

CONFIDENTIAL

CABINET DECISION

NO. 1434

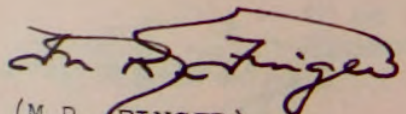
Submission No.: 1223

Title: DEVELOPMENT OF PALMERSTON (DARWIN EAST)
PART "A" - PLANNING AND TIMING
PART "B" - AN ORGANISATIONAL STRUCTURE

PART "A"

Cabinet :

- a) approved the broad plan for the development of Palmerston Phase 1;
- b) agreed to the necessity to program headworks, residential areas for private development, and government facilities such as schools to cater for the Darwin area growth on the basis of commencing three new suburbs per annum from 1981/82 to be reviewed at least annually;
- c) agreed to a commitment to the early creation of special features including -
 - . the establishment of a major retail shopping area
 - . local water access to East Arm
 - . the construction of the Frances Bay Arterial Road
 - . the provision of substantial government employment centres;
- d) agreed that a Planning Authority not be appointed during the initial development stages and that the Minister for Lands and Housing administer the planning of Palmerston in this early stage;
- e) agreed that the formation of a local government authority be delayed until a local community is established; and
- f) directed all Northern Territory Government Departments and Authorities to program for services and buildings to fit in with the overall development plan and timetable approved by Cabinet.


(M.R. FINGER),
Secretary to Cabinet.

21 November, 1980.

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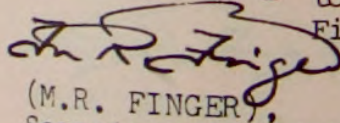
Title: DEVELOPMENT OF PALMERSTON (DARWIN EAST)
 PART "A" - PLANNING AND TIMING
 PART "B" - AN ORGANISATIONAL STRUCTURE.

.2.

PART "B"

Cabinet approved:-

- a) the organizational structure for the development of Palmerston catering for two distinct functions:
- (i) Policy and Financial Management to be performed by a Palmerston Development Authority set up under the chairmanship of the Secretary, Department of Lands, with membership comprising the Secretary, Department of Transport and Works, the Under Treasurer and the Co-ordinator General. The Authority to be responsible to Cabinet through the Minister for Lands and Housing. This Authority, set up with a limited life, to have legislative backing giving it the following powers and responsibilities :
- to seek funding through appropriation, as well as from external sources;
 - to act as a consent authority for planning proposals;
 - to be the accepting authority for road works and to carry out some local government functions;
 - to ensure the project is carried out within the policy and objectives of Cabinet;
 - power to delegate;
 - power to hold land and enter contracts in respect of real and personal property;
 - to be a prescribed authority under the Financial Administration and Audit Act.


 (M.R. FINGER),
 Secretary to Cabinet.

21 November, 1980.

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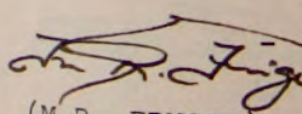
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PART "B" (Contd)

- (ii) Operational control of the Palmerston project to be carried out by a project team - the Palmerston Development Team, which would be responsible to the Palmerston Development Authority. Officers in the team to be selected and seconded (as required) from Departments having a direct involvement in the development and/or early years of operation of Palmerston. Their prime task to be to work as a member of the Palmerston Development Team and their secondary task to ensure the performance and co-operation of their own Department in respect of Palmerston. Any conflict between the Palmerston Development Team and a Department should be quickly identified and the problem resolved by that Department and the Palmerston Development Team at officer level, or the Department and the Authority at Departmental Head level, or, in an extreme case, Cabinet. Functions of the project team to be:

- broad scale physical planning and design;
- dealing with planning matters for presentation to the Authority or its delegate;
- project programming entailing monitoring the rate and course of progress, and making recommendations to the Authority regarding any changes in overall scheduling;
- liaison with government instrumentalities and private developers;
- review standards and negotiate with accepting authorities to achieve a rational set of acceptable standards;

- preparation of promotional material to inform the public and investors;


 (M.R. FINGER),
 Secretary to Cabinet.

21 November, 1980.

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CABINET DECISION

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PART "A" - PLANNING AND TIMING
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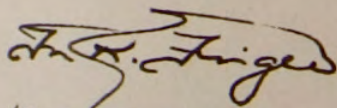
PART "B" (Contd)

- development of comprehensive costing for the project and a mechanism for monitoring changes;
- secretariat function to the Palmerston Development Authority;

- b) the drafting of appropriate legislation to set up the Palmerston Development Authority, giving it powers as outlined in the Submission;

- c) the immediate establishment of the Palmerston Development Authority on an informal basis; and

- d) the immediate establishment of the Palmerston Development Team.



(M.R. FINGER),
Secretary to Cabinet.

21 November, 1980.

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THE NORTHERN TERRITORY OF AUSTRALIA

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Copy No. 1

FOR CABINET

SUBMISSION No. 1223

Title:	DEVELOPMENT OF PALMERSTON (DARWIN EAST): PART A - PLANNING AND TIMING
Cabinet Member	Minister for Lands & Housing
Purpose:	To arrange for the timely and orderly development of Palmerston with relation to outline design and timing, Government and private works required, incentive to settlers, planning control and local Government implications.
Relation to existing policy:	In March 1979, the Government adopted the policy of "Darwin East as the next town to be developed" in the Darwin region.
Timing/ legislative priority:	Urgent provisions of headworks and Government facilities to ensure land is available for private development to supply residential land needs in the context of an overall plan.
Announcement of decision, tabling, etc.:	An announcement by the Minister regarding the availability of the plan and the tabling programme. Draft press release attached.
Action required before announcement:	Cabinet adoption of proposal.
Staffing implications, numbers and costs, etc.:	Six staff are required within the Department of Lands at an annual cost (current salaries) of \$121,780.
Total cost:	In excess of \$112 million public funds over next five years plus \$6.3 million for N.T.E.C.

