forward or slowing down the programmed delivery of enabling infrastructure, in response to changes in population growth and take-up rates for land identified through the Land Development Strategy.

To meet Land Supply objectives in line with a Land Development Strategy would require the planning and design of enabling infrastructure to commence at least 5 years before Land Under Development is required. If a new development front (with a new infrastructure network) is

required to contribute to Land Supply, it may take 15 years to plan and deliver sub-regional and district infrastructure to support land release.

As shown in Figure 1, the land development process takes a minimum of 4 years from the master planning of district enabling infrastructure to its construction, and a further 1 year for the subdivision to make Titled Land available to the market. Although some activities can be undertaken in parallel, on average this process takes 5 years.

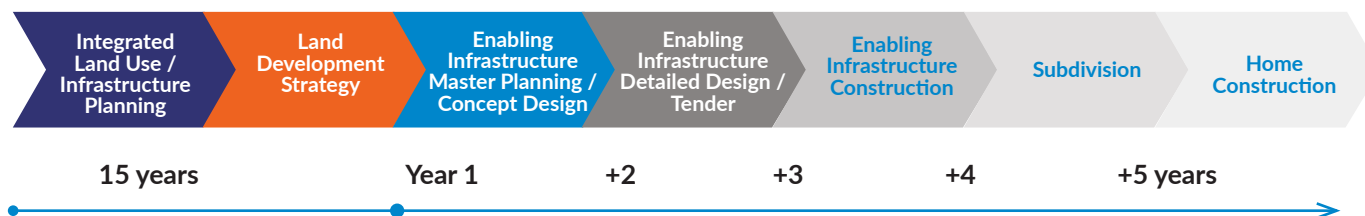
The infrastructure identified on a Land Development Program is intended to be included in the annual Infrastructure Plan to inform development investment decisions by private land owners.

The preparation of a Land Development Program has commenced and also addresses Economic Reconstruction Recommendation PL1 to inform;

- the investment in infrastructure to support Land Supply over a 20 year period, and;
- the first 10 years of the Land Development Program in the annual Infrastructure Plan.

Given the high cost of enabling infrastructure required to support development, a significant level of effort should be expended in reviewing and researching alternative models of funding for these works. Other funding sources to be widely explored include federal funded programs, public private partnerships and privately funded infrastructure etc.

Figure 1: Land Development Timeframe



Recommendation 4: Land Development Strategy and Program

1. Finalise and adopt a Land Development Strategy, that prioritises future Land Supply for the next 20 years, under the ISLIP, including regular reviews and publication at five year intervals. This, in turn, will inform a Land Development Program that sets out infrastructure delivery priorities over time for the construction of trunk infrastructure to support development in accordance with Area Plans.
2. Investigate alternative funding options to provide trunk infrastructure to support land development.

2.3 Land Supply Constraints

The ISLIP process is subject to many external influences which can cause significant delay to the release of new Land Supply for development, including land and infrastructure constraints.

Land constraints include (but not limited to):

- environmental constraints, which can take a number of years to investigate, mitigate and secure environmental approvals, particularly when the impact is of a regional nature due to threatened/ endangered species or impacts on sensitive receptors;
- tenure constraints, particularly the resolution of Native title (exclusive and non-exclusive) can take a number of years to negotiate through an Indigenous Land Use Agreement (ILUA), particularly if a Native title claim is unresolved and before the courts; and
- land constraints such as flooding, waterlogged soils, biting insects and cultural heritage (sacred sites and Aboriginal/European archaeology).

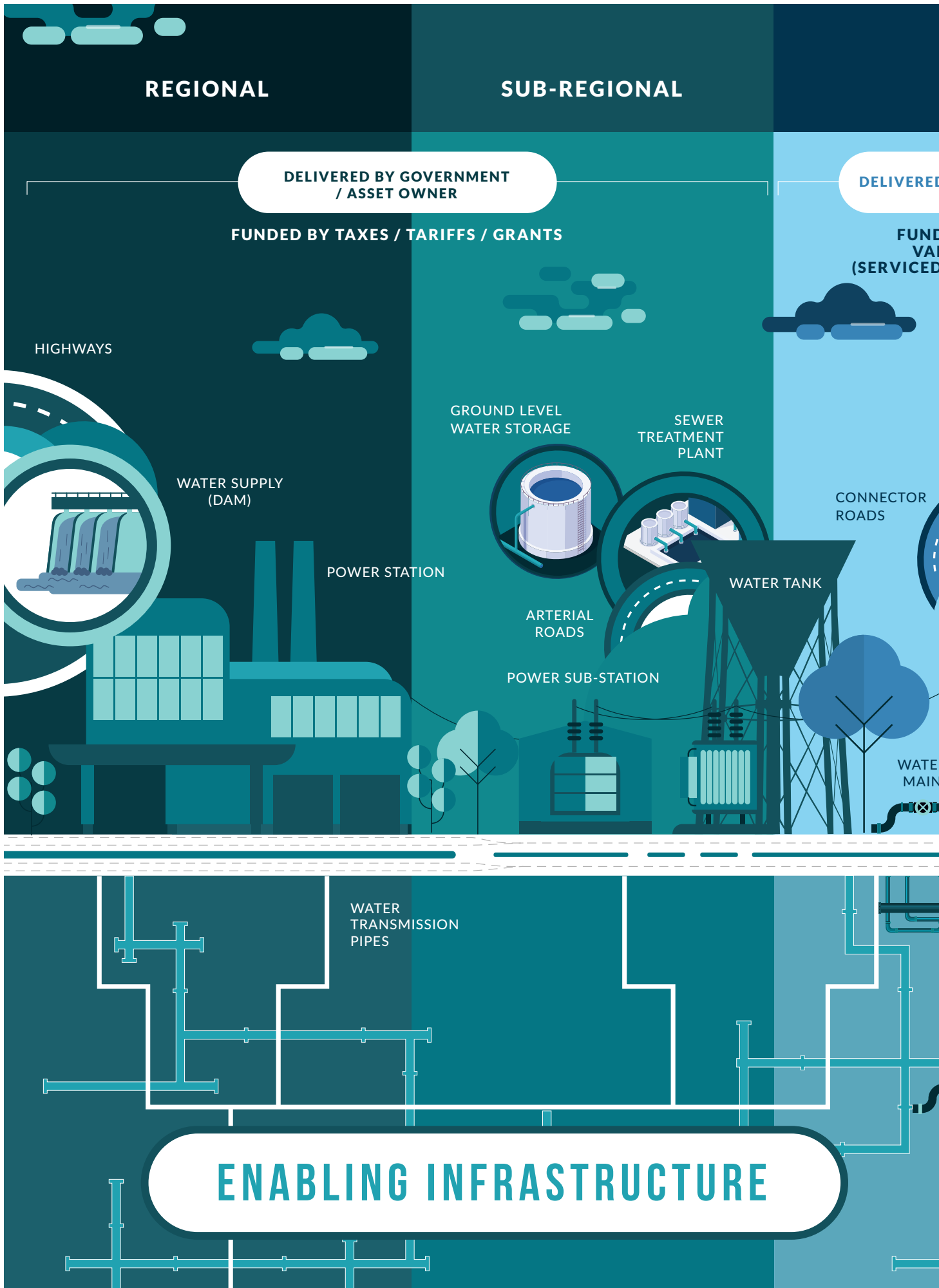
Land constraints can take time to investigate and mitigate and can significantly reduce the development potential (and potential value/revenue) of a site and may become unviable if mitigation options are too costly.

Infrastructure availability can also be a significant constraint on development, including:

- insufficient capacity within a local network to support the development, requiring network augmentation/ upgrade is required to support development; or
- distance from existing infrastructure networks, requiring new trunk connections to the nearest network.

Infrastructure capacity constraints may be in the sub regional infrastructure (e.g. water pressure zone, power zone sub-station and waste water treatment plan) or in the district infrastructure (trunk mains, power feeders and sewer pump stations). Diagram 2 depicts the different levels of enabling infrastructure that aligns with the hierarchy of strategic land use plans developed by the NT Planning Commission.

Diagram 2: Different Levels of Enabling Infrastructure



DISTRICT

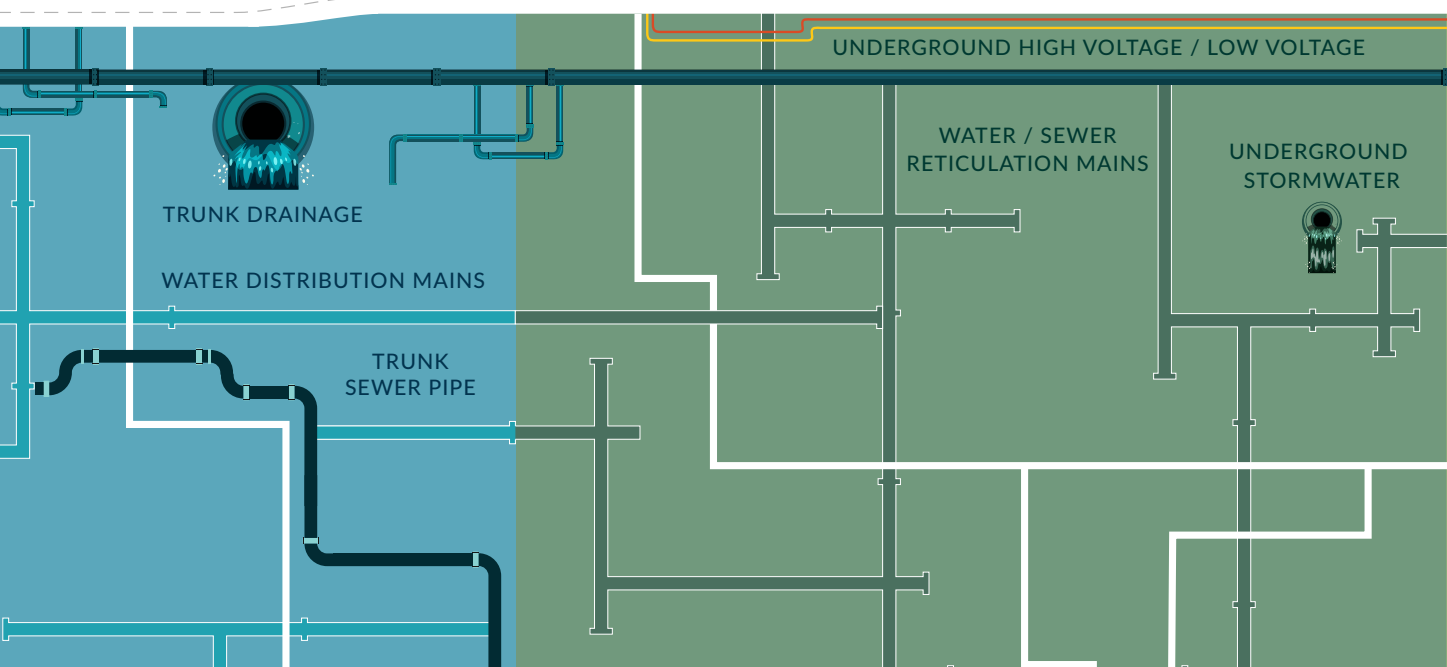
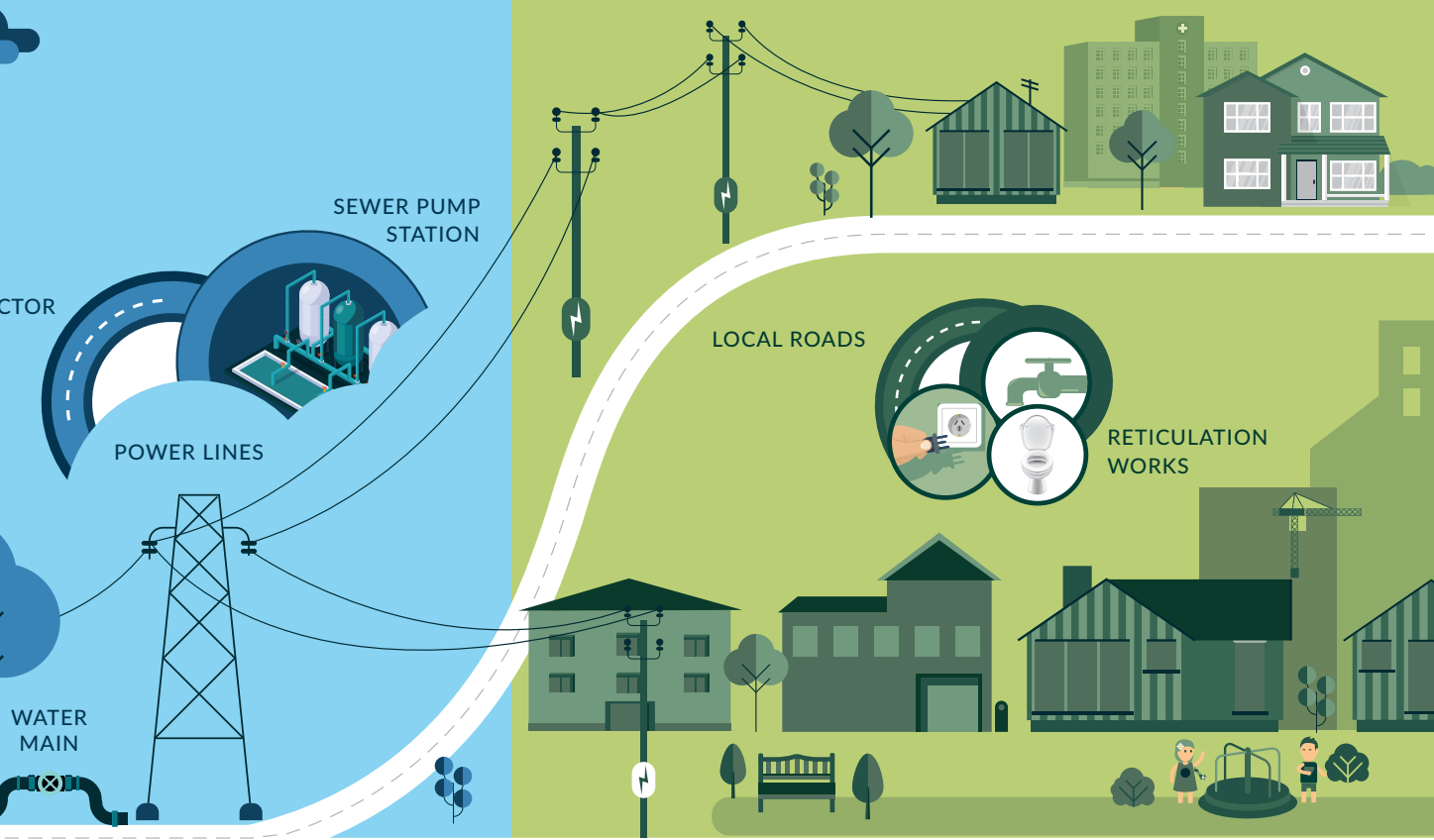
NEIGHBOURHOOD

DELIVERED BY GOVERNMENT (DIPL)

DELIVERED BY DEVELOPER

FUNDED BY INCREASED VALUE IN THE LAND (SERVICED VS UNSERVICED LAND)

FUNDED BY SALES REVENUE



It is important to understand infrastructure constraints and limitations as this can be costly to mitigate, particularly for private development sites that are remote from existing networks.

Land and infrastructure constraints are often difficult to mitigate at the neighbourhood (individual development) level as the mitigation measures or impact offsets need to be addressed at a regional level, sub-regional level (whole town) or district level (multiple suburbs).

As an example the indicative Weddell Infrastructure Plan at Appendix D depicts key infrastructure and environmental constraints associated with the development of this land.

Under the draft ISLIP framework, key constraints are addressed to support the NT Planning Commission's strategic planning process, including:

1. land constraints mitigation options are to be incorporated into the sub-regional and district area plans. While environmental and tenure constraints are mitigated in Crown land developments, land in private ownership is more complex and not always addressed in the planning process;
2. infrastructure plans are to be integrated with land use planning to inform the preparation of Area Plans and provide for the requirements for infrastructure to support development; and
3. infrastructure contributions would support the provision of enabling infrastructure networks to facilitate the development of private land in accordance with an Area Plan, and outline the equitable distribution of costs across all land owners that benefit from the provision of this infrastructure.

Recommendation 5: Infrastructure and Contribution Plans

Address land and infrastructure constraints to land developments, including private land, through:

1. preparation of stand-alone infrastructure plans that provide clarity and certainty regarding the extent and cost of infrastructure required to support development;
2. inclusion of land constraint mitigation measures that private land owners can opt into and contribute to when they seek to develop their land in accordance with an Area Plan (e.g. strategic environmental assessments and ILUA agreements); and
3. develop Infrastructure Contributions Guidelines to facilitate the equitable cost sharing of infrastructure to support private land development.

2.4 Current/Future Land Supply

A 20 year formalised Land Development Strategy would cater for sufficient Land Supply, including;

- 5 years of Land Under Development (development ready land in the hands of developers);
- 5 years supply in infrastructure design and construction;
- 5 years under land investigations; and
- A further 5 years under the area planning process.

The strategy would identify the need to maintain entry level supply and sufficient competition in the entry level market to avoid price escalation as a result of supply constraints.

2.4.1 Residential Land Supply Analysis

Based on the 10 year supply average and the DTF's population projections, there is sufficient Land Supply identified in Greater Darwin and Regional centres for the next 20 years.

Prior to the demand study results being available (as identified in section 2.1), a preliminary analysis has been undertaken to provide an indicative high growth demand resulting from the economic growth required to achieve a \$40 billion economy by 2030.

This preliminary analysis has been informed by draft data provided by the Territory Economic Reconstruction Implementation group of the Department of the Chief Minister and Cabinet, for urban detached residential lots.

