

De-Risking Phase II – NT Sustainable Precincts

Best Practice in Precinct Planning
NT through Sustainable
Development Precincts



Australian Government
Department of Industry,
Science and Resources

AusIndustry
Cooperative Research
Centres Program



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Best Practice in Precinct Planning

Background

Between 2018 and 2020, the Cooperative Research Centre for Developing Northern Australia (CRCNA) completed a study into 'De-risking, brokering and prioritising agricultural development in the Northern Territory' (Phase I).

This study formed part of a wider collaboration between the CRCNA and the Northern Territory (NT), Queensland (QLD) and Western Australian (WA) governments, all aimed at supporting the development of new agricultural activity across northern Australia. The final report was published in November 2020.

The Phase I report's recommendations proposed to enable pathways to sustainable (economic, environment, and social) development. These include:

- developing an efficient approach to converting parts of pastoral leases to freehold
- de-risking agricultural precincts that provide certainty for investors
- enabling Aboriginal agricultural development
- targeting infrastructure to facilitate development
- providing a supportive regulatory environment
- strategic de-risking in coordinated and targeted research, and
- improving trust, relationships and culture in development assessment and approval.

The next stage (Phase II) research project *De-Risking the NT Through Sustainable Development Precincts*, seeks to answer the core question: how can improved prioritisation and planning practice support new sustainable development precincts in the Northern Territory? This Phase II project is due for completion by October 2024.

What is a sustainable development precinct (SDP)?

Sustainable development precincts are identified through a master planning approach, to support and grow the economy and region by targeting investors and new demand markets.

Integral features of a sustainable development precinct within an agribusiness context include suitable soils and availability of water evidenced by science and robust regulation, as well as access to critical transport and logistics routes whilst supporting environmental and cultural values.

An SDP may also include existing or future infrastructure such as communications, power and water, accommodation, workforce availability, market opportunities or land access for ancillary use, noting these features are dependent on the investment readiness of the area.

An SDP should provide ease of access to existing business or supporting services, and stimulate broad community activity and regional growth to maximise economic and social benefit.

Identification of precinct areas

Historically the Territory does not offer opportunity for large-scale agricultural development and is more suited to a mosaic model approach.

Precinct areas have been identified by applying varying boundary distances around existing cities and townships with established infrastructure networks and community facilities. Northern area precincts have a smaller radius than the southern regions due to the ability to intensify. The precinct areas are diverse with an existing mix of land uses and zonings and include potential development sites that are both brownfield and greenfield.

Eleven precinct areas were identified during the multi-criteria analysis (MCA) based on technical studies, including soil and water, access to logistics routes and other supporting criteria. Further opportunities for agricultural development may exist outside of these precinct areas.

What is best practice in precinct planning?

The key purpose of precinct planning is to provide de-risked land that is investment-ready and suitable for purpose. Land uses should be considered, planned and provided for in master plans and land-use plans based on an assessment of the lands' capacity. An evidence-based approach will underpin the development of SDPs, through government-led technical studies to identify the most suitable land uses, site opportunities and infrastructure requirements, and economic assessments to determine commercial viability.

Planned precincts would ideally be released to the market with:

- land parcels sized for development and market
- tenure suitable for development for the relevant industry
- land zoned suitably for development for the relevant industry
- water resources available and suitable for use
- specific soil suitability studies rather than broad-scale theoretical assessments
- environmental approvals addressed prior to land release
- Native Title approvals addressed prior to land release
- Aboriginal land claims (including any nearby beds and banks) finalised
- land clearing permits approved
- infrastructure (water, energy, communication) that is reliable and suitable for use
- road access all year round
- supply chain opportunities for access to market
- community infrastructure
- available workforce
- acknowledgment and consideration for areas of cultural and environmental significance within the precinct.

Progress is being made to develop regional land use planning outside of major cities and towns that supports the identification and protection of land suitable for agricultural development.

Having these prior approvals in place builds investor confidence and allows proponents to focus on their relevant industry expertise, rather than the development approval processes where they may have limited knowledge.