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Department/Authority LAW

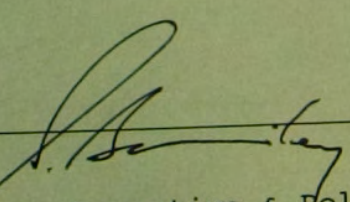
COMMENT ON CABINET SUBMISSION No.

TITLE: DEVELOPMENT OF PALMERSTON (DARWIN EAST):

PART A - PLANNING AND TIMING

COMMENTS:

There are no constitutional or legal barriers to the proposal at this stage. Undoubtedly legal issues will arise in the development of Palmerston, but such issues may be considered as and when they arise.

SIGNED: S.R. Bailey 

DESIGNATION: A/Director, Executive & Policy Unit for Solicitor-General

DATE: 11 November, 1980

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Department/Authority TREASURY

COMMENT ON CABINET SUBMISSION No.

TITLE: DEVELOPMENT OF PALMERSTON - PART A - PLANNING AND TIMING

COMMENTS:

The existence of a backlog of 1859 lots in Darwin and the prediction of a compounding population growth of 7% per annum remain unsubstantiated assertions.

With the emphasis of the Housing Commission moving to flats and semi-detached dwellings in developed areas, and the evidence of 655 detached housing starts in Darwin in 1979/80, it would be very difficult to predict that more than 900 lots per annum should be turned off. If this is so then commencement of Palmerston can be delayed by up to two years.

Unless a far higher proportion of infrastructure costs are absorbed by developers, the speed at which caravan numbers are run down, a land bank is created and vacant freehold land is made available for investment purposes, are matters of crucial governmental priority, to be considered against competing demands on scarce capital funds.

To proceed with Palmerston is a stated government commitment. However, no timing sequence can be settled in relation to headworks and facilities until the responsibilities for funding in both a capital and recurrent sense are clearly determined as between developers, government, semi-government and block holders. It may well be that special additional semi-governmental borrowing authority may be necessary before such commitment, lest the civil works programme be distorted to an extent which interrupts the construction of essential infrastructure Territory-wide. The Territory Insurance Office may be agreeable to planning an investment programme in shops and offices when demand is proven.

The Treasury is not convinced that there is the degree of urgency represented in the submission and therefore recommends deferment of any decision of any decision on recommendations 29(b) and (c). In the meantime departments should be directed to concentrate on improving the land demand assumptions, to develop a sound basis for the distribution of costs, and to secure approval in principle to an expanded borrowing capacity.

P. F. Temple

SIGNED: P F TEMPLE
DESIGNATION: ACTING UNDER-TREASURER
DATE: 13 November 1980

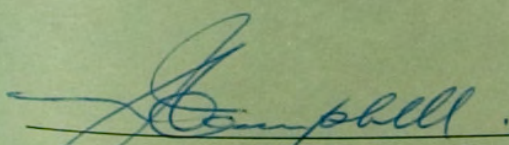
Department/Authority OFFICE OF THE PUBLIC SERVICE COMMISSIONER

COMMENT ON CABINET SUBMISSION No.

TITLE: DEVELOPMENT OF PALMERSTON (DARWIN EAST) : PART A
..... PLANNING AND TIMING
.....

COMMENTS:

The staffing requirements needed for implementation of the proposal appear marginally generous but are probably realistic for planning purposes in relation to maximum financial outlay on staff.


.....

SIGNED: N J CAMPBELL

DESIGNATION: PUBLIC SERVICE COMMISSIONER

DATE: 11 NOVEMBER 1980

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THE ISSUES

1. With respect to the new town of Palmerston, further consideration must now be given to:-

- . location and broad design
- . timetable for land production
- . timetable for government headworks and other facilities and services
- . incentives to encourage private developers and early settlers.
- . method of planning control
- . local government implications

BACKGROUND

2. Cabinet Decision 635 of 21 March, 1979 determined that Palmerston (Darwin East) would provide for the expansion of Darwin. The then Department of Lands and Housing was required to plan Phase 1 of the new area.

CONSIDERATION OF THE ISSUES

3. Location: An outline plan of Palmerston is attached (Attachment A). An illustrative report is being prepared for public presentation and will be available during November 1980.

4. Timetable for Land Production On the basis of both low and high estimates for increases in the population growth rate for Darwin there is a need for urgency in commencing development. The lengthy lead time in the land development process makes an early commitment of capital works funding imperative.

5. The pace of development is geared to coping with an expected population increase of 7% p.a. In addition, factors such as a reduction in the number of unstructured dwellings (currently housing 8% of the population) and the creation of a small "land bank" of vacant serviced blocks to encourage a competitive land situation, all influence the rate of development required in Palmerston. Thus, the timing and costing of works in the submission is in terms of land requirements rather than related simply to population growth. Attachment B outlines the assumption on which land requirements are based, and the justification for a 7% population growth rate over the next few years.

6. Time-table for Government Headworks An ad hoc committee of most Departments and authorities has been meeting to co-ordinate plans for Palmerston over the past year.

7. Attachment C shows a co-ordinated list of the major items of capital expenditure required over the period to

1985/86. The headworks currently on the 1980/81 Capital Works Program is \$3.02 m by Transport and Works. This is for water and temporary sewerage reticulation to the first suburb only.