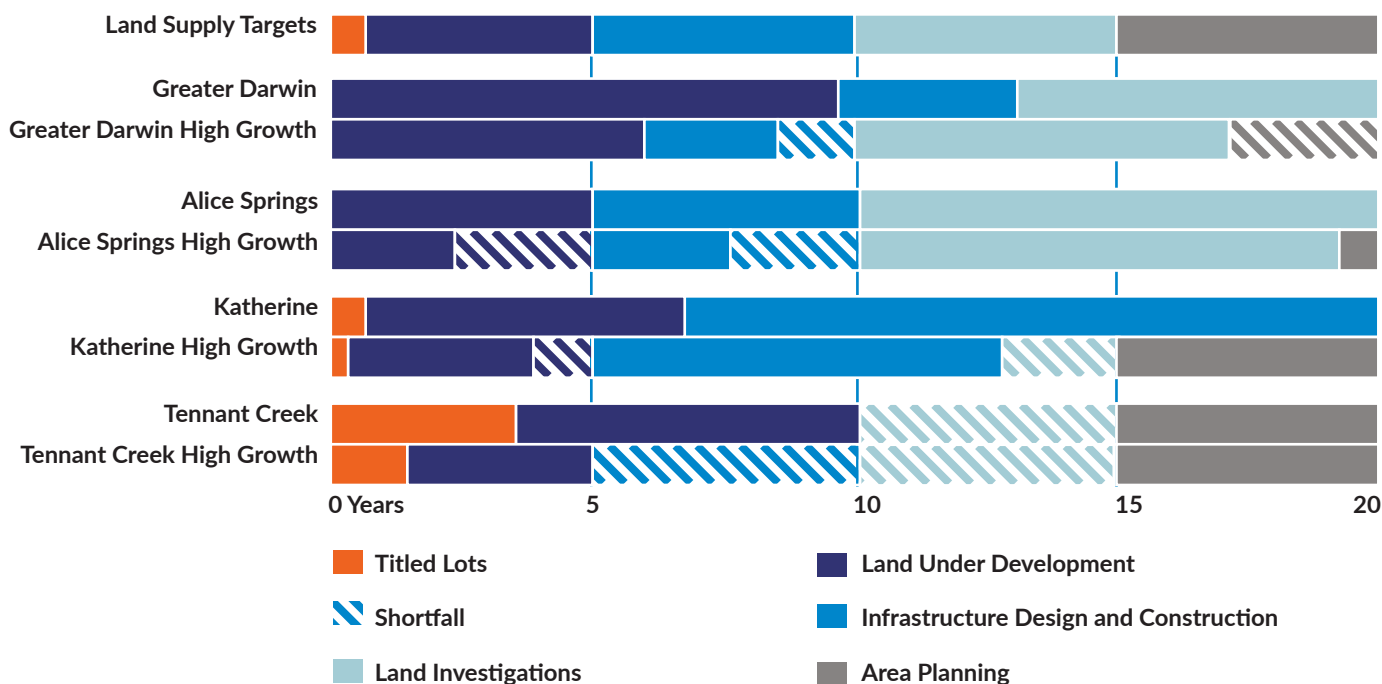
Table 1: Growth Scenarios

Regional Centre	10 Year Supply Average (per annum)	Indicative High Growth (per annum)
Greater Darwin	419 lots	700 lots
Alice Springs	15 lots	25 lots
Katherine	14 lots	25 lots
Tennant Creek	2 lots	5 lots

Note: Numbers included in the "Indicative High Growth" column above would more than likely be exceeded should more than one significant project occur during the same period. This applies to all localities.

Figure 2 can be used to understand the impact of high growth scenarios and identifies where there are potential shortfalls in residential land if this growth is achieved. This is further outlined below by region.

Figure 2: Land Supply – Based on historical demand and current assumptions on future demand. Includes Crown land developments and private developments as at 30 August 2021.



2.4.1.1 Greater Darwin

Based on the 10 year supply average, Darwin has sufficient Land Under Development and Land Supply to respond to growth conditions.

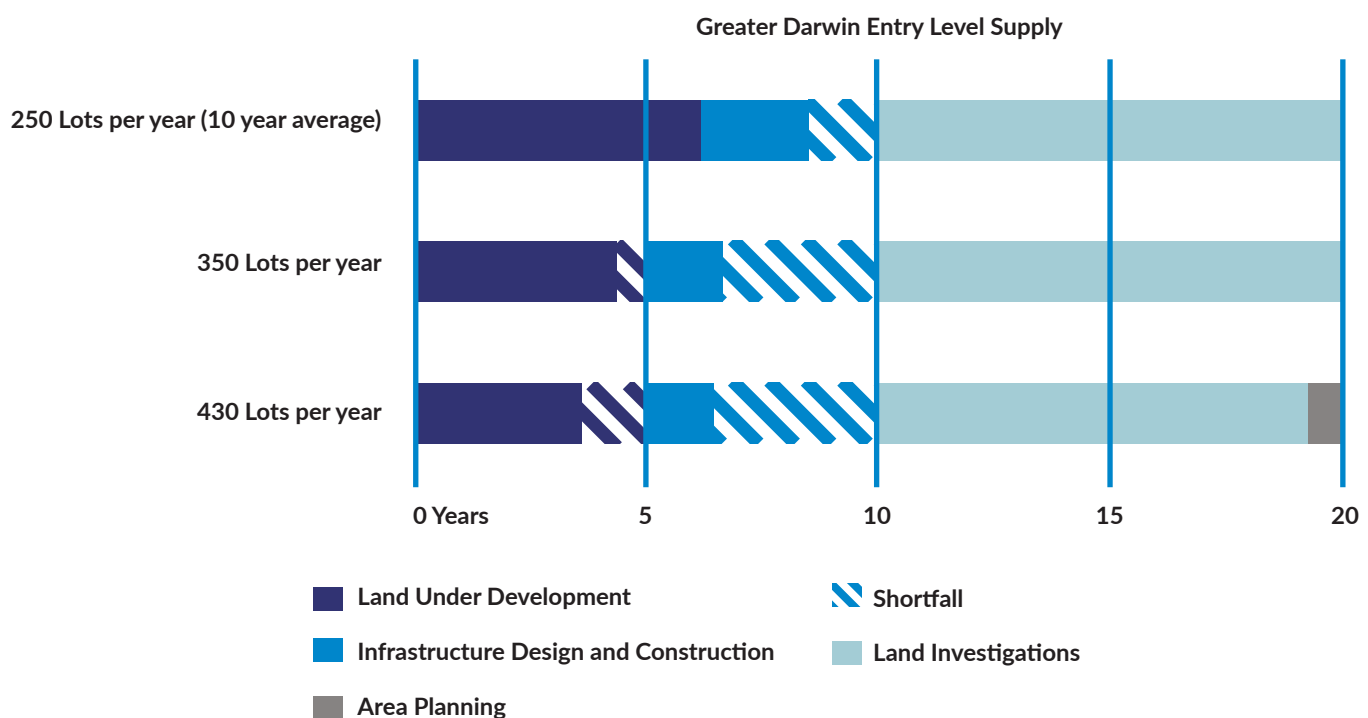
Figure 2 shows that under a high growth scenario there will be a shortfall of Land Under Development within the next 10 years, across both Crown land developments and private developments. Private developments will be driven by commercial incentives to bring forward delivery of Titled Land. In terms of Crown land, the DIPL is currently undertaking infrastructure design work for enabling infrastructure specifically for Holtze, which will support the first stages of Kowandi North, however the timing of the release of Kowandi North requires confirmation with the Commonwealth for the portion of land owned by the Commonwealth.

It is therefore critically important for the Northern Territory Government to continue to work with the Commonwealth to confirm the land release and timing of the release to provide assurance on a Land Development Strategy, particularly if land is required to meet a high growth scenario.

Testing of entry level land in Figure 3 highlights the potential for a shortfall of an optimal level of competition in the entry level market with the next 5 years under high growth scenarios. This is particularly important for the timing of Crown land releases that supply the majority of entry level lots and act as a floor price for residential lots, maintaining downward pressure on house and land prices, and providing an affordable cost of living in the Territory.

Testing of outer years also shows long term supply is highly dependent on the development yields achieved in the Holtze to Elizabeth River (formerly Palmerston Environs) Subregional Land Use Plan (HESLUP) and the critical requirement to undertake robust community consultation with the public with the intent to achieve full development of the urban residential areas identified in the HESLUP.

Figure 3: Land Supply – Entry Level only (Crown land developments) as at 30 August 2021.



2.4.1.2 Alice Springs

Based on the 10 year supply average, Alice Springs has sufficient Land Under Development and Land Supply.

Under the high growth scenario there is a shortfall of Land Under Development within the next 5 years which would require the latter stages in Kilgariff West to be brought forward. In the high demand scenario the delivery of premium product in Alice Springs (Larapinta or Mt Johns) is increasingly important to prolong the supply of entry level product in Kilgariff.

To meet high growth, the design of enabling infrastructure for the future stages of Kilgariff West would need to be brought forward and land investigations for Kilgariff East would need to commence earlier to ensure there are no breaks in supply in the long term. Infrastructure design would also need to be progressed on the next premium development front to reduce reliance on Kilgariff and prevent overinvestment in the entry level location.

It should be noted that the level of demand depicted for high growth in Table 1: Growth Scenarios is likely to be understated should one or more major projects come on line in the short to medium term.

2.4.1.3 Katherine

Based on the 10 year supply average, Katherine has sufficient Land Under Development and Land Supply.

Under the high growth scenario there is a shortfall of Land Under Development within the next 5 years and would require the bringing forward of the Katherine East Neighbourhood Centre (KENC), which has large amounts of Land Supply. There is additional land identified in the Katherine East Area Plan but land investigations in the area have yet to begin and would also need to be brought forward.

It should be noted that the level of demand depicted for high growth in Table 1: Growth Scenarios are likely to be understated should one or more major projects come on line in the short to medium term.

2.4.1.4 Tennant Creek

Based on the 10 year supply average, Tennant Creek has sufficient Land Under Development within the next 10 years, however there is a shortfall identified after 10 years and requires further land investigations to commence.

Under the high growth scenario Land Under Development within the next 5 years is impacted and would require that land investigations and infrastructure design for enabling infrastructure is to commence earlier than currently planned.

To avoid potential shortfalls under a high growth scenario, infrastructure design for future subdivisions on Peko Road would need to be brought forward and the next stage of Peko Road prepared for release. Investigations on a future development area would also be required.

Recommendation 6: Future Residential Land Supply

1. Based on **the preliminary analysis and current understanding of future demand**, ensure that the Land Development Strategy (Recommendation 4) identifies the land investigations and design of enabling infrastructure that will be required to address the potential for insufficient Titled Land in the event of increased economic growth;
2. Ensure that a Land Development Program includes delivery timeframes for the construction of enabling infrastructure based on the **future demand profiling analysis** (Recommendation 2) and informs future Budget bids or alternative funding sources; and
3. Advance negotiations with the Commonwealth to secure an agreement for the release of land for residential development at Kowandi North and an agreement on the timing for release, to ensure sufficient future Land Supply for the Greater Darwin area.

2.4.2 Land for Affordable and Social Housing

In the event of a high growth scenario, consideration of sufficient land for affordable and social housing is critical to support population growth and the economy, in particular within lower-income sectors and industries such as tourism, hospitality, health, education and social services.

There is evidence of a significant demand for housing for low-income earners across the Northern Territory that predates Covid-19 and is exacerbated in times of high demand for residential land. This will be subject to further pressures in the event of a high growth scenario.

An option to address this demand would be to provide current and future Titled land (through Crown land developments) at a discounted price to affordable and social housing providers, with a covenant that building must commence within a specified timeframe. As an example, the discount could be equivalent to the royalty associated with Crown land developers and/or the stamp duty relief that would usually apply to first home buyers. The extent to which this option is exercised would be subject to a policy position by the Northern Territory Government.

Recommendation 7: Land for Affordable and Social Housing

Government to provide Titled Land (through Crown land developments) at a discounted price to affordable and social housing providers, with a covenant that building must commence within a specified timeframe. The extent to which this option is exercised would be subject to a policy position by the Northern Territory Government.

Section 3 – Land Under Development

Titled residential lots, with the appropriate connections to the reticulated infrastructure networks play a significant role in:

- supporting economic growth through significant private investment of the construction industry and private land ownership;
- placing downward pressure on the cost of living through affordable house and land prices;
- supporting population growth; and
- assists in population retention.

While **Land Supply** provides the potential for titled lots, it is **Land Under Development** that makes these opportunities a reality.

3.1 Production Rate

While a key supply parameter in a formalised Land Development Strategy is maintaining five years development ready land in the hands of developers to respond to market cycles, it is the development's production rate that determines the number of titled lots delivered to market.

The production rate is subject to the Subdivision Development Process, including master planning, planning approvals, design, construction and clearances/titles, and heavily influenced in the tropical north by the dry season construction window, which places additional time pressures on the ability of developers to increase production rates.

While construction can proceed through the wet season in some years, the risk of delay, cost increases and regulatory infringements (e.g. erosion and sediment control) is significantly increased.

Due to the cyclical nature of the Territory economy, the property market has historically seen rapid increases in demand after periods of low demand, which further exacerbates the deficit in available Titled Land.

3.2 Increasing Production Rates

While experienced development managers are able to maintain higher production rates mid-project, it may take two construction seasons to build up to a peak production rate, which can cause Titled Land to lag behind demand for the first year, potentially increasing land prices.

Rapidly increasing production rates after periods of relative low activity can be difficult and relies on developers and authorities remaining in a state of readiness in terms of:

- Titled Land in stock;
- engineering designs approved for the immediate stages; and
- planning approvals in place for at least two years' for Land Under Development.

Remaining in a state of readiness comes at a cost as planning and design approvals have limitations and would have to be updated to remain in a state of readiness. In a time of low demand, developers are generally reluctant to expend cashflow without some certainty as to when this investment will be recovered.

However, maintaining a state of readiness may be an option for larger multi-stage developments of entry level land (generally Crown land), where up-front costs are factored into the development costs, to be able to maintain a state of readiness even where there is low activity in the market.

Process-driven initiatives to encourage developers to maintain a state of readiness include extending design and approval validity periods or reducing design approval timeframes to accelerate production rates. This is covered in more detail in Section 4.

Availability of resources is an added risk. In times of an upturn there is generally an increased demand and competition for available resources which may hamper any increased production of lots that is required.

3.3 Buffering Land Under Development

A non-process option to address the lag in Titled Land is to provide a buffer of reserve stock of available Titled Land.

This Titled Land Reserve would be accumulated during periods of low demand as a proportion of each stage of development so that this reserve is available to be released to the market when a sharp upturn is identified (where there is a Titled Land deficiency).

There are a number of options through which the Territory can secure the Titled Land Reserve, including:

- purchasing surplus lots from developers as titled lots which can be released as freehold reserve stock through a public process; or
- securing an interest (for example, by means of a caveat) in the surplus lots by funding the construction cost and requiring that the developer hold this caveated reserve stock until demand increases and thus is agreed to release for sale by the developer.

The freehold reserve stock provides more security for the Territory's investment, but has less flexibility (to turn over the reserve stock) and requires a higher financial outlay by the Territory to purchase lots at retail prices.

The reserve stock, where the Territory secures an interest in lots, is flexible, requires a lower financial outlay as only construction costs are funded by the Territory, and the developer manages the reserve stock including marketing and sales. This option is the recommended option.

The implementation of the reserve stock option will occur during an economic downturn, and will act as a stimulus to the civil and construction industries to continue the production of titled stock in times of low market demand. In times of high market demand and where there is a gap of Titled Land availability, the reserve stock option will facilitate access to Titled Land in order to allow construction of dwellings to commence immediately and where applicable gain access to stimulus incentives.

The financial outlay by the Territory to secure an interest in the lots, will be recovered when the lots are sold during an upturn in the market. This funding can then be rolled back into the securing of reserve stock in the next market downturn.

This process can be implemented through the land release process under the *Crown Lands Act 1992*, and administered under the project development agreements used to manage the development of Crown land.

The most significant ongoing costs of holding Titled Land in reserve will be the requirement to pay rates to local governments. Given the strategic intent of the reserve to stimulate the Northern Territory economy and that lots will remain uninhabited until sold to the market, it is recommended that these lots will be exempt from local government rates whilst held in the reserve.

Recommendation 8: Security of Titled Residential Land

1. Government to incentivise the production of residential Titled Land (through Crown land developments) during a downturn in market demand, to ensure sufficient Titled Land is available as demand returns. This will include:

- establishment of a framework to define trigger events;
- as a result of a trigger event, a provision for the Territory to exercise a 'take-up' option (to create a Titled Land Reserve). The take-up option is dependent on the developer continuing the production of Titled land;
- the Territory funding the cost of construction of Titled Land, at the time land is Titled. The Territory will determine the number of lots to be funded, with a financial interest secured over the Titled Land;
- the funding to be reimbursed to the Territory upon sale of land to the consumer; and
- Titled Land from the Reserve will be released to market as demand for Titled Land occurs.

2. Establish a regime that suspends the payment of rates to the local government until the land is sold to market.



Section 4 – The Subdivision Development Process

4.1 The Subdivision Development Process Overview

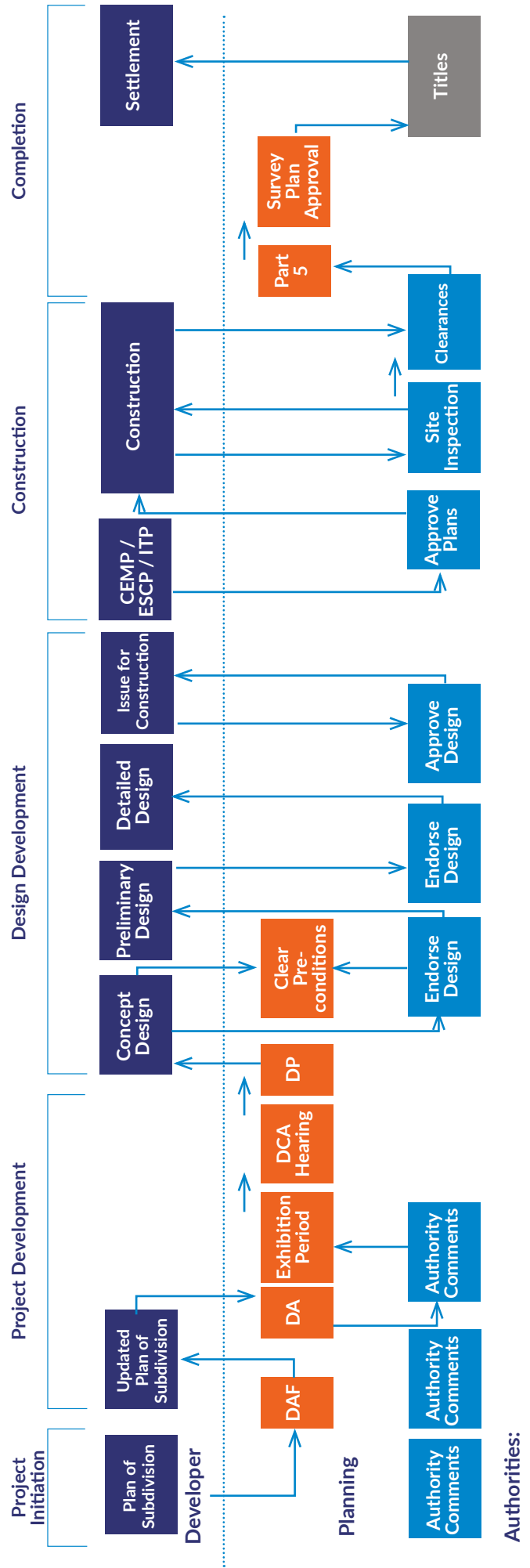
The Subdivision Development Process is the process whereby land identified for development is further subdivided and titles issued for sale on the market.