Supporting industry

The Territory has opportunities to grow the economy and facilitate sustainable development of private, pastoral and Aboriginal land through government assistance for investors. That assistance is not necessarily a financial contribution from government, instead a clear pathway through the industry-perceived red tape.

Government must also promote a can-do culture within and between departments that process approvals and permits inside the parameters of legislation. Case study findings in Phase I suggested a single point of entry or single department as a contact point to streamline processing.

For investors to conduct their due diligence prior to investing there needs to be increased guidance and education surrounding land development processes. This increase in information would further explain legislative requirements for different forms of land tenure and what is necessary and permitted for development. For instance, a pastoral lease is a limited property right and does not provide the leaseholder with the same rights that attach to freehold land. Specific conditions are assigned to pastoral leases, including a time period and the type of activity permitted. This information is not readily available and typically only becomes apparent when accessing and interpreting legislation.

Clear benchmarks for the relevant processes and sample documentation should be provided by government agencies. This will provide options for proponents to submit their own applications rather than engaging costly consultants. One example of vague process requirements is the perceived lack of clear direction provided for the self-referral process administered by the Northern Territory Environment Protection Authority (NTEPA).

To advance development of precinct planning, various land development models - including public private partnerships (PPPs) - may be provided to assist financial support for interested land tenure holders.



Issues facing the progression of agricultural precinct development

Key issues raised in Phase I of the project were:

- environmental approval process
- water availability and licencing
- land available and ready for development
- lack of precincts for small-scale development
- approval pathways
- distance and cost to markets
- resilient and reliable infrastructure
- skilled labour availability
- support service availability.

Legislation

Legislative control of planning and development of land in Australia occurs at the federal, state/territory and local government levels.

Land development in the Territory is controlled through legislation that applies depending on the scale and use of development and the tenure of the land. The following legislation and guidelines impact on precinct development:

NT legislation & guidelines

- *Crown Lands Act 1992*
- *Environment Protection Act 2019*
- *Northern Territory Pastoral Land Act 1992*
- *Planning Act 1999 and*
- *Water Act 1992*
- *Waste Management and Pollution Control Act 1998*

NT regulations & guidelines

- Northern Territory Planning Scheme 2020
- NT EPA Recommended Land Use Separation Distances (Guidelines)

Commonwealth legislation

- *Native Title Act 1993*
- *Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act)*

The major areas of federal government legislation that impact on the planning process concern the protection and conservation of natural resources and heritage considered to be of national importance. The *Environment Protection and Biodiversity Conservation Act 1999* (the *EPBC Act*) is the Australian Government's key piece of environmental legislation. The objectives of the *EPBC Act* include conserving Australia's biodiversity and protecting the environment, especially matters of national environmental significance.

Current federal and territory legislation is effective and appropriate for allowing precinct planning and development to occur in the Northern Territory.

Policy and planning alignment

A range of strategic and master planning activities are being developed across government to coordinate and secure private sector investment.

These activities are all guided by the overarching principles outlined below:

Overarching principles

• Economic growth and resilience

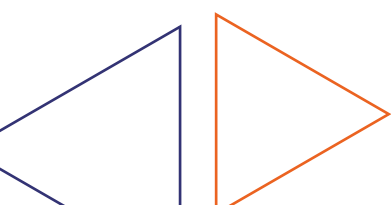
Investment, exports and import displacement, and economic activity should exceed the cost of the SDP program and result in new jobs; increased business and workforce capability and resilience; and economic growth and diversification.

• Bankable investment environment

Investment proposals should not be rendered unviable by complexity, cost and delay associated with public policies and processes, such as the regulatory system. De-risking and coordinated facilitation are essential to creating a favourable environment for investment.

• Commercial focus

Investments in SDPs should make sense economically and be supported by strong commercial underpinnings.



- **Strategic infrastructure investment**

Infrastructure investment should be coordinated with the SDP program, with investment decisions informed by robust and comprehensive business cases.