8. The Northern Territory Electricity Commission has advised that it will be necessary to construct a new transmission line, install a temporary facility to serve early developments and provide a zone substation at a cost of \$6.3 million.

9. The Commission has also advised that a period of three years will be needed to design and construct the permanent electricity system and that it will barely be able to meet the proposed timetable with its temporary facility.

10. The Department of Transport and Works has advised that sewerage design will take 6 months and construction a further year. There is a definite need to program in the 1980/81 Design List for further main roads, sewerage, water, power, a primary school, development of the commercial area, service industries, recreation facilities, and upgrade the access to Darwin City area.

11. The University of the Northern Territory which Cabinet decided in Decision 1316 will be in Palmerston could reduce the available residential land for which headworks have been

programmed by up to one eighth. However it will provide up to 50 jobs in direct employment in its first year of operation as well as high grade cultural and recreational facilities. A task force comprising the Planning Vice Chancellor, Secretary Department of Lands and Secretary Department of Transport and Works is to report to Cabinet on the exact site and location of the University.

12. Incentives: It is considered necessary to make an extra effort to encourage the confidence of inhabitants and investors by providing at an early stage:-

- good shopping and recreation facilities
- access to the nearby waterways of East Arm
- the construction of the Frances Bay Arterial Road
- provision of substantial Government employment centres.

Location of the University in Palmerston will give an impetus to the development of community leisure and recreational facilities.

13. Planning: The planning control of Palmerston will need to take account of the rapid buildup of population and efficient use of resources in an area without an existing urban population. Greater direct Ministerial involvement (i.e. no early appointment of a Planning Authority) may be appropriate for the straightforward and effective control of initial stages of development.

14. Local Government A local government body to accept appropriate responsibilities will be necessary at some time. Palmerston could be part of the Darwin municipality, headquarters for the Darwin rural area, or a separate area. The real issue, when considering the local authority's identity is whether or not there is a demonstrated need for local self-determination, brought about by community pressure. This will not occur until well after the first residents are established. In the interim, a town management situation may be appropriate, to be gradually replaced by elected representation as the demand emerges.

15. Management Authority The question of the most suitable organisation to manage the development and funding of Palmerston has yet to be resolved. This subject is being presented concurrently as Part B of this submission.

THE OPTIONS

16. Location: The overall plan for Palmerston Phase 1 is shown at Attachment A. It is an economical layout, providing for good quality living. In accordance with established policy sub-division development will be undertaken by private developers who would be responsible for detailed design.

If the population growth rate falls, engineering construction and building projects can always be slowed down - the reverse is much more difficult, or impossible.

17. Timetable: There are three options: -

- (a) commencement of 2 suburbs per year from 1981 copes with expected population, but results in a continuation of the present tight market situation
- (b) commencement of 3 suburbs per year from 1981 allows for most probable population build up and eases the current tight market situation by 1985;
- (c) commencement of 4 suburbs per year from 1981 allows for a high (but feasible) rate of population growth and eases the current market situation by 1985.

The preferred course of action is option (b).

18. Government headworks etc : If the option preferred in para 17, above, is accepted, then there is no alternative other than to plan for headworks, schools, etc. as necessary.

19. Incentives : In offering encouragement to householders and business investors, the options are-

- allowing normal market factors to determine the pace of provision of services
- early provision of some services to improve the environment for living and investment, eg. community facilities related to the University.

The latter course is recommended. Early provision of -

- a major retail centre
- land access for water sports in East Arm
- substantial Government employment centres

are considered the important incentives.

20. Planning : The options include -

- the Minister as the sole consent authority;
- extension of the Darwin Planning Area;
- declare a separate Planning Area with appropriate local members appointed to the Planning Authority.

The first option is preferred, during the initial development period.

21. Local Government : A local authority will eventually have responsibilities in Palmerston, and the question to be resolved now relates to the timing of the establishment of the authority.

The options are:

- the early declaration of a local government area;
- delaying the establishment of a local authority until a local community has been established from whom representatives can be elected. An interim town management body to have responsibility for local government functions in the meantime.

PUBLIC IMPACT

22. There will be public interest in the advertised plan and more interest from developers and other investors.

FINANCIAL CONSIDERATIONS

23. Attachment C shows the estimated outlays required to construct the necessary works and the timing envisaged. This is not a Submission seeking funds, nor is its intention to itemize every cost associated with the development. For instance, the cost of provision of public accommodation is not included as this is financed through the Housing Commission's own revolving funds.

This Submission shows the relationships between the public and private sector and amongst public authorities, and the need for funding to be allocated in the context of a long

term plan. It also seeks recognition of the fact that funds will be sought for the 1981/82 financial year. A study of ways of raising the funds through general grants, loans to the Northern Territory Government, loans to special authorities, and charges on developers is being undertaken and is the subject of a subsequent Cabinet Submission.

CO-ORDINATION

24. All relevant Departments and authorities have been kept informed of progress in design and have participated in their particular field. The Department of Lands will continue to chair inter-departmental meetings.

A draft of this part of the submission has been circulated through the Co-ordination Committee to all departments and the comments of the following Departments largely incorporated into this submission:

Community Development

Treasury

N.T. Housing Commission

Transport and Works

Office of the Co-ordinator General

Public Service Commissioner

Law

Health

Conservation Commission

N.T. Electricity Commission

Police

University of the N.T.

Education

The formal comments of the following Departments are attached:

- Law
- Treasury
- Public Service Commissioner

EMPLOYMENT CONSIDERATIONS

25. Six staff are required within the Department of Lands at an annual cost (current salaries) of \$121,780. The proposed time-tables will require:-

Engineer Class 3 (team co-ordinator) - needed as soon as possible

Administrative Class A9 (documentation and administrative support) - needed as soon as possible.