This process includes a requirement that a range of town planning and technical design steps are followed to achieve authority approvals in order to construct a subdivision, coordinated through the Development Consent Authority with input from a range of Government agencies, local governments and the Power and Water Corporation. These entities are referred to as ‘authorities’ throughout this report.

A key feature of land subdivision is that it is facilitated through the construction of public infrastructure assets, which are maintained by the asset owners over a very long term. The technical design process is undertaken in conjunction with asset owners to achieve design approvals prior to the construction of these assets and the handover of these infrastructure assets to the asset owners.

An overview of the Subdivision Development Process is flowcharted in Diagram 3.

Diagram 3: The Subdivision Development Process Flow Chart



DAF = Development Assessment Forum **DA** = Development Application

DCA = Development Consent Authority **DP** = Development Permit

4.2 Jurisdictional Comparison

The Northern Territory is unique in comparison to the states of Australia with the operation of one Planning Scheme that governs the permissible use of land and planning approval requirements across the entire Territory. Similar to the Australian Capital Territory, the Northern Territory Government sets all planning policy including strategic planning policy, development controls and development assessment requirements.

This is administered through the *Northern Territory Planning Act*, the *Planning Regulations* and the *Planning Scheme*.

In Queensland, as an example, the State Government administers the Queensland Planning Act, and each Council administers their own Planning Scheme with legislative responsibility for strategic planning, development controls and development assessment within their jurisdiction. Whilst the State still governs certain aspects of planning, such as Regional Plans, the Councils have a comparable role to the Northern Territory Government in terms of providing development approvals for the subdivision of land.

Regional cities in Queensland such as Townsville, Cairns and Mackay are also comparable in scale with the Greater Darwin Region (comprising of the Darwin, Palmerston and Litchfield jurisdictions) given similarity in size, population and total number of new urban residential lots released.

For the purposes of this Review, specific comparisons are made to Townsville City Council and Cairns Regional Council's subdivision development processes given their similarity in scale and legislative development approving role.

Table 2 provides a jurisdictional comparative summary of land development indicators for the Greater Darwin region to similar sized regional jurisdictions in QLD and to the Australian Capital Territory.

Table 2: Jurisdictional Comparative Summary

Jurisdiction	Population ^a	Total Land size ^a (hectares)	New lots titled for detached dwellings 20-21	New lots titled for detached dwellings- 10 year average ^c
Darwin, Palmerston and Litchfield	146,628	306,713	316	419
Mackay	117,902	761,330	314	520
Cairns	168,449	168,931	555	483
Townsville	196,800	373,082	588	732
Australian Capital Territory	431,380	235,817	1417 ^b	na

^a ABS (2020)

^b Programmed figure as per ACT's Indicative Land Release Program

^c As at 30 June 2021, urban only

4.3 The Northern Territory Subdivision Development Guidelines

As part of the design development and authority approval process, local governments and service authorities set conditions on the subdivision that relate to the design and construction requirements for public infrastructure either to be handed over or connecting into the existing network owned by the local government or service authorities, i.e. local roads, water, sewer, power and drainage.

Part 5 clearance is to confirm works have been constructed in accordance with the approved design. Having a set of uniform guidelines that set the minimum technical design and construction standards for public infrastructure is recognised by all stakeholders as important, giving certainty and consistency to the development industry and authorities alike, providing there is allowance for departures where it is justified.

The Department of Infrastructure, Planning and Logistics produced the Northern Territory Subdivision Development Guidelines (SDG) in August of 2020 in consultation with local governments, service authorities and industry. The SDG was developed to provide for subdivision process guidance, best practice engineering design and construction standards for public infrastructure.

Standardised subdivision design and construction guidelines provide certainty and consistency to industry on requirements, reducing the potential for extended timeframes associated with design approvals and/or costly re-work

of design or construction. Design and construction in accordance with agreed standards also facilitates the efficient handover of public infrastructure to local governments and service authorities and obtaining Part 5 clearance on development conditions.

For local governments and service authorities, the SDG is a tool to provide longevity and assurance that public infrastructure is constructed to Australian Standards that meet best practice engineering design in the industry, recognising that local governments and service authorities are the asset owners responsible for the costs of ongoing repairs and maintenance.

All major councils and the majority of regional councils have adopted the SDG either formally or in-principle. However, the full benefit of the SDG hasn't as yet been fully realised due to its voluntary nature and a perceived lack of integration with the NT Planning Scheme.

The full potential of the SDG would be realised as a result of the SDG being mandated. This will provide the accountability framework for all subdivisions in the Northern Territory covering off the submission of documents for technical assessment through to the approval of subdivision design and construction.

For comparison, both Townsville City Council and Cairns Regional Council have legislated their standards for design and construction of development infrastructure. Townsville City Council has their manual within a schedule attached to their Planning Scheme whereas Cairns Regional Council has adopted the Far North Queensland Regional Organisations Council (FNQROC) Development Manual and included it as a reference in a schedule to their Planning Scheme.

The benefit of the Cairns model which includes the Development Manual as a reference in the Planning Scheme is that changes to the manual can occur as required in accordance with FNQROC's management board review processes and outside of the legislative change requirements, allowing for greater flexibility, whilst maintaining authority.

To ensure sufficient flexibility to meet changes in best practice when required it is recommended that a model similar to the Cairns model be adopted in the Northern Territory, particularly given there is an existing SDG Management Committee that has been established (through policy) to manage and maintain the SDG as a live and current document.

To allow for regional and climatic differences of a jurisdiction, the SDG currently allows for local governments to nominate specific requirements or departures from the SDG as a separate section to the guidelines. This section can include requirements that are in addition to, or vary the minimum standards for each local government, once justified through the SDG Management Committee.

Furthermore, innovation should not be discouraged and an approval pathway for designs that do not strictly accord to the guidelines but meet the intent, or have departures for specific and justified circumstances should be provided for.

Mandating the SDG will require changes to the *Planning Act* and likely also the *Local Government Act* and the Acts that govern Power and Water Corporation.

Recommendation 9: Subdivision Development Guidelines

Legislate the Northern Territory Subdivision Development Guidelines (SDG), allowing for:

1. the existing guidelines to become mandatory;
2. formalisation of the SDG Management Committee through legislation, comprising of;
 - an Independent Chair;
 - representation by Local Government;
 - representation by the Power and Water Corporation;
 - representation by DIPL; and
 - representation by industry.
3. a review process to maintain best practice industry standards;
4. each individual local government to have its own requirements specific to its jurisdiction approved through the SDG Management Committee; and
5. provision for innovation and a merit-based approval pathway within the guidelines.

4.4 Development Assessment Forum

At project initiation, there is currently the opportunity to request a Development Assessment Forum (DAF) with representatives from the Department of Infrastructure, Planning and Logistics, relevant local governments, service authorities and other relevant Government agencies present to provide early formal feedback on a subdivision development proposal prior to submitting a development application. This pre-application process is documented at Diagram 4.

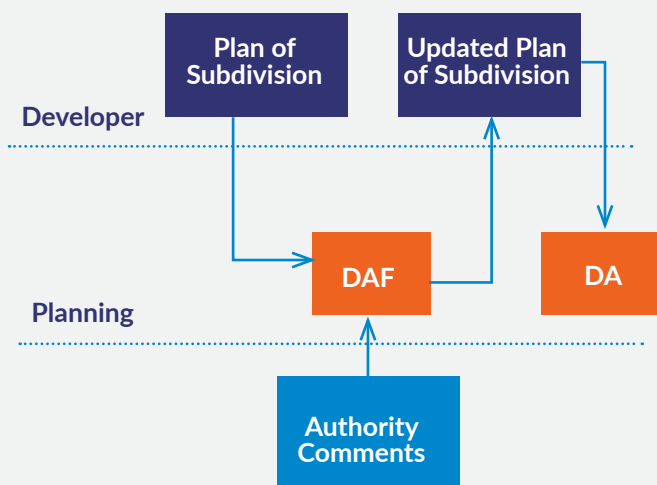
Feedback received through stakeholder engagement identified that these pre-meetings are valuable when the correct information is presented to make a preliminary assessment and representatives with the appropriate authority/delegation attend these meetings and provide advice.

There is an opportunity for Government to enhance this current service, both from the perspective of setting clear requirements on the type of information to be provided by developers for preliminary assessment and in terms of having the delegated representatives at the forum.

Having these early engagements between the developer and the right representatives from Government and authorities can identify any potential issues that could cause delays and possibly additional costs if not dealt with early on in the project. This advice should be specific to potential non-compliance and site constraints and can include, but is not limited to:

- compliance with the Planning Scheme;
- regional/sub-regional or district level infrastructure required and/or infrastructure charges;
- Land Suitability assessments;
- stormwater requirements; and
- issues that are unique to the site.

Diagram 4: Pre-Application Process



Recommendation 10: Development Assessment Forum

Enhance the existing development assessment forum (DAF) to facilitate informed preliminary advice regarding subdivision proposals from the Department of Infrastructure, Planning and Logistics, local government and service authorities. This should include:

1. a checklist of information required from the developer in order for DAF to provide informed feedback;
2. a requirement (to be included in the SDG) that appropriately delegated persons are in attendance at the DAF meeting; and
3. a formalised process and agreement between Chief Executives of relevant government agencies, local government and service authorities, including that the outcomes of DAF meetings are to be endorsed by DAF such that the positions of Government, local government and service authorities are documented and made clear for proponents early in the process.

4.5 Development Application and Assessment

4.5.1 Planning Scheme Amendments Compliant with Strategic Land Use Plans

The process of developing an Area Plan by the Northern Territory Planning Commission, prior to its approval by the Minister for Infrastructure, Planning and Logistics, is a structured process that involves extensive community consultation and is underpinned by technical investigations that support the future land uses identified in the Area Plan.

The current requirement to submit a Planning Scheme Amendment for a rezoning that is fully compliant with an Area Plan within the Northern Territory Planning Scheme, requires consideration and approval by the Minister and may also require the application to be exhibited, revisiting and unnecessarily testing the work that has been done through the Planning Commission.

A rezoning application where the use is fully compliant with the Area Plan should be supported through a streamlined process that does not necessarily require public exhibition and can be assessed through a delegated approval process.

4.5.2 Fast-track Planning Approval Process

The current timeframe of the planning approval process from the lodgement of a development application through to an outcome should take on average 8-10 weeks (this depends on whether there are any delays from authority referrals for insufficient information or clarification and the timing of DCA hearing dates, with the potential for much longer periods over Dec/Jan).

Having a public exhibition process and DCA hearing for each subsequent stage of a multi-staged master planned subdivision development is considered to be inefficient where the overall master plan doesn't change and is re-visited for each approval through the DCA, stage on stage. It is recognised that a streamlined process should be formalised for these type of developments, whereby a master plan for the entire development that addresses established criteria to ensure a sufficient level of detail, is approved by the DCA, and subsequent stages do not require DCA approval, facilitating a *fast-track planning approval process*.

In jurisdictions such as Townsville and Cairns, both councils have adopted a *fast-track planning approval process* for subsequent stages of large master planned developments and adopt a practical risk-management approach whereby subsequent stages are processed without going back to the Planning/Council Committee (equivalent to the DCA) for approval.

Recommendation 11: Delegated Approval for Rezoning Compliant with Strategic Land Use Plans

Delegate approvals for rezoning where the use is fully compliant with an Area Plan within the Northern Territory Planning Scheme.

To incentivise developers to undertake upfront investment in the detailed preparation of a master plan and utilise the *fast-track planning approval process*, it is recommended that the base validity period of the development permit should be significantly extended and at minimum be 15 years to facilitate the timeframe required to complete a multi-staged subdivision development.

Under a *fast-track planning approval process*, each and subsequent stages of the master planned development would not need to go back through the DCA for approval as approval would have been granted once at the beginning of the process.

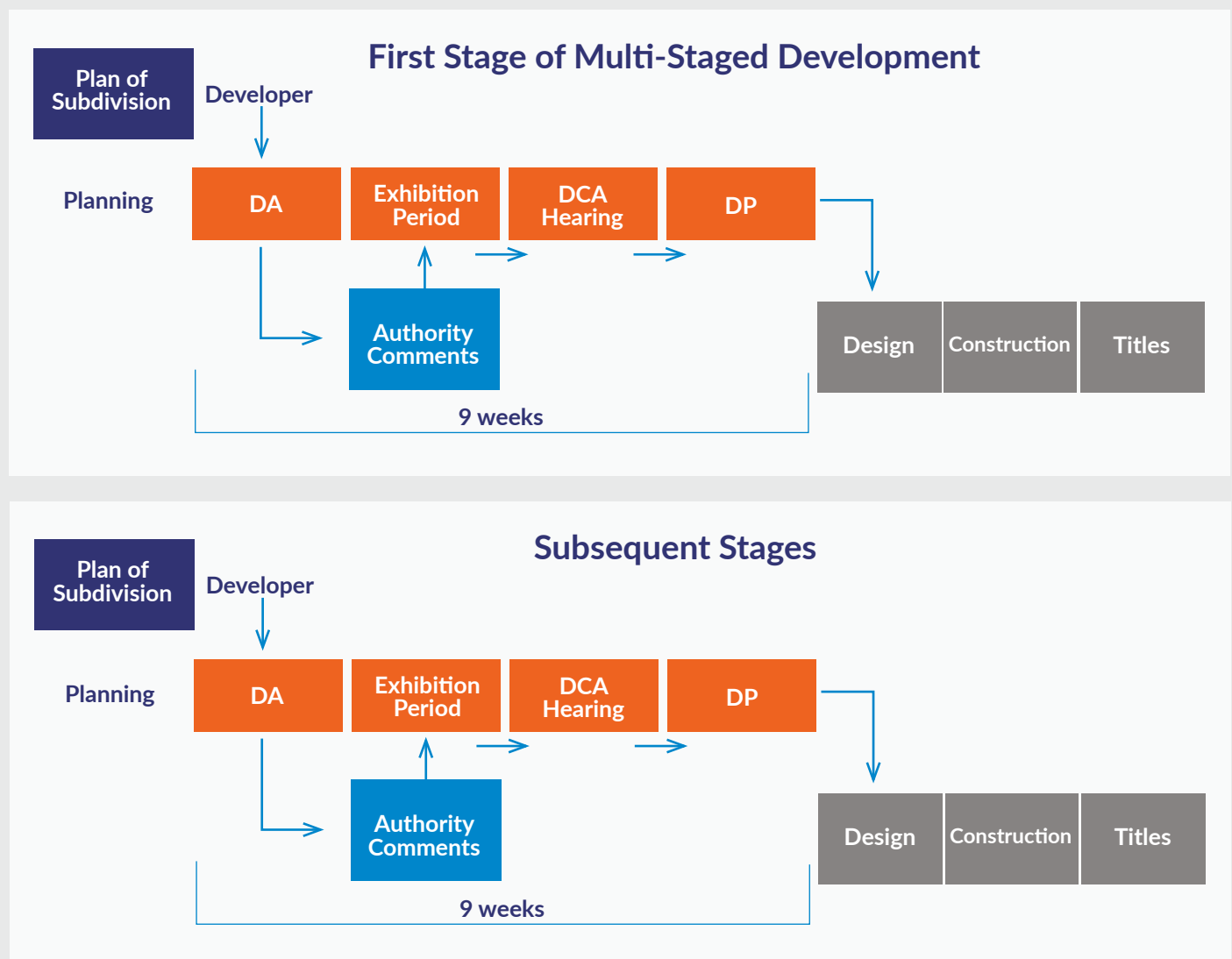
This equates to an estimated savings of 9 weeks for each subsequent stage of the subdivision that does not need to go to the DCA for approval and also alleviates the delays and uncertainties that can currently be experienced due to deferrals and scheduled timing of DCA hearings. As an example, a 10 stage subdivision would equate to a time savings of more than 22 months over the life of the project.

Diagram 5 provides a flow chart of the *fast-track planning approval* for a multi-staged subdivision over its life.