- **Customer-focused services**

Businesses should be able to deal with one customer-focused and responsive touchpoint that fulfils a client management role for government.

- **Sustainability**

Precincts will be designed with key sustainability principles, including contribution to net zero emissions (utilising and maximising renewable energy), efficient water use (including reuse), and circular economy principles.

- **Industry and investor engagement**

Development of an SDP should be underpinned by ongoing industry and investor engagement to ensure the final product will be desirable and achieve the investment outcomes being sought.

Precinct development approach

Building an evidence base for precinct planning

An evidence-based approach will underpin the development of SDPs, through government-led technical studies to identify the most suitable land uses, site opportunities and infrastructure requirements, and economic assessments to determine commercial viability.

Best practice:

- Localised studies and assessments specific to the vicinity.
- Managing cultural and environmental values within precincts.

Building partnerships with key stakeholders

The Government will involve stakeholders at an early stage through workshops that bring experts and stakeholders together to review the findings of economic and technical studies, and provide input into SDP design and development.

Best practice:

- Collaboration with stakeholders to better understand and meet their needs.
- A focus on Aboriginal-led economic development and leadership.

Regulatory de-risking/Alignment

The government will secure key regulatory approvals for SDPs in advance, so that individual investor proposals can be progressed without unnecessary delay.

Best practice:

- Streamlined processes to allow for high value agricultural and manufacturing developments in targeted areas.

Translation in master planning

SDPs are a component of the government's broader strategic and master planning activities, to help position the Territory to take advantage of market conditions. SDPs will be identified and aligned with master plan processes and key strategy development.

Best practice:

- The government will undertake planning measures at the regional level to ensure agricultural land is preserved for its intended use.
- Further master planning at the sub-regional level will identify new community infrastructure requirements including, but not limited to, roads, rail and schools.

Enabling infrastructure planning and investment

Critical enabling infrastructure will be available supported by clear and robust business cases to prioritise investment potentially including roads, utilities (such as water, electricity, gas, stormwater, waste management), and digital connectivity.

Best practice:

- Precincts will allow for targeted infrastructure planning to support future growth enablers for ongoing private economic activity and investment in the precinct.

Business concierge services for investment attraction

The government will establish a dedicated office to actively manage investor support and business set-up in SDPs including through promotion and attraction.

Best practice:

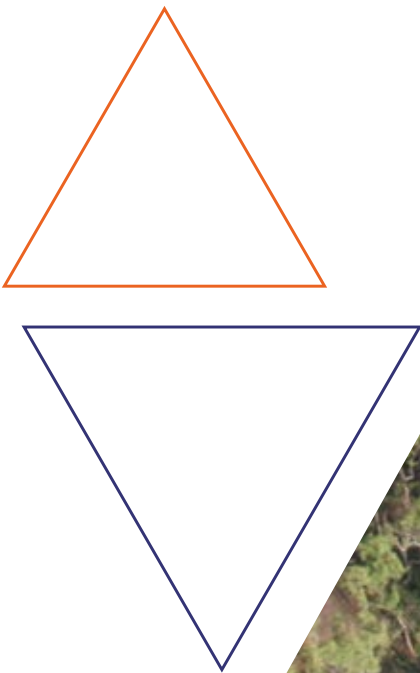
- A one-stop-shop for investors to easily access information and receive the guidance required for investment within the Northern Territory.

Conclusion

Refinement of the best practice in precinct planning will continue to evolve as we develop the precincts further using the focal case study area as a learning experience

The master planning approach is used to identify strategic opportunities in areas where resource, infrastructure or capability are complemented by competitive advantages and suitable market conditions at a regional, industry or project level. Considered alongside key constraints and enablers, an evidence base for an SDP can be developed. While master plans will identify and quantify opportunities at an industry or regional level, an SDP will activate the opportunity by delivering investment ready locations.

Best practice in precinct planning seeks to improve regulatory processes and approvals that enhance development in the Northern Territory and support a sustainable, liveable, prosperous and resilient path of progression.





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