Administrative Class A7 (required March 1981)

Senior Technical Officer Grade 3 (field supervisor - January 1981)

Town Planner Class 3 (required - 1981)

Draftsman Grade 2 (required - 1981)

These positions would be needed for a period of three - five years. The team supervising the private development of Leanyer and Karama has four members; three of those positions are due to phase out on completion of those projects.

This team is currently over-extended attempting to document and administer all private development projects. Included in these are Leanyer, Karama (in production); Araluen and Sadadeen (leases issued); Brinkin (applications being assessed) and Arafura, Coconut Grove Road and Thorngate Road Rural Subdivision. It is clearly unable to cope with Palmerston as a new, substantial and very urgent project without additional staff.

26. There will be a significant effect on the private sector with such a sustained effort and construction and building workers will, for some time, increase as a proportion of the local workforce.

LEGISLATION

27. None.

PUBLICITY

28. A press release (Attachment D) has been prepared to announce the availability of the plan and report.

RECOMMENDATIONS

29. It is recommended that Cabinet:-

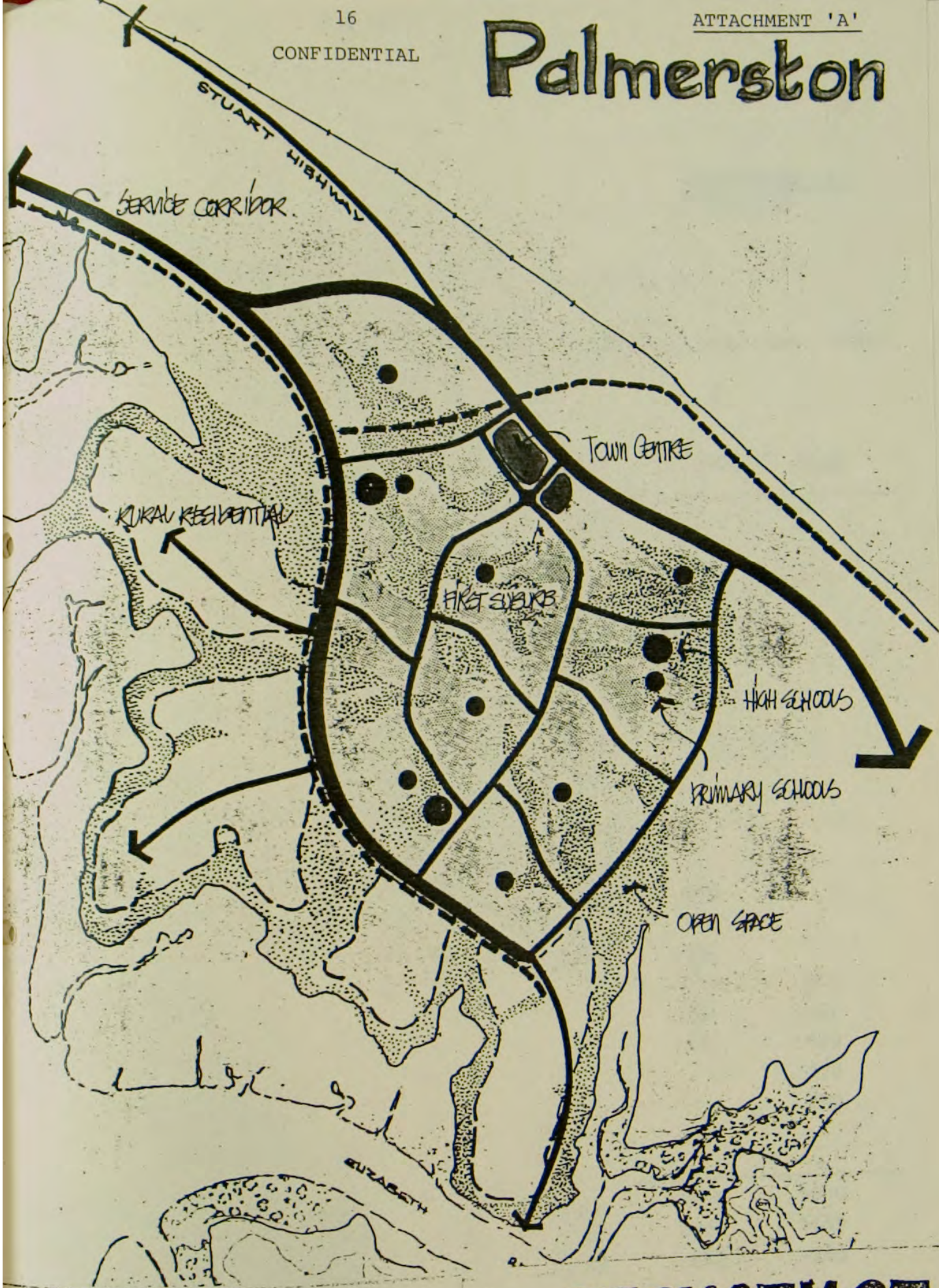
- (a) approve the broad plan for the development of Palmerston Phase 1;
- (b) Agree to the necessity to program headworks, residential areas for private development, and government facilities such as schools to cater for the Darwin area growth on the basis of commencing three new suburbs p.a., from 1981/82 to be reviewed at least annually.
- (c) Agree to a commitment to the early creation of special features including-
 - . the establishment of a major retail shopping area
 - . local water access to East Arm
 - . the construction of the Frances Bay Arterial Road
 - . the provision of substantial Government employment centres.