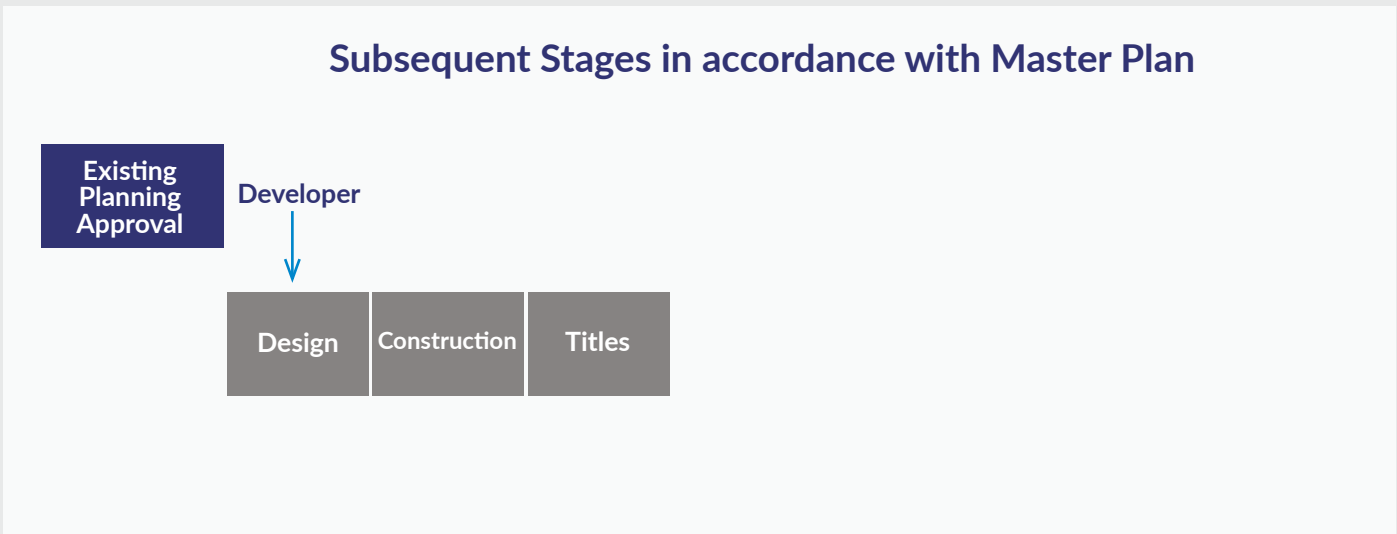
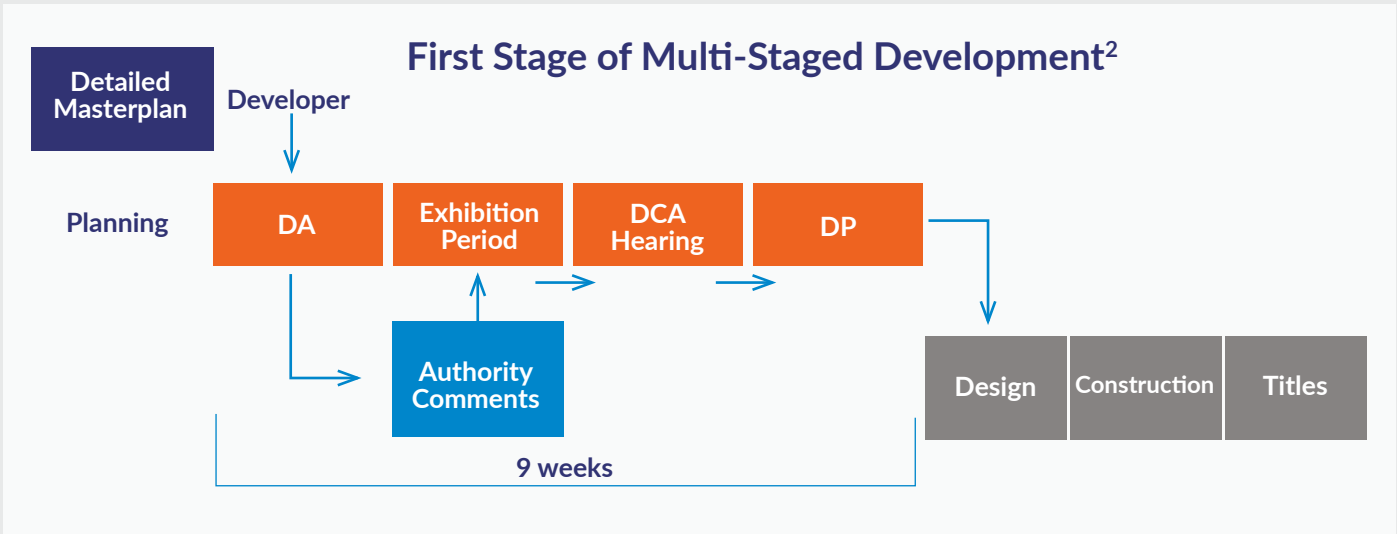
The benefit of *fast-track planning approval process* is fully realised in conjunction with a *fast-track authority approval process* (for the design and construction phase) addressed in Recommendation 14.

Diagram 5: Standard and Fast-track Planning Approval Process – Multi-Staged Subdivision Developments

1. Standard Approval Process¹



2. Fast-track Planning Approval Process¹ – Potential savings of 9 weeks for each subsequent stage as no timeframe required for planning approvals – up to 22 months over the life of a large multi-staged residential subdivision (i.e. 10 years)



¹ In all scenarios, the process to clear development permit conditions applies.

² This includes DCA approval of the plan of subdivision for all stages.

Recommendation 12: Fast-Track Planning Approval Process

Implement the option for a formalised fast-track planning approval process for multi-staged subdivisions assessed by the Development Consent Authority (DCA), where if minimum criteria is met, all stages will be approved by the DCA and there will therefore be no need for development approvals for subsequent stages (as approval will be obtained once at the beginning of the process when the master plan is submitted). This will require:

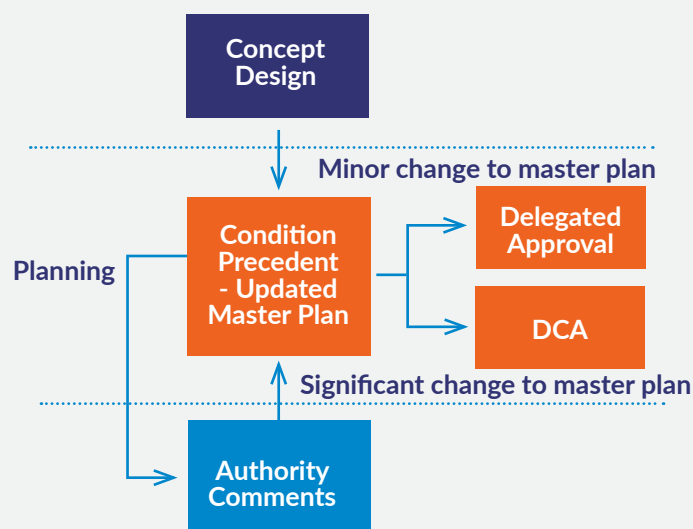
1. well defined master plan criteria (to be defined in the SDG) and included as part of the development application submission;
2. a significantly extended validity period to the base development permit of 15 years, with works to commence within 4 years, and works to be completed within 15 years from date of issue;
3. a checklist included through the Development Assessment Online website that covers all relevant documentation to be submitted as part of a subdivision development application;
4. the applicant to make a declaration stating that all documentation as required is included;
5. no significant changes to the master plan in subsequent stages; and
6. where there are changes to the master plan that would result in changes to the approved subdivision, these changes are to be assessed as either minor (requiring delegated approval) or significant (requiring DCA approval).

The benefit of this recommendation is fully realised in conjunction with a fast-track authority approval process (for the design and construction phase) addressed in Recommendation 14.

Any changes to the approved master plan which may occur over time, will need to be governed by a framework that defines what constitutes a minor change (approval by delegation) and what constitutes a material change (requires re-submission to the DCA). Any approvals by delegation will be a quicker process than the 9 weeks on average that is required for an approval through the DCA.

An example of types of changes that may occur include a change from two cul-de-sacs to a through road, which would be a minor change, whereas a major change may be a relocation or change in size of a commercial site or community purpose site. Refer to the flow chart at Diagram 6 for the process map for change approvals.

Diagram 6: Change Approvals Process



Delays in processing times can also occur from having development application submissions that are incomplete or lack sufficient information for assessment. A checklist that covers all the relevant documentation for submission (as stipulated in the Subdivision Development Guidelines) should be included through the Development Assessment Online website. A development application once checked as having all relevant information is then recognised as 'lodged' and assessment can commence.

4.6 Authority Approvals

4.6.1 Acceptance of Assets

It is essential to provide certainty for all stakeholders on the process by which service authorities and local governments will accept public infrastructure constructed as part of a subdivision. This is to ensure that public infrastructure is constructed to minimum standards and that responsibility is accepted for the ongoing maintenance of works and the continued provision of its function to the community.

Where a development is approved by the Development Consent Authority (DCA) and works are compliant with the requirements of the Subdivision Development Guidelines (SDG) then service authorities and local government councils are obliged to accept the asset, although current legislation isn't explicit in this regard. In the past, there are examples where local governments have refused to accept assets constructed as part of a subdivision and the ongoing maintenance becomes a requirement of the Northern Territory Government in the interim of achieving a negotiated outcome to facilitate handover.

It is recognised that non-compliant planning or infrastructure outcomes can impact on local governments' financial capacity for ongoing maintenance, and in some cases this may be greater than their ability to raise their revenue base. It is proposed that in order to provide certainty of acceptance of assets, that it is reasonable that any non-compliant requirements should be identified as part of the DCA process and that developers should demonstrate through whole-of-life costing that the completed works will not be an unreasonable cost burden on the authority.

Furthermore, a mediation process is proposed to manage any objections by authorities or local governments and facilitate an outcome where there is justifiable grounds for refusal. The mediation process is intended to not be onerous, whereby the objection is referred to the relevant CEO's to resolve and if remains unresolved at CEO level, is then referred to the Minister.

Recommendation 13: Authority Acceptance of Assets

Legislate the requirement that if a subdivision is compliant with an approved Development Permit and the requirements of the Subdivision Development Guidelines, then service authorities and local governments will accept the public infrastructure asset/s constructed as part of the subdivision.

Non-compliant planning or infrastructure requirements identified as part of the Development Consent Authority process, will require:

- any negative impacts mitigated;
- demonstration through a whole-of-life costing that it will not be an unreasonable cost burden on the authority or local government; and
- a mediation process is implemented to manage objections by authorities or local government.

4.6.2 **Fast-track** Authority Approval Process

4.6.2.1 **Fast-track** with Defined Master Plan

The processes to clear development permit conditions with local government and service authorities have been identified through stakeholder engagement as a cause of frustration, delay and additional costs for developers. Information gained through stakeholder engagement advised of delays of up to 13 weeks in the process to obtain approvals.

Legislating to mandate the SDG provides certainty to industry and authorities of the technical requirements and standard of design of public infrastructure, with the aim to reduce delays where both parties have a clear understanding of these requirements up-front.

A framework that provides for clear lines of responsibilities to achieve quicker approvals in design and construction requires both developers and their consultants and local governments and service authorities to be accountable.

Multi-staged subdivision developments that opt-in for the *fast-track planning approval process*, and produce their detailed master plan as part of their development application, can also opt in for the *fast-track authority approval process* where works are compliant with the SDG. This involves engagement of an independent compliance auditor to be responsible for checking and collating all required documentation to confirm the subdivision has been designed and constructed in accordance with the approved master plan and the SDG. Diagram 7 provides an overview of this process.

As required under the SDG currently, the design engineer will remain responsible for producing certification that design works are in accordance with the SDG and all relevant approvals (this will also include the master plan) and certification that constructed works are in accordance with design. As part of certification, the certifying engineer is required to identify any approved deviations.

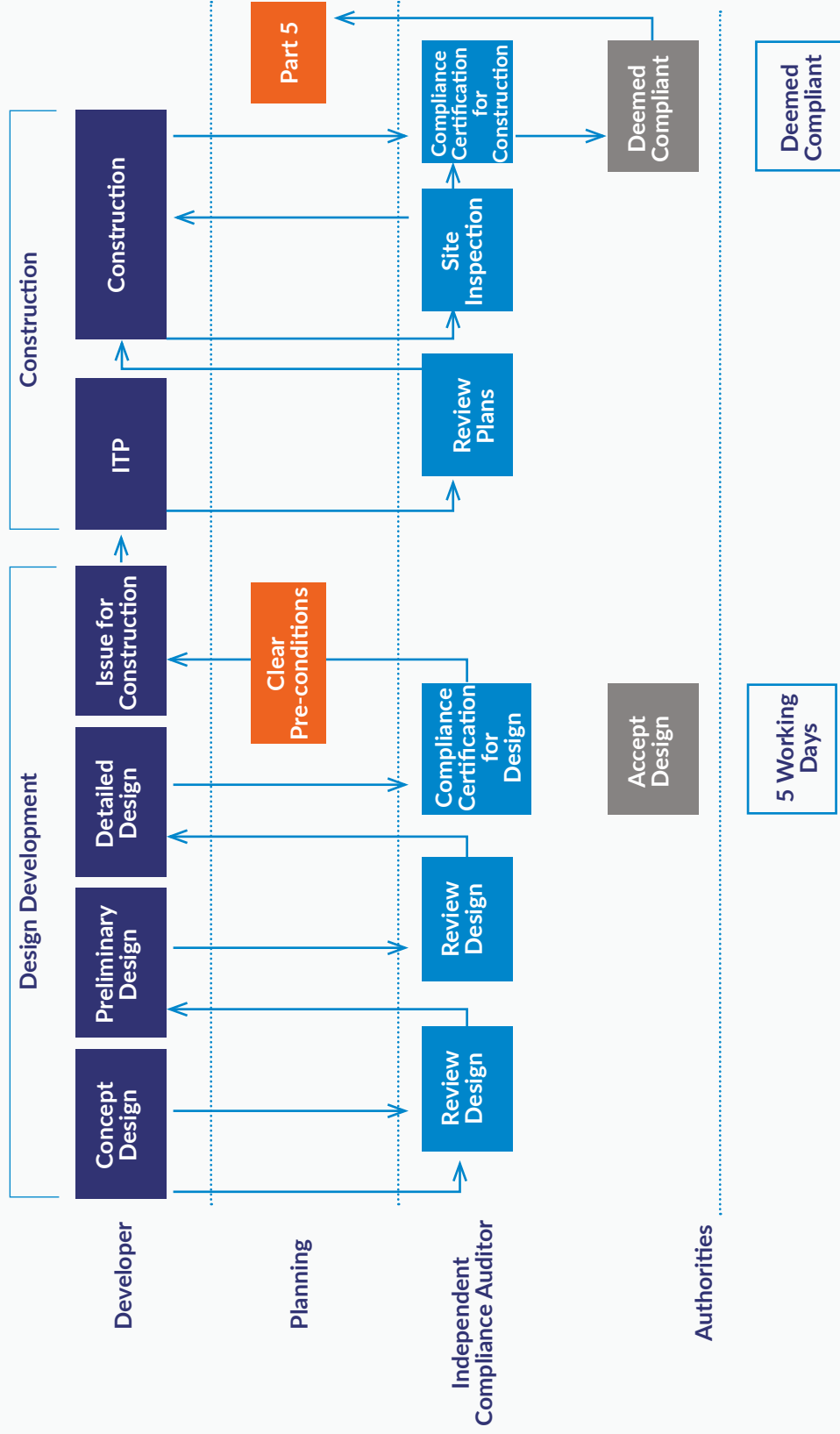
As part of this process, maintaining independence and any perceived conflicts of interest is critical; therefore, it is intended that the independent compliance auditors are individually registered and qualified professionals that meet established criteria to be set by the SDG Management Committee.

An independent compliance audit provides a greater level of confidence to authorities that design and works are fully compliant and it is considered reasonable therefore that a response timeframe for this process is quicker (e.g. nominally 5 working days from the receipt of the Compliance Auditor Certification for Design Report). If a response is not received from authorities within the set timeframe, the design and/or works and subsequent assets are deemed as accepted by the authority.

Design review is currently undertaken by the relevant authorities and in some cases outsourced to private consultants due to limited capacity of in-house resources. It is expected that the fees associated with the provision of the compliance auditor will be funded from the current fees charged for this activity.

A high level assessment has been undertaken as part of this Review to confirm a *fast-track authority approval* can be implemented and applied to all local governments and/or service authorities through legislative change. However, prior to implementation careful consideration upon a detailed assessment will need to be given to changes in existing business processes and any conflicts with current legislation.

Diagram 7: Fast-track authority approval process



Note: Timeframes are indicative and would require further consultation through the SDG Management Committee

4.6.2.2 **Fast-track** with Endorsed Plan of Subdivision

The fast-track authority approval process can be an opt-in process for all other larger subdivision developments where design and works are compliant with the endorsed plan of subdivision and the SDG. For example, all single staged subdivisions can benefit from a *fast-track authority approval process*.

Multi-staged residential subdivision developments that do not opt-in for the fast-track planning approval process, and choose to go back to the DCA for subsequent stages, can still opt-in for a fast-track authority approval process which will facilitate quicker design and construction approvals from local governments and service authorities, where design and works are compliant with the endorsed plan of subdivision and the SDG.

Under the fast-track authority approval process, it will be a requirement for the independent compliance auditor to be engaged early (i.e. at concept design) to facilitate the design and construction approvals for local governments and service authorities.

4.6.2.3 *Maximum Statutory Response Timeframes*

For developments that do not opt-in to the fast-track authority approval process, it is considered essential that there should be maximum statutory response timeframes for local governments and service authorities to provide a level of certainty within the process and alleviate unreasonable delays.

Currently the SDG provides guidance on the design, development and handover processes of public infrastructure to local governments and service authorities, and it is recommended that this is further strengthened to include maximum timeframes for authorities to respond once all required documentation is received by the developer.

The importance of having all required documentation submitted by the developer in order for local governments and service authorities to commence their assessment cannot be understated. As the ultimate asset owner responsible for whole-of-life costs of public infrastructure, local governments and service authorities must have assurance that the infrastructure is built to minimum standards to mitigate the potential of higher costs associated with ongoing repairs and that whole-of-life costs are relative to the additional rates base collected as a result of new residents in a subdivision.

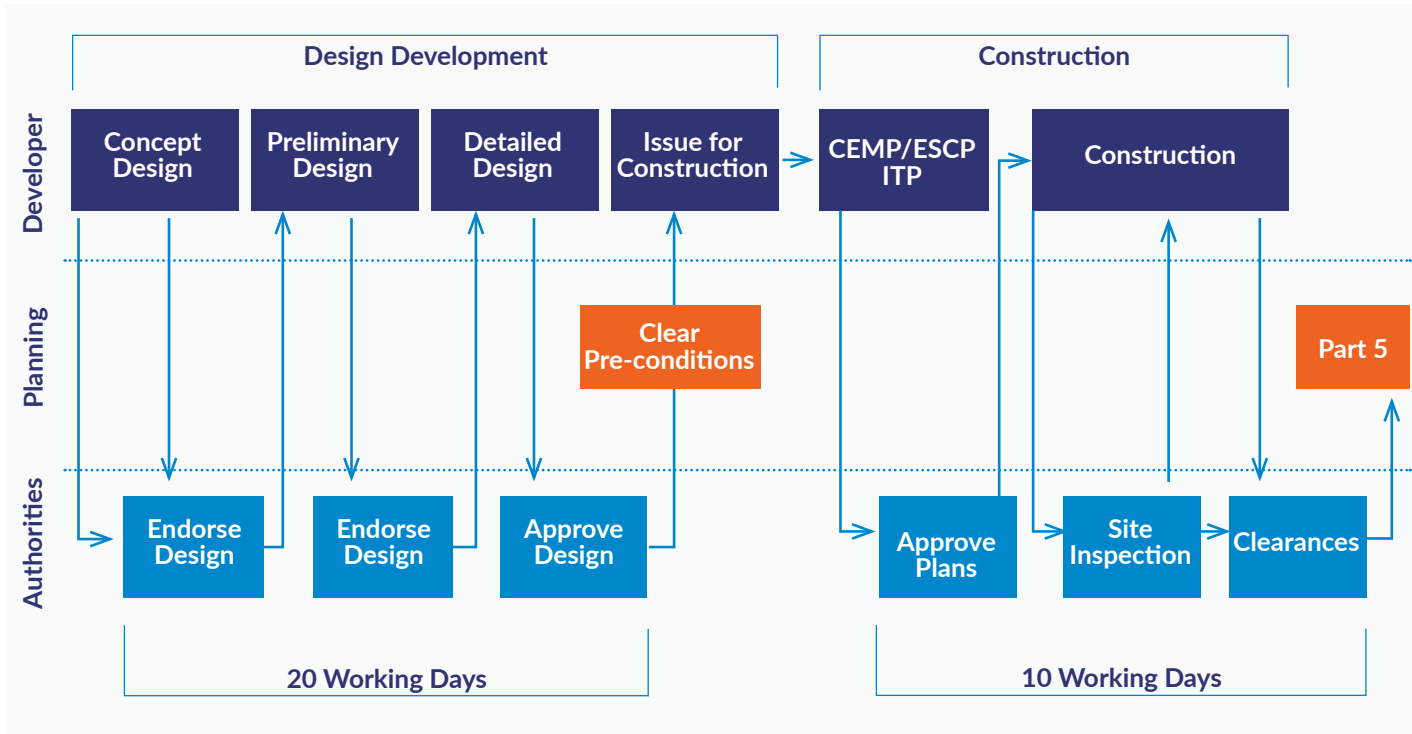
For example, the approval of detail design documentation by a local government or service authority is dependent on developers providing a design certification report, confirming that design is compliant with the endorsed plans/master plan and the SDG (with all relevant certified drawings), and to identify any exceptions or variations to the SDG which will require agreement by the local government or service authority. Once this documentation is received, the authority is to respond within a statutory timeframe to facilitate timely approvals.

Recommendation 14: Authority Approvals

1. Implement the **option** for a **fast-track authority approval process** that includes an independent compliance audit by a registered and appropriately qualified individual for the design approval and construction compliance of subdivisions, where;
 - a. for developments approved under the **fast-track planning approval process**, is in accordance with the approved master plan and the SDG; and
 - b. for other subdivision developments, is in accordance with the endorsed plan of subdivision and the SDG.
2. Develop and publish a register of professionals permitted to certify a compliance audit certification report (independent certifier), and implement a framework for their engagement in the SDG, including:
 - a. the independent auditor to be engaged early as part of the design approval process; and
 - b. the cost of the independent auditor to be funded from existing charges for the assessment of design and construction.
3. Implement a deemed compliant process for approvals sought under the **fast-track authority approval process**.
4. Separately, enhance the SDG through legislation to require;
 - a. statutory maximum response timeframes for the assessment of design and construction compliance by local government and service authorities; and
 - b. minimum documentation requirements to be submitted by developers prior to the timeframe for an assessment to commence, including design and construction certification reports by the certifying engineer.

Diagram 8 provides indicative maximum statutory response timeframes. These timeframes are to be tested through the SDG Management Committee during implementation.

Diagram 8: Maximum Statutory Response Timeframes



Note: Timeframes are indicative and would require further consultation through the SDG Management Committee

4.6.3 Energisation of Subdivisions

A noted delay in the Part 5 clearance process raised by a number of stakeholders that requires separate mention is the energisation of subdivisions and specifically the commissioning of streetlights.

It takes on average 8 weeks for Power and Water Corporation to energise power to a subdivision upon lodgement of an application. This has become an issue more recently given the impact this has on streetlights which has changed in ownership from Power and Water Corporation to local governments (in around 2018 and prior to the introduction of the SDG).

As a result, certain local governments changed their risk profile resulting in requirements on developers to address safety and liability concerns in relation to streetlights not yet operational in the subdivision, delaying the provision of Part 5 clearance.

A variety of solutions to address the safety concerns of local governments has been implemented across different developments (and to facilitate Part 5 clearance) including the provision of a traffic risk assessment report and light towers at nominated areas until such time that power is 'turned on'.

The main concern raised by developers is the inconsistency in the application of a solution and the time lost waiting for Part 5 clearance for a subdivision that has reached practical completion, but does not have power to the streetlights.

In Townsville and Cairns, the energisation of subdivisions is also delayed by long lead-times, in some cases significantly longer than 8 weeks. However both jurisdictions take a more risk tolerant approach than in the Northern Territory, recognising that there will be at least 6 months of house building activity occurring before consumers move in. Both jurisdictions require confirmation from Ergon (the power provider) that the works have been programmed and provide their clearance, requiring bonds for security.

To provide clarity and consistency it is recommended that a practical risk-management approach to the situation is included in the SDG. This approach should be discussed at the SDG technical working groups to determine an appropriate guide, which may include a traffic risk assessment report where the risk of traffic volumes is considered high.

In addition, it is recognised that there is the potential to reduce delays if Power and Water Corporation was able to increase its resource base to undertake the energisation of subdivisions in a more timely manner. As such, it is recommended that if additional in-house resources cannot be increased to meet demand, then PWC implement engagement of accredited private contractors to manage periods of high demand.

Recommendation 15: Energisation of Subdivisions

1. PWC to identify options to improve timeframes for the energisation of subdivisions, including the option of engaging accredited private contractors to manage periods of high demand when in-house resources are not able to meet established timeframes (noting timeframes are to be established through Recommendation 14).
2. Include in the SDG, a practical risk-management approach for the handover of street lights to authorities that have not yet been commissioned, to facilitate Part 5 clearance.

4.6.4 Standard Conditions

Development conditions that are inconsistent or unclear can add delays to the authority approval process which requires formal notification by local governments or service authorities that conditions have been cleared. Specifically, the following have been identified during stakeholder engagement:

- conditions that reference two authorities often result in each authority referring to the other before formal clearance is provided;
- use of terminology 'to the satisfaction of' which creates vague generality;
- inconsistency of conditions between different stages of a multi-staged master planned subdivision; and
- condition precedents that may not align with the processes of land development and can unnecessarily delay the commencement of preliminary works.

The preparation of standard conditions for development permits that follow consistent structure, language and terminology will lead to development consents and conditions that are easy to understand and that are more easily satisfied.

Consistency is a simple but effective way to create an easier system for applicants, authorities and certifiers, while also reducing workloads for clearing conditions and therefore reducing delays in the process.

Recommendation 16: Development Permit Conditions

1. Prepare standard conditions for development permits that are clear and actionable that reference the Subdivision Development Guidelines.
2. Where relevant, conditions are to be detailed and not generic, and each authority is responsible for the formal clearance of their conditions only.

4.7 Expediting Survey Plan and Titles

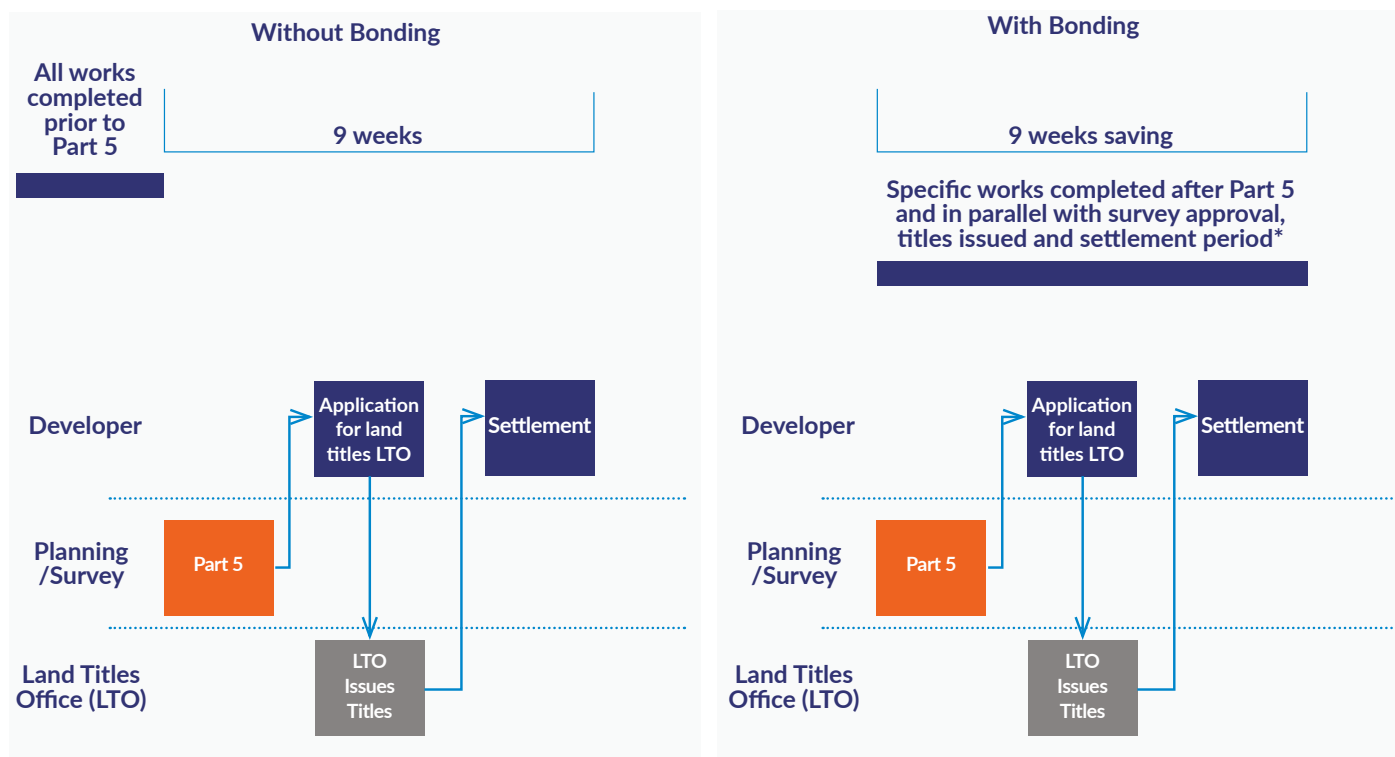
4.7.1 Bonding of Incomplete Works

Lodgement of the Survey Plan can only be done currently once all works are complete and Part 5 clearance of a development permit is obtained. Once the Survey Plan is lodged with Part 5 clearance, the approval process only takes 4-6 days by the Survey branch, DIPL.

In other jurisdictions, early approval of the Survey Plan is facilitated in certain circumstances where minor works remain incomplete and to allow for titles to be issued so the process of settlement can progress in parallel with works being completed. Jurisdictions such as Townsville will consider early approval of the Survey Plan, with a bond from the developer for any incomplete works, and the requirement that certain works are to be completed prior to settlement being finalised.

This process allows for incomplete works to be finalised during the settlement period and effectively reduces the potential for delays associated with incomplete works, nominally up to 9 weeks. Refer to Diagram 9.

Diagram 9: Bonding of Incomplete Works



* For certain types of infrastructure (i.e. footpaths) construction is completed after settlement.

In the Northern Territory, bonding is done as an administrative process through individual local governments at their discretion, in order to facilitate Part 5 clearance. There is currently no guidance on the process of bonding and the minimum construction requirements by a developer prior to bonding being considered by local governments and service authorities.

It is recommended that this guidance is included in the SDG to provide clarity to developers as well as local governments and service authorities, including bond value guidance and a template bonding deed.

Recommendation 17: Bonding

Include in the SDG, bonding guidance as to when bonding can be considered, including minimum construction requirements, bond value guidance and a template bonding deed.

4.7.2 Early Lodgement of Survey Plan

From a consumers' perspective, settlement on the land means that the home build can commence and the full advantage of any stimulus such as HomeBuild can be realised.

In the Northern Territory, the formalisation of loan documentation by the financier is not undertaken until a title is issued and the final valuation completed. Information gained through stakeholder engagement has identified this process can take at least 4 weeks after a title is issued and impacts on the settlement date.

Delays can be further exacerbated in times of high demand (as has been recently experienced post COVID-19) whereby high volumes of titles issued in a relatively short time-frame has resulted in backlogs for bank valuations and loan approvals. The ability to start the formalisation of loan documentation as early as possible can mitigate these delays and facilitate an earlier settlement date.

Currently, the formalisation of loan documentation is based on a valuation completed post-title issue. Lodgement and registration of a survey plan that meets prescribed criteria to deem the subdivision sufficiently progressed for a survey plan to be lodged, can bring forward the bank valuation and formalisation of loan documentation. Criteria will be required to limit the likelihood of any substantial changes to the survey plan, including all lot connections are complete, and easements finalised.

This will allow licenced surveyors to lodge a survey plan with the Surveyor General ahead of having to wait until Part 5 clearance is obtained. The time saved associated with an early survey plan lodgement is equivalent to the time taken to obtain Part 5 clearance once a subdivision is practically complete. This can take on average 4 weeks (negating longer timeframes identified through stakeholder engagement) and can often be a result of the administrative requirements associated with handover of public infrastructure, rather than any material issue that impacts marketability and value of a lot.

Implementation of a process whereby the bank valuation and formalisation of loan documentation is undertaken upon receipt of a registered Survey Plan, provides a framework which carries minimal risk to the financier. Given the registered Survey Plan will require a subdivision to be sufficiently progressed and meet prescribed criteria, there is little risk of any substantial changes impacting marketability and value of a lot. When title is issued, an administrative check will be required to confirm no changes to the Approved Survey Plan on title. This would meet requirements as set out in the Residential Valuation Standing Instructions issued by the Australian Banking and Finance Industry.

This process has been confirmed as valuable through stakeholder engagement with financiers. Similar processes for early lodgement of the Survey Plan exist in Townsville, Cairns and other jurisdictions in Australia.

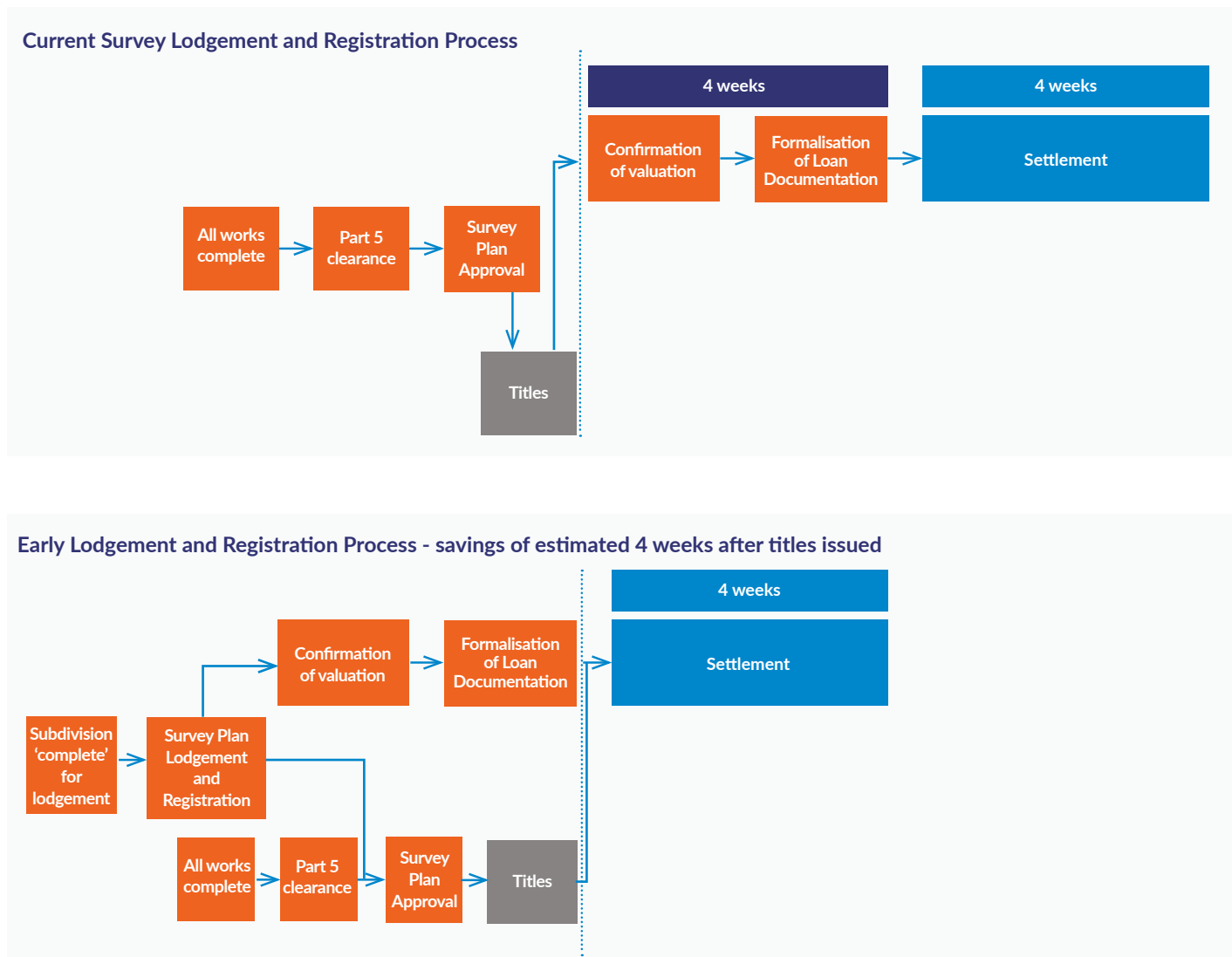
Diagram 10 shows the flow chart of the current survey plan lodgement process and the early lodgement and registration survey plan process.