- (e) Agree that a Planning Authority not be appointed during the initial development stages and that the Minister for Lands and Housing administer the planning of Palmerston in this early stage.
- (f) Agree that the formation of a local government authority be delayed until a local community is established.
- (g) Agree that the Minister for Lands and Housing report to Cabinet recommending possible methods of funding and an organisation strategy for the development of Palmerston.
- (h) Instruct all Northern Territory Departments and Authorities to program for services and buildings to fit in with the overall development plan and timetable approved by Cabinet.
- (i) Approve the attached press release (Attachment D).

.....
JIM ROBERTSON

CONFIDENTIAL

Palmerston



STRUCTURE

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ATTACHMENT 'B'
(Table 1)

PROJECTED LAND REQUIREMENTS DARWIN REGION
(equivalent allotments for detached houses and townhouses)

based on: . Growth of Darwin region of 7% p.a.
 . nonstructured dwelling (caravans and the like)
 numbers reduced to 2% by 1985.
 . "Land bank" ½ year by 1983.

LAND SUPPLY

Year ended 30 June 1981 1982 1983 1984 1985

Committed Projects

Malak	196				
Karama	594	737			
Leanyer	699	374	212		

Planned Projects

Brinkin		165	83		
Marrara		125	200		
Palmerston					
Subdiv	a.	300	400		
	b.	150	550		
	c.	150	550		
	d.		300	400	
	e.		150	550	
	f.		150	550	
	g.			300	400
	h.			150	550
	i.			150	550
	j.				300
	k.				100

TOTAL SUPPLY:	1489	2001	2595	2100	1900
DEMAND:	1513	1646	1747	1660	1659
OPENING STOCK:	-1859	-1883	-1528	-680	-240
CLOSING STOCK:	-1883	-1528	-680	-240	1

PLANNING FOR PALMERSTON - JUSTIFICATION FOR A 7%POPULATION PROJECTION

The adoption of a 7% growth rate for Darwin is based on the following information and indications:-

- A healthy 5.3% growth rate was achieved in Darwin during the insecure years immediately prior to and the first year of self-government. During the majority of this period, public and private activity was at a very low level. It is logical, therefore, to expect an increased and sustained growth rate in the 1980's when the impact of self-government on business confidence is just beginning to be felt. This confidence is evidenced by many committed development projects which have yet to exert their full impact; eg. the railway link, the Uranium industry and the Casino project. In addition, positive interest in the Northern Territory has been expressed by the fishing industry and by overseas investors who have been involved in discussions with trade delegations from the Northern Territory. Day to day commercial and construction activities in Darwin and its suburbs also underline the confidence which both the private and public sectors have in the city's future.

- The number of civilian employees has increased by 11% in the Territory for the year ending January 1980. (Source: ABS catalogue 6213.0, 9 April, 1980)
- New initiatives announced by the government in locating defence forces in Darwin will give a boost to the number of non-civilian employees.
- A review of actual past growth rates experienced in Darwin reveals a growth rate of 11.3% p.a. in the years 1966-71, and 3.8% p.a. in the years 1971-76. This wide range illustrates the tendency in the Territory for the rate of population growth to respond to local stimuli and that, typically, it experiences growth rates which far exceed those of other states.
- It is relevant to weigh up the relative costs, in social and economic terms, of accepting a too conservative rather than a too optimistic figure. The former will aggravate the chronic serviced land/house shortage existing in the Territory and this, in itself, will dampen growth. The latter may result in the premature committal of funds to some programs, which, however, can always be scaled down if necessary. 7% is a realistic figure for Darwin at which all Departments need to be planning and budgeting.

ATTACHMENT 'C'

CAPITAL WORKS ITEMS (responsible departments yet to be determined)	YEAR	RESPONSIBILITY/CAPITAL COST (M\$)						TOTAL	
		80/81	81/82	82/83	83/84	84/85	85/86	Public Sector	Private Sector
<u>ROADS</u>									
• Frances Bay connector		-	-	-	-	-	-	15.00	-
• Main distributors		0.30	7.20	5.80	5.20	-	-	33.50	-
<u>SEWERAGE</u>									
• Treatment works		-	1.00	-	1.00	-	-	-	-
• Main trunks		.9	2.10	2.00	3.00	-	-	10.00	-
<u>WATER</u>									
• Elevated water storage		1.90	-	-	2.00	2.00	-	-	-
• Service reservoir		-	5.50	1.90	-	-	-	13.30	-
• Trunk mains		-	-	-	-	-	-	-	-
<u>ELECTRICITY</u>									
• Temporary supply		-	.90	-	-	-	-	-	-
• Substations		-	-	-	3.50	-	-	-	-
• Ring mains		-	.90	1.00	-	-	-	-	6.30
<u>TELEPHONE</u>									
• Exchanges		-	.14	-	-	-	.18	2.6	-
• Distribution system		-	.40	.20	-	-	-	-	3.52
<u>RECREATION</u>									
• Open space		-	.60	.30	-	-	-	-	-
• Sports areas		-	1.20	.60	-	-	-	-	-
• Other		-	1.80	.90	-	-	-	-	5.4