Titles will also not be issued until Part 5 clearance is obtained to protect from third parties (home owners and/or builders) physically accessing lots that remain under the care and control of the developer. Such a scenario increases risks of occupational health and safety issues and disputes over damage to public infrastructure that has not yet been accepted by authorities.

Developers and/or their licensed surveyors will be required to obtain Part 5 clearance and confirm that the registered Survey Plan has not changed, in order for the Surveyor General to approve the release of the registered Survey

Plan to the Land Titles Office (LTO). The DIPL will continue to report and monitor KPI's on the time taken from lodgement of Part 5 clearance and confirmation of no changes to the registered Survey Plan by the licensed surveyor.

Diagram 10: Lodgement of Survey Plan



Recommendation 18: Lodgement and Registration of a Survey Plan

Implement a formalised process to enable licensed surveyors to submit a survey plan ahead of Part 5 clearance, to facilitate an early valuation and loan approval process and bring forward settlement for the consumer.

The subdivision must be sufficiently progressed (to the extent that the final location of the lot boundaries are identified on site, including easements and the like) for the purposes of lodgement and registration of a Survey Plan. The registered survey plan will not be released to the Land Titles Office until such time that Part 5 clearance has been obtained and there is formal confirmation that there are no changes to the registered Survey Plan.

4.8 Place Names

The current process of naming streets and parks in subdivisions is time consuming and requires months to undertake. If not commenced early in the subdivision process this can cause extensive delays as street names are required in order to connect services, and prior to settlement.

A number of factors result in this process taking months, specifically the time taken to consult with all interested parties which includes local government approval, prior to an application being lodged with the Place Names Committee. This timeframe can be longer if Aboriginal names are used, as this requires agreement between Aboriginal Land Councils and native title prescribed bodies representing custodians also.

In addition, the Place Names Committee has only 4 scheduled meetings per year so missing one of the scheduled meetings may result in a wait until the next meeting. Recent regulative changes however have allowed for the Chair of the Place Names Committee to convene a Committee meeting outside of the scheduled meetings and where it is requested.

To have a pre-approved bank of names based on themes for different suburbs would create a streamlined process that concentrates the efforts of naming requirements within the Place Names Unit, with personnel that have the necessary expertise and ongoing relationships already established in order to obtain a timely approval. For example, the Place Names Unit could be undertaking the necessary consultation and approval of names for the future residential suburbs of Holtze/Kowandi early as part of the Area Planning process and based on a theme that is place specific, years ahead of when a developer lodges a request for place names.

This would allow a developer to choose from a pre-approved bank of names once a development permit is approved. If the developer wishes to choose names outside of the pre-approved bank, then the timeframes to undertake consultation with interested parties would need to be factored into the land development process.

Given the expertise within the Place Names Unit that supports the Committee, all necessary consultation required to facilitate the approval of new names is best placed to be undertaken by the Place Names Unit to achieve streamlined outcomes.

Additionally, there should be maximum statutory timeframes for the Place Names Committee to respond to an application (once the consultation has been undertaken). This will require the Committee to meet on an as required basis, rather than having set scheduled times throughout the year.

It has also been identified through stakeholder engagement, that minor adjustments to approved names that relate to the type of road (i.e. from court to street) has required resubmission to the Place Names Committee. This process is better managed through a delegation and the DIPL has drafted legislation change for this to occur.

Recommendation 19: Place Names

1. Establish a list of pre-approved names for developers to choose from that are place specific and theme based, to be undertaken concurrently with the Area Planning process for future residential developments.
2. Undertake a jurisdictional comparison of the Place Names framework to identify areas for process improvement outside of the pre-approved names list. This is to include review of:
 - the governance framework;
 - timeframes for approval; and
 - criteria for naming places.
3. Allow for the delegated approval of minor changes to approved place names that impact the type of road (i.e. a change from street to road) and not require re-submission to the Place Names Committee.

Diagram 11: Summary Chart and Estimated Time-Savings over a 5 Year Multi-Staged Subdivision Project*

4.9 Summary Flow Chart

In summary, the recommendations within this Section provide efficiencies to the subdivision development process, with Recommendations 12, 14 and 18 having the potential to create substantial time savings for multi-staged subdivision developments.

A summary flow chart that shows estimated time savings in the Subdivision Development process associated with Recommendations 12, 14 and 18 is included in Diagram 11.

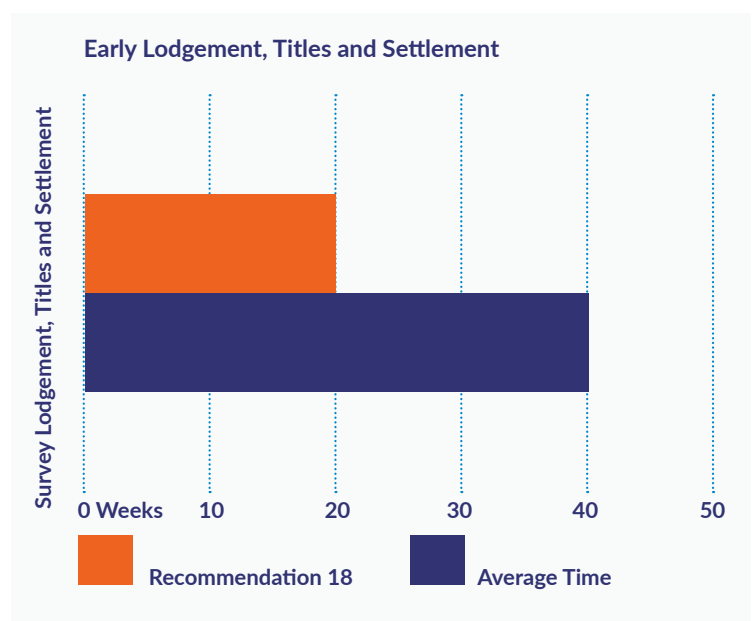
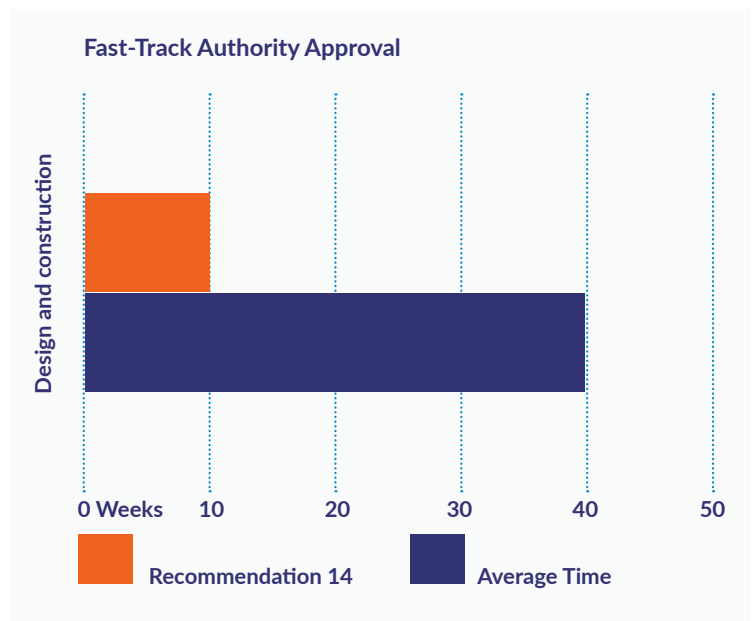
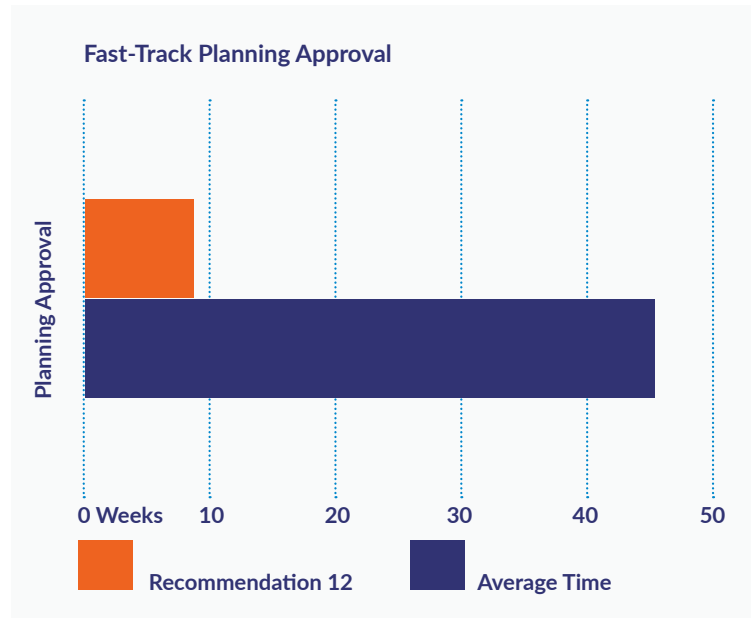
*Estimated time savings is based on the potential time benefits that can be achieved from a standard multi-staged residential subdivision development, such as Zuccoli, as follows:

Fast-Track Planning Approval - Recommendation 12; potential savings of 36 weeks over 5 years, where there is no change to the master plan. Developers will be required to undertake more detail design work up-front.

Fast-Track Authority Approval - Recommendation 14; potential savings of 30 weeks over 5 years, where developers will be required to provide design and construction certification as per the SDG.

Early Survey Lodgement - Recommendation 18; potential savings of 20 weeks over 5 years, where developers will be required to meet criteria to ensure subdivision is practically complete for the purposes of early lodgement.

Important Note: Times shown do not reflect developer activity timeframes.





Section 5 – Industrial and Commercial Land

Recommendation 3 of this Review to finalise and adopt the ISLIP framework and key functions includes land development strategies that prioritise future Land Supply for industrial and commercial land for all regions, including Greater Darwin, Katherine and Alice Springs. It is recognised that this work should also take into account strategic industrial land.

This section highlights the current status for key regional centres.

While the land development review has focused predominantly on the availability of titled residential land, it is recognised that the availability of industrial and commercial land is vital in order to support economic growth.

5.1 Greater Darwin

There is an abundant amount of available industrial and commercial lots in Greater Darwin either through private holdings or through the Land Development Corporation holdings in East Arm.

Land for strategic industrial (Zone DV) development outside of East Arm is constrained by a lack of enabling infrastructure, environmental constraints and native title.

Future industrial developments are planned around future port and loading facilities in Middle Arm and Glyde Point, but the cost of resolving constraints and building infrastructure to support strategic industries is significant and will require support from the Commonwealth.

Additional commercial land is being considered through the HESLUP to support population growth in Palmerston without negatively impacting on the commercial viability of existing activity centres.

5.2 Katherine

Katherine has a limited supply of general and light industrial land in Chardon Street (Katherine East) and Emungalan Road. Expansion of Chardon Street is constrained by Q100 flooding and filling of land will be required to expand this area in the future.

The large industrial lots on Emungalan Road is significantly impacted upon by a lack of water capacity and pressure to support firefighting, which requires the owners of the lots to invest in large water tanks at great expense for fire suppression.

Investing in a water supply north of the Katherine River (ground and elevated water tanks and a rising main) will support the development of more industrial land and rural residential land.

Future industrial land is planned within the Katherine Logistics Agribusiness Hub (KLAH), with the design in progress, and resolution of tenure (Native title) underway. The KLAH will support 60-80 years of industrial development in a strategically located, multi-modal facility to support growth in the Katherine region.

Future commercial land has been identified in the Katherine East Area Plan in the Katherine East Neighbourhood Centre (KENC) and near the future Katherine Hospital site on Chambers Drive. This commercial land has been sized to support commercial development that caters the needs of the existing Katherine East neighbourhood and its associated suburban growth, and to complement the current Town Centre.

5.3 Tennant Creek

Industrial land is limited in Tennant Creek, with future industrial land in design for Udall Road Stage 2 and 3. Further planning for general and light industrial land uses in the Udall Road area is underway.

Planning for a large multi-modal precinct north of Tennant Creek is also underway. Work has progressed to address environmental and land constraints (flooding and geotechnical), as well as understanding the infrastructure needs of industries in the region.

5.4 Alice Springs

Industrial land is limited in Alice Springs north of the Gap, with Titled Land available in the Alice Springs Airport industrial area and in Brewer Estate.

Planning is underway for the future subdivision of Arumbera (near Kilgariff) to accommodate general and light industrial land uses. Work is in progress to address environmental and tenure constraints, as well as undertaking infrastructure planning.

Commercial land is being planned for population growth in Kilgariff through the Kilgariff Area Plan.

6 – Regional Specific Considerations



Major Regional Centres are addressed in this section, acknowledging there are unique and specific considerations that exist for Katherine and Alice Springs.

6.1 Katherine

While Katherine does not have a current shortage in Titled Land, and there is sufficient future residential Land Supply identified (15 years) within the KENC, there is an immediate and pressing need for more housing supply, and in particular a current shortage of houses available for rent.

Indicative data gained through stakeholder engagement identified higher than usual demand for long-term rental accommodation since at least September 2020, most likely a combination of COVID-19 and the return of residents to regional areas, as well as increased activity in construction associated with defence and large civil projects within the surrounding Katherine region.

As a result of low rental housing supply, rents have increased significantly over the last 9 months with reports of \$1500 per week for a 4 bedroom house at the time stakeholder engagement was undertaken in June 2021.

The most concerning impact of the accommodation shortage in Katherine appears to be on low and middle income workers who are either forced to live in temporary or sub-standard accommodation, or leave Katherine altogether due to a lack of accommodation availability, creating a workforce shortage in some critical sectors such as social services, education, health and hospitality.

Private investment in the real estate market in Katherine appears to be low or lagging, driven by either high costs of house construction or a lack of confidence in achieving high returns over the long-term (i.e. 10 years) due to limited visibility of long-term demand.

Data obtained through Master Builders Fidelity Fund indicates that Katherine's cost of house construction is higher than Darwin by around 5%. The reason is likely due to a less competitive house construction market in Katherine, higher costs associated with freighting materials, costs associated with travel and temporary accommodation for staff and workers and reduced productivity associated with remote work. It is also recognised that Katherine's construction market competes with projects in Darwin and other regional areas (including civil projects) and this can also impact on supply within Katherine.

The information gained throughout stakeholder engagement has recognised that further detailed investigations based on reliable data is needed to better understand housing needs and supply constraints over the short, medium and long-term. A housing study is considered critical to understand what is driving the accommodation shortages in Katherine and the constraints in the market. This information will also aid future planning for Titled Land and better inform lot type and size to meet the future housing needs of Katherine.

This is particularly important as future demand for either accommodation or land is predicted over a number of fronts to continue to grow; Defence investment in the expansion of RAAF Base Tindal and new sustainment agreements (contractors) for the servicing of military equipment at Tindal; the potential for a new workforce housed in Katherine if Mount Todd becomes operational; future agribusiness opportunities; and the potential for servicing and support industries based in Katherine if the Beetaloo Basin becomes economical. All have the potential to grow Katherine in the medium to long term, placing further pressure on housing and the underlying infrastructure to support it.

Recommendation 2 of this Review has identified the need to undertake detailed demand forecasting to inform Land Supply planning. This work is critical to better understand how future economic growth may impact on land requirements and to inform timing for Land Supply planning. Given the pressing housing shortage in Katherine, a housing study will need to focus on current data to understand immediate potential responses by Government, but should also look to the long-term, underpinned by the same demand analysis, to understand how private investment into the right type of housing can be maximised into the future.

Recommendation 20: Katherine

Commission a housing demand and supply study for Katherine that addresses housing preferences and cost constraints (including cost premiums) to inform the immediate accommodation needs of Katherine, but also looks to medium and long term needs, underpinned by the same demand profile work required for Land Supply planning.

6.2 Alice Springs

Alice Springs has sufficient new residential Land Under Development, with lots for sale off the plan for Kilgariff Stage 2, however as identified in Section 2.4.1.2, there is a current shortage of titled residential land which delays the ability for new house construction to commence.

A significant portion of land for future development in Alice Springs is also subject to native title with negotiations underway with Lhere Artepe Corporation to resolve native title on a number of key pieces of Crown land to facilitate future development (i.e. Larapinta).

The recommendations in this Review regarding the improvement of Land Supply planning and streamlining the Subdivision Development Processes, will alleviate the potential for future delays in Titled Land to the market for the Alice Springs region, subject to resolution of native title.

Future economic growth and private investment in Alice Springs requires mechanisms in place to 'unlock' private development so that opportunities can be capitalised when the market turns. Further demand profiling work as identified in this Review, will aim to forecast the potential for future growth in the town associated with the ambitious goal to reach a \$40 billion economy. One example is the impact of the Arafura Resources project, 135km from Alice Springs, which may opt to house its construction and operational workforce in the town.

To this end, further work needs to be undertaken to better understand the infrastructure constraints to facilitate private development. Stakeholder engagement identified that enabling infrastructure such as stormwater and roads can be significantly more costly in Alice Springs due to the specific requirements for the locality, to the point that these costs become unviable for any one individual development to absorb.

The work identified in Recommendation 5 of this Review will assist in informing the cost of infrastructure to support future Land Supply, including the potential for viable cost sharing under an Infrastructure Contribution Plan that facilitates private urban land development in accordance with the Alice Springs Regional Land Use Plan.

Recommendation 21: Alice Springs

Prioritise land-use planning and infrastructure planning for the key localities (specifically south of the Gap) in Alice Springs in order to facilitate private land development in accordance with the Alice Springs Regional Land Use Plan, including the potential for viable cost sharing under Infrastructure Contributions that private developers can opt into.



Section 7 – Other Land-Related Items

7.1 Stamp Duty Concession

House and land packages and speculative builds are not a common practice in the Northern Territory due to the disincentive associated with the cost of stamp duty to the buyer.

House and land contracts are currently two separate contracts, one contract with the builder for the construction component and one contract with the developer for the land component. Having the one contract between the buyer and the builder for the house and land where the total property transfers to the buyer upon completion of the house construction, would currently attract stamp duty for the land including total improvements on the land. This is currently at a huge disincentive to the buyer/home owner.

Allowing a buyer to secure both a block of land and the construction of their home in one streamlined process provides certainty for the buyer and their financier. The buyer knows the combined price of their home and land from the outset and where it is in a fixed price package, locks in the price for the construction of the home as well as the land, meaning no surprise additional costs. This is also more favourable from a financier's perspective as they receive one contract for the house and land at the same time, which provides certainty on total finance required and facilitates a quicker loan approval process.

Similarly, providing choice to consumers to purchase a speculative build whereby the house construction may already be close to or already complete, without being penalised for stamp duty, facilitates a quicker process to home ownership.

In order to encourage additional home building activity by speculative builders and not penalise home owners, and to encourage the take up of house and land packages, it is proposed to provide stamp duty concession to the first buyer/occupier of the property. The stamp duty concession to the first buyer/occupier is to apply to the house construction value of the package and for the land component. Stamp duty would apply to the sale of land from the developer to the builder in all cases.

Recommendation 22: Stamp Duty Concession

To encourage builders to utilise house and land packages and speculative builds, introduce a stamp duty concession as follows:


- where a buyer enters into a house and land package with a developer/builder and the builder has purchased the land from the developer, a stamp duty concession to the first house owner is to be provided (stamp duty on the land component will have previously been paid for by the builder); and
- where a builder engages in the construction of a speculative build and a buyer enters into a contract to purchase the house and land directly from the speculative builder, then, on the basis that the property has not been previously occupied, a stamp duty concession to the first house owner is provided (stamp duty on the land component will have previously been paid by the builder).

In order to receive a stamp duty concession, the first buyer/occupier must produce a house and land or speculative build contract in order to be eligible for the stamp duty concession.

The concession is provided to the buyer/occupier of the property and not to the developer/builder.

An aerial photograph of a residential development, overlaid with a blue tint. The image shows a winding road on the left side, leading into a cluster of houses. In the foreground, there is a large, complex road intersection with multiple lanes and traffic lights. The overall scene depicts a planned urban or suburban area.

Section 8 – Implementation of Recommendations



In order to progress the recommendations resulting from this Review, subject to approval by Government, it is important to provide a level of external visibility and oversight into the implementation phase.

It will be crucial to establish an appropriate governance structure in order to monitor and provide transparency around the progress and status of implementation in accordance with an Implementation Plan. This is to ensure the intent of the recommendations are achieved.

The focus will also be to develop efficient and effective processes to achieve the intent of the recommendations whilst not generating overly cumbersome procedures which will erode the intended efficiency gain.

Recommendation 23: Implementation Plan

1. Develop an Implementation Plan to manage the implementation process for those recommendations that are approved by Government. The plan is to be in sufficient detail to facilitate the development of processes and procedures to cover all aspects of the recommendations and to allow progress to be measured.
2. Establish an appropriate governance structure to provide oversight and regular reporting on the implementation of the Plan and recommendations.

8.1 - Summary of Recommendations

A summary of the recommendations of the Land Development Process Review is included in the below table.

Recommendations	Page Reference
Land Supply	
<p>1 Standardised Terminology Standardised terminology is adopted by Government and Industry to cover definitions for Land Supply, Land Under Development and Titled Land, as follows;</p> <p>Land Supply – Land with the potential for providing serviced lots, identified through strategic plans with constraints to be resolved (e.g. tenure, environmental factors) and trunk enabling infrastructure to be delivered, through the integrated strategic land use and infrastructure planning process, before land is released for development.</p> <p>Land Under Development – Land in the hand of developers, to be subdivided and reticulated infrastructure service connections provided through the subdivision development process, to produce Titled Land to market.</p> <p>Titled Land – Land available to the end consumer (allows residential construction to commence).</p> <p>This will require operational policy change.</p>	12
<p>2 Future Demand Profiling In order to achieve a greater level of certainty in regards to future demand to inform Land Supply planning for residential, commercial and industrial land, establish an ongoing external consultancy through the Department of Chief Minister and Cabinet, to undertake detailed demographic/demand forecasts. This consultancy is to be engaged on a rolling program to be reviewed on an annual or as required basis, for the medium to long term to influence the decisions regarding the start date for future supply planning for the Greater Darwin, Katherine and Alice Springs regions.</p> <p>This will require operational policy change.</p>	14
<p>3 Integrated Strategic Land Use and Infrastructure Planning Framework</p> <ol style="list-style-type: none"> Finalise and adopt the Integrated Strategic Land Use and Infrastructure Planning framework (ISLIP) to guide and coordinate the planning of future Land Supply, to: <ul style="list-style-type: none"> effectively plan for sufficient Land Supply to meet the needs of the market; and provide certainty to industry and the community on the prioritisation and timing for the investment in trunk infrastructure to support development. <p>This will require operational policy change.</p>	15
<p>4 Land Development Strategy and Program</p> <ol style="list-style-type: none"> Finalise and adopt a Land Development Strategy, that prioritises future Land Supply for the next 20 years, under the ISLIP, including regular reviews and publication at five year intervals. This, in turn, will inform a Land Development Program that sets out infrastructure delivery priorities over time for the construction of trunk infrastructure to support development in accordance with Area Plans. Investigate alternative funding options to provide trunk infrastructure to support land development. <p>This will require operational policy change.</p>	19

Recommendations		Page Reference
5	<p>Infrastructure and Contribution Plans</p> <p>Address land and infrastructure constraints to land developments, including private land through:</p> <ol style="list-style-type: none"> 1. preparation of stand-alone infrastructure plans that provide clarity and certainty regarding the extent and cost of infrastructure required to support development; 2. inclusion of land constraint mitigation measures that private land owners can opt into and contribute to when they seek to develop their land in accordance with an Area Plan (e.g. strategic environmental assessments and ILUA agreements); and 3. develop Infrastructure Contributions Guidelines to facilitate the equitable cost sharing of infrastructure to support private land development. <p>This will require operational policy change.</p>	22
6	<p>Future Residential Land Supply</p> <ol style="list-style-type: none"> 1. Based on the <i>preliminary analysis and current understanding of future demand</i>, ensure that the Land Development Strategy (Recommendation 4) identifies the land investigations and design of enabling infrastructure that will be required to address the potential for insufficient Titled Land in the event of increased economic growth; 2. Ensure that a Land Development Program includes delivery timeframes for the construction of enabling infrastructure based on the <i>future demand profiling analysis</i> (Recommendation 2) and to inform future Budget bids or alternative funding sources; and 3. Advance negotiations with the Commonwealth to secure an agreement for the release of land for residential development at Kowandi North and an agreement on the timing for release, to ensure sufficient future Land Supply for the Greater Darwin area. <p>This will require operational policy change.</p>	25
7	<p>Land for Affordable and Social Housing</p> <p>Government to provide Titled Land (through Crown land developments) at a discounted price to affordable and social housing providers, with a covenant that building must commence within a specified timeframe. The extent to which this option is exercised would be subject to a policy position by the Northern Territory Government.</p> <p>This will require operational policy change.</p>	26
Residential Land Under Development		
8	<p>Security of Titled Residential Land</p> <ol style="list-style-type: none"> 1. Government to incentivise the production of residential Titled Land (through Crown land developments) during a downturn in market demand, to ensure sufficient Titled Land is available as demand returns. This will include: <ul style="list-style-type: none"> • establishment of a framework to define trigger events; • as a result of a trigger event, a provision for the Territory to exercise a 'take-up' option (to create a Titled Land Reserve). The take-up option is dependent on the developer continuing the production of Titled Land; • the Territory funding the cost of construction of Titled Land, at the time land is Titled. the Territory will determine the number of lots to be funded, with a financial interest secured over the Titled Land; • the funding to be reimbursed to the Territory upon sale of land to the consumer; and • Titled Land from the Reserve will be released to market as demand for Titled Land occurs. 2. Establish a regime that suspends the payment of rates to the local government until the land is sold to market. <p>This will require operational policy change.</p>	29

Recommendations	Page Reference
Subdivision Development Process	
<p>9 Subdivision Development Guidelines</p> <p>Legislate the Northern Territory Subdivision Development Guidelines (SDG), allowing for:</p> <ol style="list-style-type: none"> 1. the existing guidelines to become mandatory; 2. formalisation of the SDG Management Committee through legislation, comprising of; <ul style="list-style-type: none"> • an Independent Chair; • representation by Local Government; • representation by the Power and Water Corporation; • representation by DIPL; and • representation by industry. 3. a review process to maintain best practice industry standards; 4. each individual local government to have its own requirements specific to its jurisdiction approved through the SDG Management Committee; and 5. provision for innovation and a merit-based approval pathway within the guidelines. <p>This will require legislative policy change.</p>	33
<p>10 Development Assessment Forum</p> <p>Enhance the existing development assessment forum (DAF) to facilitate informed preliminary advice regarding subdivision proposals from the Department of Infrastructure, Planning and Logistics, local government and service authorities. This should include:</p> <ol style="list-style-type: none"> 1. a checklist of information required from the developer in order for DAF to provide informed feedback; 2. a requirement (to be included in the SDG) that appropriately delegated persons are in attendance at the DAF meeting; and 3. a formalised process and agreement between Chief Executives of relevant government agencies, local government and service authorities, including that the outcomes of DAF meetings are to be endorsed by DAF such that the positions of Government, local government and service authorities are documented and made clear for proponents early in the process. <p>This will require operational policy change.</p>	34
<p>11 Delegated Approval for Rezoning Compliant with Strategic Land Use Plans</p> <p>Delegate approvals for rezoning where the use is fully compliant with an Area Plan within the Northern Territory Planning Scheme.</p> <p>This will require operational policy change.</p>	35

Recommendations	Page Reference
<p>12 Fast-Track Planning Approval Process</p> <p>Implement the option for a formalised <i>fast-track planning approval</i> process for multi-staged subdivisions assessed by the Development Consent Authority (DCA), where if minimum criteria is met, all stages will be approved by the DCA and there will therefore be no need for development approvals for subsequent stages (as approval will be obtained once at the beginning of the process when the master plan is submitted). This will require:</p> <ol style="list-style-type: none"> 1. well defined master plan criteria (to be defined in the SDG) and included as part of the development application submission; 2. a significantly extended validity period to the base development permit of 15 years, with works to commence within 4 years, and works to be completed within 15 years from date of issue; 3. a checklist included through the Development Assessment Online website that covers all relevant documentation to be submitted as part of a subdivision development application; 4. the applicant to make a declaration stating that all documentation as required is included; 5. no significant changes to the master plan in subsequent stages; and 6. where there are changes to the master plan that would result in changes to the approved subdivision, these changes are to be assessed as either minor (requiring delegated approval) or significant (requiring DCA approval). <p>The benefit of this recommendation is fully realised in conjunction with a <i>fast-track authority approval process</i> (for the design and construction phase) addressed in Recommendation 14.</p> <p>This will require operational policy change.</p>	38
<p>13 Authority Acceptance of Assets</p> <p>Legislate the requirement that if a subdivision is compliant with an approved Development Permit and the requirements of the Subdivision Development Guidelines, then service authorities and local governments will accept the public infrastructure asset/s constructed as part of the subdivision.</p> <p>Non-compliant planning or infrastructure requirements identified as part of the Development Consent Authority process, will require:</p> <ul style="list-style-type: none"> • any negative impacts mitigated; • demonstration through a whole-of-life costing that it will not be an unreasonable cost burden on the authority or local government; and • a mediation process to be implemented to manage objections by authorities or local government. <p>This will require legislative policy change.</p>	39

Recommendations		Page Reference
14	<p>Authority Approvals</p> <ol style="list-style-type: none"> 1. Implement the <i>option for a fast-track authority approval process</i> that includes an independent compliance audit by a registered and appropriately qualified individual for the design approval and construction compliance of subdivisions, where: <ol style="list-style-type: none"> a. for developments approved under the fast-track planning approval process, is in accordance with the approved master plan and the SDG; and b. for other subdivision developments, is in accordance with the endorsed plan of subdivision and the SDG. 2. Develop and publish a register of professionals permitted to certify a compliance audit certification report (independent certifier), and implement a framework for their engagement in the SDG, including: <ol style="list-style-type: none"> a. the independent auditor to be engaged early as part of the design approval process; and b. the cost of the independent auditor to be funded from existing charges for the assessment of design and construction. 3. Implement a deemed compliant process for approvals sought under the <i>fast-track authority approval process</i>. 4. Separately, enhance the SDG through legislation to require: <ol style="list-style-type: none"> a. statutory maximum response timeframes for the assessment of design and construction compliance by local government and service authorities; and b. minimum documentation requirements to be submitted by developers prior to the timeframe for an assessment to commence, including design and construction certification reports by the certifying engineer. <p>This will require legislative policy changes.</p>	42
15	<p>Energisation of Subdivisions</p> <ol style="list-style-type: none"> 1. PWC to identify options to improve timeframes for the energisation of subdivisions including the option of engaging accredited private contractors to manage periods of high demand when in-house resources are not able to meet established timeframes (noting timeframes are to be established through Recommendation 14). 2. Include in the SDG, a practical risk-management approach for the handover of street lights to authorities that have not yet been commissioned, to facilitate Part 5 clearance. <p>This will require operational policy change.</p>	44
16	<p>Development Permit Conditions</p> <ol style="list-style-type: none"> 1. Prepare standard conditions for development permits that are clear and actionable that reference the Subdivision Development Guidelines. 2. Where relevant, conditions are to be detailed and not generic, where each authority is responsible for the formal clearance of their conditions only. <p>This will require operational policy change.</p>	44
17	<p>Bonding</p> <p>Include in the SDG, bonding guidance as to when bonding can be considered, including minimum construction requirements, bond value guidance and a template bonding deed.</p> <p>This will require operational policy change.</p>	46

Recommendations	Page Reference
<p>18 Lodgement and Registration of a Survey Plan</p> <p>Implement a formalised process to enable licensed surveyors to submit a survey plan ahead of Part 5 clearance to facilitate an early valuation and loan approval process and bring forward settlement for the consumer.</p> <p>The subdivision must be sufficiently progressed (to the extent that the final location of the lot boundaries are identified on site, including easements and the like) for the purposes of lodgement and registration of a Survey Plan. The registered survey plan will not be released to the Land Titles Office until such time that Part 5 clearance has been obtained and there is formal confirmation that there are no changes to the registered Survey Plan.</p> <p>This will require operational policy change in the interim and legislative change for the longevity of the policy.</p>	47
<p>19 Place Names</p> <ol style="list-style-type: none"> 1. Establish a list of pre-approved names for developers to choose from that are place specific and theme based, to be undertaken concurrently with the Area Planning process for future residential developments. 2. Undertake a jurisdictional comparison of the Place Names framework to identify areas for process improvement outside of the pre-approved names list. This is to include review of: <ul style="list-style-type: none"> • the governance framework; • timeframes for approval; and • criteria for naming places. 3. Allow for the delegated approval of minor changes to approved place names that impact the type of road (i.e. a change from street to road) and not require re-submission to the Place Names Committee. <p>This will require legislative policy change.</p>	48
<p>20 Katherine</p> <p>Commission a housing demand and supply study for Katherine that addresses housing preferences and cost constraints (including cost premiums) to inform the immediate accommodation needs of Katherine, but also looks to medium and long term needs, underpinned by the same demand profile work required for Land Supply planning.</p> <p>This will require operational change.</p>	53
<p>21 Alice Springs</p> <p>Prioritise land-use planning and infrastructure planning for the key localities (specifically south of the Gap) in Alice Springs in order to facilitate private land development in accordance with the Alice Springs Regional Land Use Plan, including the potential for viable cost sharing under Infrastructure Contributions that private developers can opt into.</p> <p>This will require operational change.</p>	54

Recommendations	Page Reference
<p>22 Stamp Duty Concession</p> <p>To encourage builders to utilise house and land packages and speculative builds, introduce a stamp duty concession as follows:</p> <ul style="list-style-type: none"> • where a buyer enters into a house and land package with a developer/builder and the builder has purchased the land from the developer, a stamp duty concession to the first house owner is to be provided (stamp duty on the land component will have previously been paid for by the builder); and • where a builder engages in the construction of a speculative build and a buyer enters into a contract to purchase the house and land directly from the speculative builder, then, on the basis that the property has not been previously occupied, a stamp duty concession to the first house owner is provided (stamp duty on the land component will have previously been paid by the builder). <p>In order to receive a stamp duty concession, the first buyer/occupier of the property must produce a house and land or speculative build contract in order to be eligible for the stamp duty concession.</p> <p>The concession is provided to the buyer/occupier and not to the developer/builder.</p> <p>This will require legislative policy change.</p>	56
<p>23 Implementation Plan</p> <ol style="list-style-type: none"> 1. Develop an Implementation Plan to manage the implementation process for those recommendations that are approved by Government. The plan is to be in sufficient detail to facilitate the development of processes and procedures to cover all aspects of the recommendations and to allow progress to be measured. 2. Establish an appropriate governance structure to provide oversight and regular reporting on the implementation of the Plan and recommendations. <p>This will require operational change.</p>	58

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Appendices

Appendix A – Terms of Reference

Appendix B – Stakeholders Engaged

Appendix C – Draft Integrated Strategic Land and Infrastructure Planning (ISLIP) framework

Appendix D – Indicative Weddell Infrastructure Plan

Appendix E – Illustrative Example for a Titled Land Reserve

Appendix F – Pro Forma Compliance Auditor Certification

Appendix A – Terms of Reference

Objectives

Dick Guit (Team Territory) has been appointed to undertake a review of the Land Development process. A reference group will be convened to support this process.

The review will provide recommendations to the Northern Territory Government and Northern Territory Development Industry on the land development process and improvements that can be made to streamline land development in the Northern Territory.

The review will be guided by consideration of:

- existing processes of Government and Industry (Developers) that relate to the release and development of residential land development (subdivision) and identifying areas for improvement;
- developer processes for the production of lots to the market and identifying areas for improvement
- examining the input and approval process of Service Authorities and identifying areas for improvement;
- examining infrastructure bonding and other reform initiatives to support the expedient issue of titles; and
- stakeholder engagement and participation in the process review.

Context

Whilst considerable land is available for residential development, the recent sudden turn in the market and increased demand for housing lots has impacted the supply of readily available titled lots in the Greater Darwin Area. As a result the Northern Territory Government has committed to a review of the land development process to support industry in the timely release of land and issue of land titles.

Land is currently being released across the Northern Territory on multiple development fronts. In Greater Darwin the largest development fronts are in Palmerston East, Berrimah (Northcrest), Lee Point/Muirhead and other smaller private land releases.

Land is also being released in Katherine East, Kilgariff in Alice Springs, Tennant Creek and regional centres such as Timber Creek and Pine Creek.