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CAPITAL WORKS ITEMS (responsible departments yet to be determined) TOWN CENTRE								TOTAL	
	80/81	81/82	82/83	83/84	84/85	85/86	Public Sector	Private Sector	
* Subdivision (roads & local reticulation)	Not Available		2.00	2.00	2.00	-	-	-	
· Civic Centre	-	-	-	-	1.50	-	-	-	
· P.M.G.	-	-	-	-	-	-	-	-	
· Library	-	-	-	-	-	-	-	-	
· Police	-	1.00	-	-	-	-	-	-	
· Emergency Services	-	-	-	.75	-	-	-	-	
· Bus Terminal	-	-	.50	.50	-	.80	11.05	-	
· Open Space	-	-	-	-	-	-	-	-	
<u>HEALTH</u>									
· Mosquito Eradication	-	.10	.50	-	-	-	1.90	-	
· Health centres	-	-	1.30	-	-	-	-	-	
<u>EDUCATION</u>									
· Pre/Primary Schools	-	-	2.50	5.00	5.00	5.00	-	-	
· High Schools	-	-	-	5.50	-	5.5	-	-	
· University	-	-	-	-	-	-	28.50	-	
<u>COMMERCIAL DEVELOPMENT</u>									
· Shops	-	2.50	2.50	2.50	2.50	2.00	-	-	
· Hotels/Motels	-	1.00	-	-	-	1.50	-	-	
· Offices	-	-	2.50	2.50	2.50	1.50	-	-	
<u>RESIDENTIAL SUBDIVISION</u>									
	-	29.90	28.90	28.20	-	-	-	87.00	
<u>HOUSING</u>									
· Detached dwellings, town houses, flats and rural dwellings	-	24.00	76.00	68.60	70.80	80.00	-	319.40	
<u>COMMUNITY FACILITIES (Private)</u>									
· Primary schools (private)	-	-	.50	2.0	2.0	-	-	-	
· Churches & other	-	-	-	.50	.50	-	-	5.50	

CAPITAL WORKS ITEMS

	80/81	81/82	82/83	83/84	84/85	85/86	TOTAL
Sub Total Government	3.10	22.30	19.00	31.15	10.50	26.30	109.95
Sub Total Private	-	57.94	110.60	104.30	78.48	87.60	438.92
<u>GRAND TOTAL</u>	3.10	80.24	130.90	131.75	88.98	113.90	548.87

* as yet no cost provided by T & W

to be released at date to be advised

A PLAN FOR PALMERSTON

Since Cabinet decided early last year to plan for the fast growing population of the existing city, the Government is now preparing a plan for the new town to be called Palmerston. The plan is now to be called "The Palmerston Plan" for the public to view and comment on.

Several government departments are involved in preparing the plan. The plan is to be co-ordinated with the government's major roads and other major works.

Because of the large population of the new northern suburbs, it will be fully populated within a short period other land must be available to provide for further expansion.

All available land in the area in relation to such expansion must be close to existing roads and services of land and possible expansion hazards and flooding.

An Area south of the Stuart Highway River has been chosen for a new town, Palmerston. Initial development will be a highway and this will lead to an employment centre. It is expected that major employment and service facilities will locate in the area.

Copies of the plan are available at the "One Stop Shop" at the Department of Works, Cavenagh Street, Darwin.

ends.....

ATTACHMENT DDRAFT PRESS RELEASE

to be released at date to be advised

A PLAN FOR PALMERSTON

Since Cabinet decided early in 1979 to accommodate Darwin's fast growing population in a new development to the east of the existing city, the Department of Lands has been preparing a plan for the area previously called Darwin East, now to be called "Palmerston". This plan is now available for the public to view and comment upon.

Several government departments and authorities have been involved in preparing the plan. It sets the framework for private development of the housing and business areas, co-ordinated with the government's provision of schools, major roads and other urban facilities.

Because of the large population growth of existing Darwin the new northern suburbs of Leanyer and Karama are likely to be fully populated with the next five years. During this period other land must be available for developers to begin to provide for further population growth.

All available land in the Darwin region has been examined in relation to such aspects as likely development costs, closeness to existing and future employment, attractiveness of land and possible environmental problems such as mosquito hazards and flooding.

An area south of the Stuart Highway, alongside the Elizabeth River has been chosen as a site for the new urban area of Palmerston. Initial development will be adjacent to the highway and this will allow, as one benefit, ease of access to employment centres in Darwin. Eventually it is expected that major employment and a large range of community facilities will locate in the new city area.

Copies of the plan and illustrated report are available at the "One Stop Shop", Department of Lands, Palmerston Arcade, Cavenagh Street, Darwin.

ends.....

THE NORTHERN TERRITORY OF AUSTRALIA

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Copy No. 1

FOR CABINET

SUBMISSION No.....

Title:

DEVELOPMENT OF PALMERSTON (DARWIN EAST):PART B
- AN ORGANIZATIONAL STRUCTURE

Cabinet
Member

Minister for Lands & Housing

Purpose:

The establishment of an organizational
frame-work within which the development
of Palmerston may proceed.

Relation to
existing
policy:

In March, 1979, the Government adopted the
policy of "Darwin East as the next town to be
developed" in the Darwin Region.

Timing/
legislative
priority:

The proposed Authority should, for funding
and planning purposes, be formally constructed
by 1 July 1981 at the latest.

Announcement
of decision,
tabling, etc.:

Action required
before
announcement:

Staffing
implications,
numbers and
costs, etc.:

Staffing requirements to implement the
development of Palmerston are the subject
of Part A of this submission. The recommended
organizational structure itself does not require
the appointment of any additional staff.

Total cost:

Adoption of the recommendations of this
part will not incur any expense.

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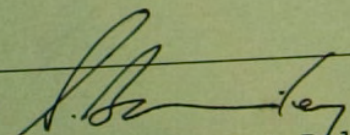
Department/Authority LAW

COMMENT ON CABINET SUBMISSION No.

TITLE: DEVELOPMENT OF PALMERSTON (DARWIN EAST): PART B
..... - AN ORGANIZATIONAL STRUCTURE
.....