In Budget 21-22 Government has identified \$1.1 million to support the release of land in Holtze and Kowandi. This development front has the potential for over 5000 lots. Headworks (for enabling infrastructure) are scheduled to commence in 22-23.

The land development (residential subdivision) process can be broadly categorised into the following: project initiation; project development; design development; construction and completion. This system and process is primarily regulated through the *Planning Act*, *Licensed Surveyors Act* and the *Land Titles Act*. The *Planning Act* regulates the rezoning and subdivision of land. The *Licensed Surveyors Act* provides for the approval of survey plans which supports the issue of title in accordance with the *Land Titles Act*. The *Land Titles Act* essentially completes the process whereby land is registered and a title issued. The Northern Territory provides for indefeasibility of title based on the Torrens Title System.

Developers, Government and Authorities such as Power and Water Corporation, Local Councils, NT EPA, NTPFES and other Government agencies have input into the approval processes.

Review Focus

The review will identify current processes of Government and developers and where improvements can be made with the current arrangements. It will examine changes to the existing process to improve its operation and efficiency, and make recommendations to ensure the framework is fit for purpose and delivers the timely production of lots to the market. This will include:

- stakeholder engagement including seeking input from: the development industry and developers; service authorities; Local Government; and, other NTG Agencies such as the Department of Treasury and Finance and Department of Chief Minister and Cabinet (Local Government);
- examining existing Government processes related to the planning and subdivision of residential land;
- jurisdictional comparison of residential land development processes in other jurisdictions;
- existing Developer processes in the production and release of residential lots to the market;
- new initiatives and reforms such as 'bonding' for incomplete works to enable the timely delivery of lots to the market;
- understanding of any delays or hold points across the land development process;
- connections between Government and Developers in the existing process and areas of responsibility;
- analysis of available data and or case studies; and
- consideration of options to improve coordination and responsiveness in the approval processes.



Governance

A reference group will be convened to support the review of the Land Development Process. Members of the Lands and Planning Industry Forum include industry representatives who may wish to nominate to be part of the reference group. Other nominations will be sought to support the reference group (such as service authorities). The review will be undertaken by Dick Guit with secretariat support provided by the Department of Infrastructure, Planning and Logistics.

The review members will meet regularly as required to undertake the review and report back to the Lands and Planning Industry Forum.

The Lands and Planning Industry Forum representatives who have agreed to participate in the review are listed (below).

- **UDIA NT;**
- **Property Council NT;**
- **HIA NT;**
- **MBA; and**
- **REINT.**

Government agencies (Service Authorities) will be invited to meetings as required.

The review members may be required to consider commercial in confidence information in respect of private sector land development agreements, processes, statistics and concerns. Review members agree to adhere to confidentiality requirements during the review process.

Milestones

The review is to be completed by August 2021.

Review

These Terms of Reference will be reviewed as needed as the review progresses.

Appendix B – Stakeholders Engaged

The following stakeholders have contributed to the development of this report;

Function	Entity
Industry representative bodies	Urban Institute of Australia (UDIA) NT
	Property Council of Australia (PCA) NT
	Chamber of Commerce NT
Developers ¹ (External to Government)	Urbex
	Larrakia Development Corporation
	Bellamack Pty Ltd t/a Territory Life
	Halikos Developments
	Costajic Pty Ltd
	Downes Graderways
	Intrapac Property
	NT Airports
	Australian Property Projects Pty Ltd
Builders	Housing Institute of Australia (HIA)
	Master Builders Association (MBA) NT
	Zuccoli Homes
	Bendela Group
	AusCon NT
	Blueprint Construction NT
	Asbuild NT
Real Estate	Real Estate Institute of Australia (REI) NT
	Knight Frank
	LJ Hooker – Katherine
	Elders Real Estate - Katherine
Contractors	BMD Group
	Allan King and Son
	DTA Contractors
Conveyancers	Ward Keller
Local Government Councils	Local Government Association (LGA) NT
	City of Darwin
	City of Palmerston
	Litchfield Council
	Katherine Town Council
	Alice Springs Town Council

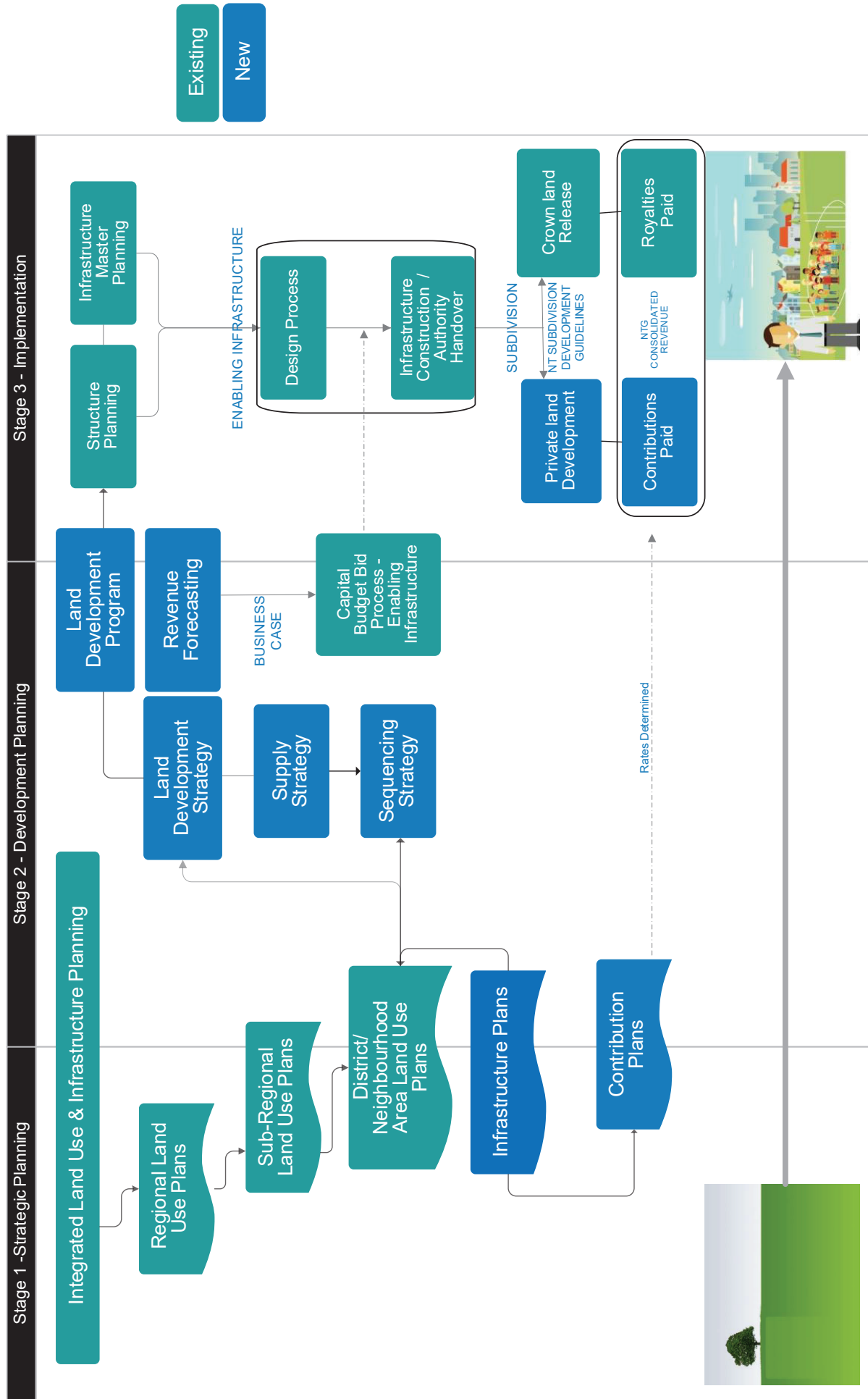
Function	Entity
Regional Councils	Tiwi Islands Regional Council, Barkly Regional Council, Coomalie Community Government Council, East Arnhem Regional Council, Central Dessert Regional Council
Native Title	Lhere Artepe Aboriginal Corporation
Land Developers (Government)	Land Development Corporation (LDC)
	DIPL (Land Development)
	DIPL (Housing Program Office)
Power and Water Corporation	Power Services
	Water Services (water and sewer)
Department of Infrastructure, Planning and Logistics	Crown Land Estate
	NT Planning Commission
	Development Assessment Services (DAS)
	Development Consent Authority (DCA)
	Place Names Committee (PNC)
	Survey General (SG)
	Valuer General
	Land Services - ILIS
Department of the Attorney-General and Justice	Land Titles Office (LTO)
Department of Environment, Parks and Water Security	Rangeland Management (ESCP)
	Fauna/Flora (threatened species)
	Weed Management
	Water Resources
	Environment (impact assessment, contamination)
Department of Health	Medical Entomology (biting insects)

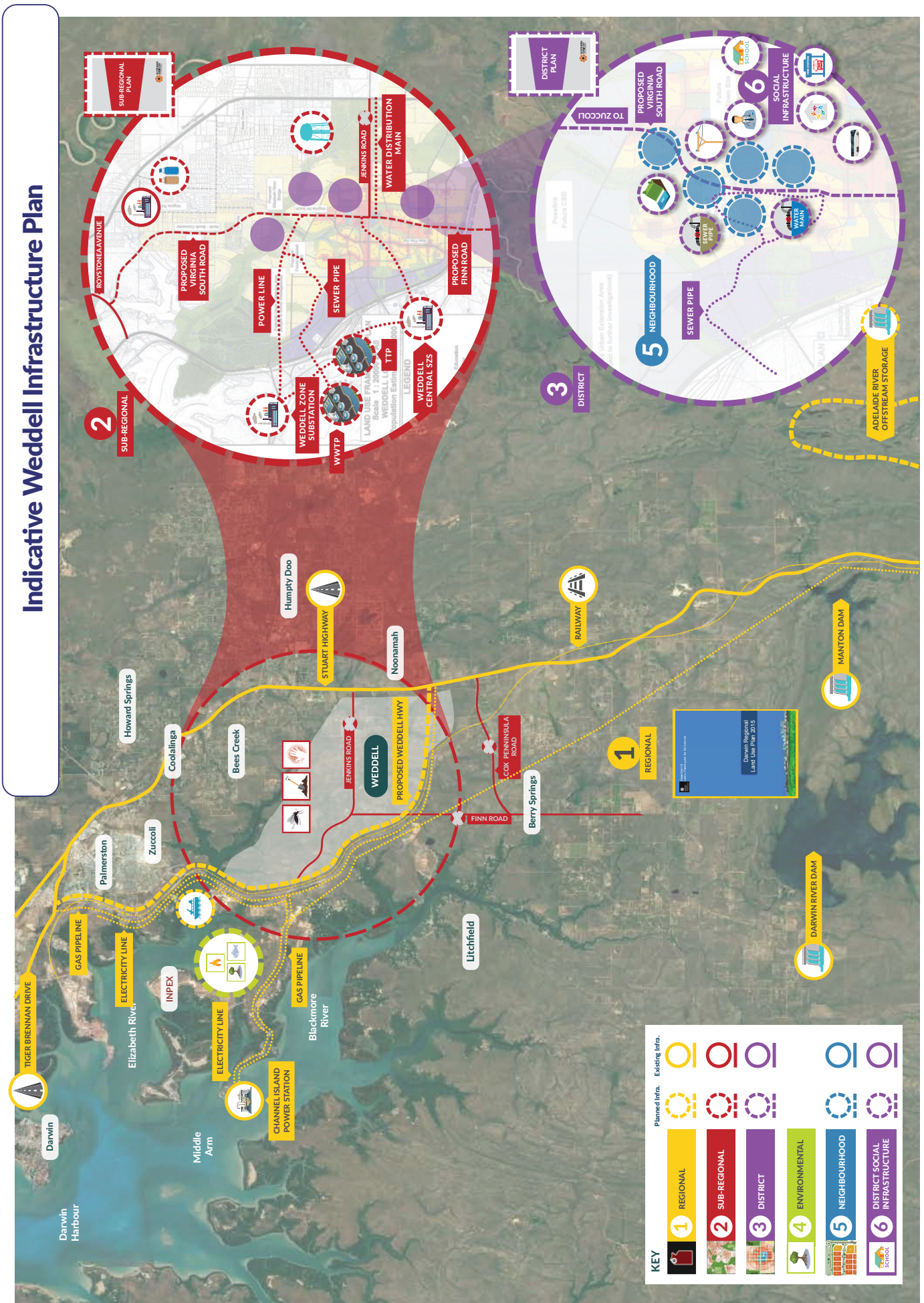
¹Developers includes developer representatives.

Function	Entity
Department of Treasury and Finance	Revenue
	Economic Policy
Department of Industry, Tourism and Trade	Small Business
	Strategic Infrastructure
Department of Chief Minister and Cabinet	Territory Economic Reconstruction Implementation
Committees	Central Australian Economic Reconstruction Committee
	Rural Residents Association
Jurisdictional Comparison	RPS Group, Townsville
	Maidment Group, Townsville
	UDIA Townsville
	Townsville City Council
	Kelly Reaston Development and Property Services, Cairns
	Cairns Regional Council
	Urban Sync, Cairns
	Holding Redlich, Cairns
	UDIA Cairns

Land owners were also consulted during the Review but have not been individually named for privacy reasons.

Draft Integrated Strategic Land Use and Infrastructure Planning Framework for Land Development





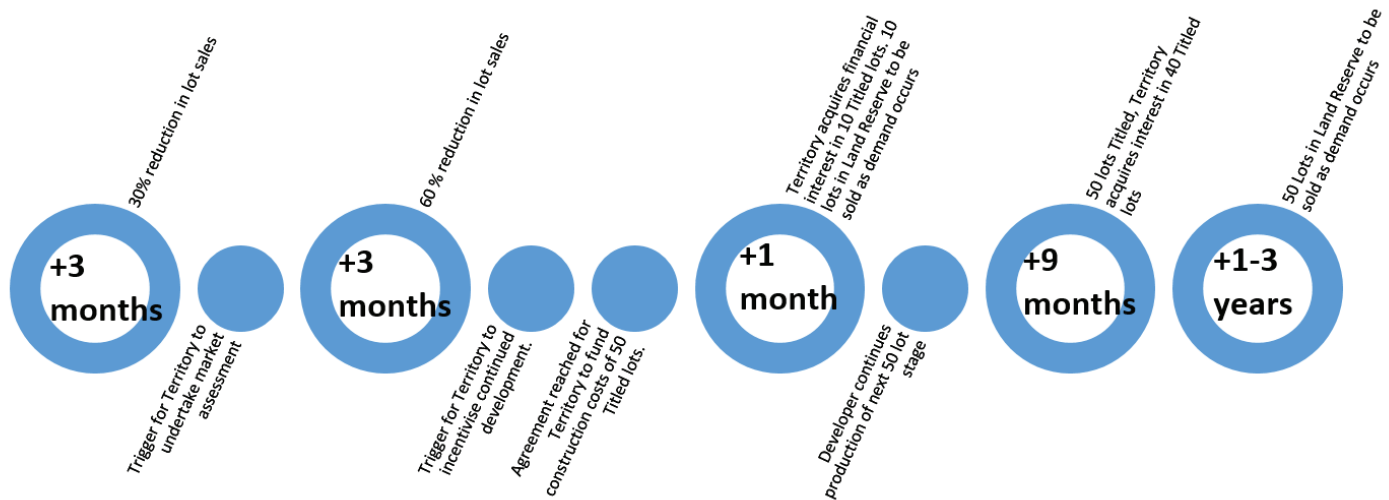
Appendix E - Illustrative Example for a Titled Land Reserve

Example 1

Developer A has a Development Agreement for the release of Crown Land. From stage 1, 10 lots remain unsold.

Developer A approaches the Territory for an extension on timing to commence the next stage of development (50 lots) in accordance with timing in the Development Agreement due to a significant downturn in the market.

Following the trigger of a reduction in lot sales (as defined in the terms of the Development Agreement), a market assessment is undertaken by the Territory to determine if a future option to provide a financial contribution to Developer A is warranted. If the trend of a market downturn continues, the Territory can choose to exercise the option to acquire an interest in Titled lots, and in return Developer A is required to maintain continued production of lots from Stage 2. As an indicative example, a timeline for these triggers is depicted in the illustrated example.



The option for the Territory to provide the financial contribution to Developer A is triggered when there is a sustained downturn in the market and in order to incentivise the development of the next stage of 50 lots during times of low construction activity. In order for Developer A to access the financial contribution, Developer A is required to continue production of lots at an agreed level.

The Territory in turn, will agree to acquire an interest (by way of payment of all construction costs) for an agreed number of Titled lots. In this example, the Territory will pay all construction costs associated with 10 Titled lots in Developer A's Stage 1, and 40 Titled lots in Developer A's Stage 2.

At the end of the Stage 2, Developer A will have 10 Titled lots (as was the case initially), and an additional 50 Titled lots (within the Land Reserve), with all construction costs funded under the financial contribution arrangement for the 50 Titled lots.

The Territory will provide the financial contribution to cover the construction costs at the point in time that lots are titled and in exchange for a financial interest in the lots to be registered on Title. The financial contribution will be recovered upon the time of settlement with a third party.

Titled lots are to be released to market from the Land Reserve as demand occurs, and at the request of Developer A.

Note: The total number of lots that the Territory will agree to acquire an interest in, at any particular point in time, is dependent on the number of Crown land developments and stages currently contracted.

Appendix F – Pro forma Compliance Auditor Certification (Independent Certifier)

Accredited Certifier

Description of Development Subdivision

Development Consent No. **Date of Determination**

Address of land on which development is being carried out
.....

Description of work inspected Subdivision Works authorised and/or required by the above development consent.

Date Subdivision works commenced on site

Date Subdivision works completed

Copies of all tests, inspection reports, CCTV pipeline reports and the like

Copies of plans as required by the Development Permit and in compliance with the Subdivision Development Guidelines

Copies of all Scheduled Inspections as required by xx. *Copies of all Non Compliance and revised approved plans.*

Certification

I certify that based on inspections as detailed in Schedule X, the subdivision works have been designed in accordance with the Conditions of the Development Permit, approved masterplan and design plans and in compliance with the Subdivision Development Guidelines.

Signature..... **Date**