COMMENTS:

There appear to be no constitutional or legal barriers to the proposal at this stage. The submission does not contain sufficient details of the proposed organizational structure to predict what constitutional or legal issues might arise in implementing the recommendations. However such issues may be dealt with as and when they arise.

SIGNED: S.R. Bailey 
DESIGNATION: A/Director, Executive & Policy Unit for Solicitor-General
DATE: 11 November, 1980

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Department/Authority TREASURY

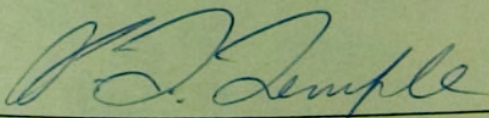
COMMENT ON CABINET SUBMISSION No.

TITLE: DEVELOPMENT OF PALMERSTON - PART B - AN ORGANISATIONAL
..... STRUCTURE

COMMENTS:

The submission is supported.

It is unnecessary for the Authority to have the power to commit the Government by way of guarantee. Once established as a prescribed authority it will have sufficient power to borrow without such provision.



SIGNED: P F TEMPLE

DESIGNATION: ACTING UNDER-TREASURER

DATE: 13 November 1980

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THE ISSUES

The establishment of an organizational structure for the development of Palmerston over an anticipated period of 5 years. The main areas of responsibility to be covered by the structure are

- budgeting and financial control
- co-ordination of planning and construction
- promotion and marketing
- ensuring a continuing dialogue between Government departments and the private sector.

BACKGROUND

2. Cabinet Decision 635 on 21 March 1979 determined that Palmerston would provide for the expansion of Darwin. Part A of this Submission identifies broad overall design and location of the town and timing of the provision of government headworks to meet the anticipated demand for land.
 3. The Palmerston project is unique in the Northern Territory due to the following factors:
 - the scale of the project. Order of cost estimates over 5 years total \$500M of which \$110M is expected to be the Government's share. The majority of development works will rest with the private sector.
 - during early stages of its development it is proposed that:
 - ... no authority will be appointed to administer the Planning Act with respect to Palmerston
 - ... no local government authority will be appointed for Palmerston.
- further more:
- ... it is a new town development which will be self-contained in its infrastructure.

4. Private development of residential land is now a tried and proven part of the development process in the Northern Territory. The Department of Lands has carried the implementation of these projects with the support of its Minister and Cabinet and by seeking the co-operation of other Government Departments and Instrumentalities. It has, however, largely been an exercise in co-operation and assumed authority by the Department of Lands and funding has been on a hand to mouth basis.

CONSIDERATION OF THE ISSUES

5. Whilst the private development process has achieved its original objectives within the planned time scale, it is apparent that for a project with the scope and urgency of the construction of Palmerston, a more formal and authoritative structure is needed. However, it is essential that any structure devised does not add unnecessary delays to the process.
6. The development of Palmerston offers an ideal opportunity for an overhaul of many of the land development processes including:
 - financial/budgetary control procedures;
 - direct involvement of all affected arms of Government in the development process;
 - reappraisal of engineering standards with a view to cost saving, improvement and innovation.

By implementing some new (and perhaps radical) approaches to the land development process, there are considerable gains to be made in terms of cost savings

and improved efficiency in the use of human and other resources. To achieve these aims, a suitable organizational structure must have inbuilt flexibility and independence in decision making whilst still retaining formal communication links between all involved parties.

7. The following are the major "tasks" to be undertaken in the development of Palmerston:
- forward costing on a 5 year basis of all capital works expenditure, on-going operational costs and revenue
 - securing external funding to supplement normal capital works funding if/when required
 - prompt decision making re the distribution of funds in response to changing needs and rate of development
 - consideration of land use issues, subdivision layouts, development applications, ie. Planning Authority functions
 - local government functions such as acceptance of roads and stormwater drains
 - co-ordination of the roles of government departments and private developers thereby ensuring that tasks are performed in a timely and logical sequence
 - monitoring the rate of progress of development and making appropriate adjustments in the light of changing circumstances
 - reviewing and encouraging innovation in the design standards to be applied to Palmerston
 - carrying out a promotion and marketing function to attract residents, private enterprise and Government departments to Palmerston.

OPTIONS

8. The main options which exist for an organizational framework are:

- (a) Retain the existing system for implementing private development projects within the context of Government provision of headworks. Here, the Department of Transport and Works acts as an agent for each client Department on an item by item basis. The Department of Lands has a liaison role between private developers and other government instrumentalities.
- (b) Employ project management consultants to assume responsibility for overall planning and development.
- (c) Establish an entirely separate Authority (e.g. Jabiru) staffed with new personnel.
- (d) Establish an organizational structure catering for two distinct functions:
- (i) Policy and Financial Management to be performed by a Palmerston Development Authority (P.D.A.) set up under the chairmanship of the Secretary of the Department of Lands, with membership comprising the Secretary from the Department of Transport and Works, the Under-Treasurer and the Co-ordinator General. The Authority to be responsible to Cabinet through the Minister for Lands and Housing. This Authority, set up with a limited life, to have legislative backing giving it the following powers and responsibilities:
- to seek funding through appropriation, as well as from external sources.
 - to act as a consent authority for planning proposals
 - to be the accepting authority for road works and to carry out some local government functions.

- to ensure the project is carried out within the policy and objectives of Cabinet.
- power to delegate
- power to hold land and enter contracts in respect of real and personal property
- to be a prescribed authority under the Financial Administration and Audit Act.

(ii) Operational control of the Palmerston project to be carried out by a project team - the Palmerston Development Team (P.D.T.) which would be responsible to the P.D.A. Officers in the team to be selected and seconded (as required) from departments having a direct involvement in the development and/or early years of operation of Palmerston. Their prime task to be to work as a member of the P.D.T. and their secondary task to ensure the performance and co-operation of their own department in respect of Palmerston. Any conflict between the P.D.T. and a department should be quickly identified and the problem resolved by that department and the P.D.T. at officer level, or the department and the Authority at Departmental Head level, or, in an extreme case, Cabinet. Functions of the project team to be:

- broad scale physical planning and design
- dealing with planning matters for presentation to the Authority or its delegate
- project programming entailing monitoring the rate and course of progress, and making recommendations to the Authority regarding any changes in overall scheduling
- liaison with government instrumentalities and private developers
- review standards and negotiate with accepting authorities to achieve a rational set of acceptable standards
- preparation of promotional material to inform the public and investors

- development of comprehensive costing for the project and a mechanism for monitoring changes
- secretariat function to the P.D.A.

CONSIDERATION OF THE OPTIONS

9. Option (a) has the advantage of being an already operational system which has succeeded in utilizing the private sector for subdivisional works. Decision making procedures are defined, direct and fast. However, the disadvantages of this option are:

- there is no mechanism for integrating a series of works which are part of a single large project involving a number of Departments
- existing financial budgeting procedures are not suited to a project of this scale, complexity and urgency
- lack of any real authority to challenge standards,

and it is therefore not recommended.

10. Option (b) is not recommended as it involves the employment of outside consultants who still require supervision by departmental officers. Nor does this option offer any solution to the restrictiveness of current financial arrangements. Consultants should be employed for specific, well defined tasks, but Government should retain the management initiative for this "new style" development project.

11. Option (c) has the same advantages as option (d) which are listed below. In addition a separate authority would have the opportunity to build up through its staff a body of expertise and knowledge related specifically to Palmerston.

However the establishment of such an authority has the following disadvantages:-

- significant additional cost in the establishment of a staff capable of dealing effectively with the wide range of functions involved.
- the expertise would for the most part duplicate that already available in the Departments of Lands and Transport and Works
- the recruitment of additional staff could be expected to be in part from both Departments whose effectiveness in the short term would be dissipated.

As a matter of policy the Government should avoid creating additional bureaucracies where there is a satisfactory alternative solution as in Option (d) below. Option (c) therefore is not recommended.

12. Option (d) is the preferred option as it

- enables forward planning and budgeting over a 5 year term with the facility to seek external funds if needed.
- inbuilt flexibility to promptly make decisions re the use of funds
- does not require additional staff and utilizes the experience of officers already involved in the project
- facilitates introduction of new standards
- streamlines planning procedures
- ensures constant monitoring of the whole project and allows response to changing circumstances

- gives official involvement to all government instrumentalities and defines formal lines of communication and determination of policy
- ensures the continued impetus and commitment of Departments to the project.

THE PUBLIC IMPACT OF THE RECOMMENDATIONS

13. Impact, if any, on the public at large, should be favourable. Adoption of the recommendations will be evidence to interested members of the public of the government's firm intention to proceed with Palmerston.

FINANCIAL CONSIDERATIONS

14. Implementation of the recommendations would not lead to any direct expenditure as the submission merely seeks endorsement of the financial arrangements by which Palmerston will be funded. Adoption of the recommendations to set up a Statutory Authority will increase the flexibility of funding arrangements for Palmerston, as such a body has powers to seek external funds.

EMPLOYMENT CONSIDERATIONS

15. Nil.

COMMONWEALTH AND LOCAL GOVERNMENT RELATIONS

16. If additional loan funds are to be raised the approval of the Loan Council will be required.

The City Corporation can be expected to agitate for an early decision for Palmerston to be included in its municipality. This pressure should be resisted.

CO-ORDINATION AND CONSULTATION

17. This submission has been circulated through the Co-ordination Committee to all departments. The formal comments of the following Departments are attached:

- Law
- Treasury
- Public Service Commissioner

LEGISLATION

18. The approval of the recommendations will require new legislation to form the Authority and to give it the powers:-

- to raise funds;
- to offer security in respect of loans including Government guarantees;
- to hold and develop land;
- to enter contracts in respect of real and personal property;
- to act as the Planning Authority including the establishment of standards subject to the approval of the Minister for Lands and Housing;
- to act as the local Government authority and to set and levy rates on the recommendation of the Department of Community Development;
- to co-ordinate the roles of Government departments and private developers;
- to carry out the promotion and marketing of the development.

TIMING

19. An early decision is requested to enable the formalization of the organizational structure to effect the development of Palmerston. The Palmerston Development Team should be established immediately.

The Palmerston Development Authority could also commence on an informal basis pending the passage of appropriate legislation.

RECOMMENDATIONS

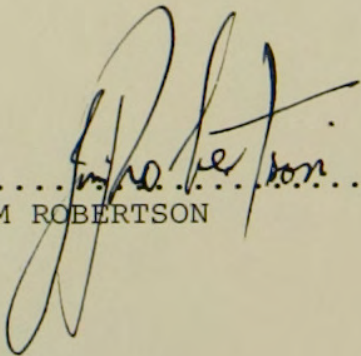
20. It is recommended that Cabinet approves:

(a) the organizational structure for the development of Palmerston as outlined in option 8 (d);

(b) the drafting of appropriate legislation to set up the Palmerston Development Authority, giving it powers as outlined in this submission;

(c) the immediate establishment of the Palmerston Development Authority on an informal basis;

(d) the immediate establishment of the Palmerston Development Team.


.....
JIM ROBERTSON

13/11