

Feeney/MC13-000284
Reference:
ASPM/OUT/2013/ AF13190364



Australian Government
Department of Defence

MINISTERIAL REPRESENTATION

Routine

Date Dept Approved:	Date Rec in Office:	Date Due:
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For Action: Senator Feeney

For Info: Minister for Defence

Copies to: Secretary, CDF, COO, DEPSEC DSR, FASMECC, HDSO, HI, DGEP, RD DS-CW, SCA-DSGR.

Subject: Priority Sale Submission Portion 1157 and Section 5122, Hundred of Bagot

Purpose:

To seek your approval to dispose of the surplus Defence former transmitter station known as 11 Mile (the Site) in Darwin, Northern Territory (NT) and to progress a priority sale submission (the Submission) from the NT Government.

Key Points:

1. The Site is a 75 ha former Defence transmitter station located on the Stuart Highway approximately 16 km from the Darwin CBD. Defence vacated the Site in 2005. A map is at Attachment A.
2. The Site is surplus to requirements and, subject to the approval of the Australian Government, Defence will dispose of it in accordance with the Commonwealth Property Disposals Policy (CPDP). In accordance with the CPDP, the Hon Peter Chandler, MLA, NT Minister for Lands, Planning and the Environment, wrote to you (letter undated) with a detailed proposal, dated October 2013, requesting a priority sale of the Site.

3. 47B

4. 47B

5. In accordance with the CPDP, priority sales require the approval of the Hon Gary Gray, AO, MP, Special Minister of State. A letter to Mr Gray is at Attachment C. A letter to Mr Chandler acknowledging the Submission is at Attachment D.

6. 47B

7. Prior to disposal, Defence will assess heritage implications as required under the *Environment Protection and Biodiversity Conservation Act 1999*. The Site's heritage significance, if any, is likely to be limited to the single remaining antenna tower. Defence removed other antenna towers when the Site was decommissioned.

8. 47B

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Recommendation:

That you:

- i. **Agree** to a priority sale of the 11 Mile site to the NT Government.
Agreed / Not Agreed
- ii. **Sign** the attached letter to Mr Gray.
Signed / Not Signed
- iii. **Sign** the attached letter to Mr Chandler.
Signed / Not Signed

Approved By
Lorraine Holcroft
Acting Assistant Secretary Property Management
14 February 2013

47F

Contact Officer: Jurgen Fritz

Phone: (02) 6266 8017

Primary Addressee

David Feeney
/ /

Information Addressee

Noted / Please Discuss

Stephen Smith
/ /

Resources:

9. N/A

Consultation:

10. N/A

Financial/Workplace Implications:

11. N/A

Attachments:

- A. Map and fact sheet describing 11 Mile Site
- B. Additional Background – Property Disposals Framework
- C. Draft letter to Mr Gray
- D. Draft letter to Mr Chandler

Map and Fact Sheet of 11 Mile Site

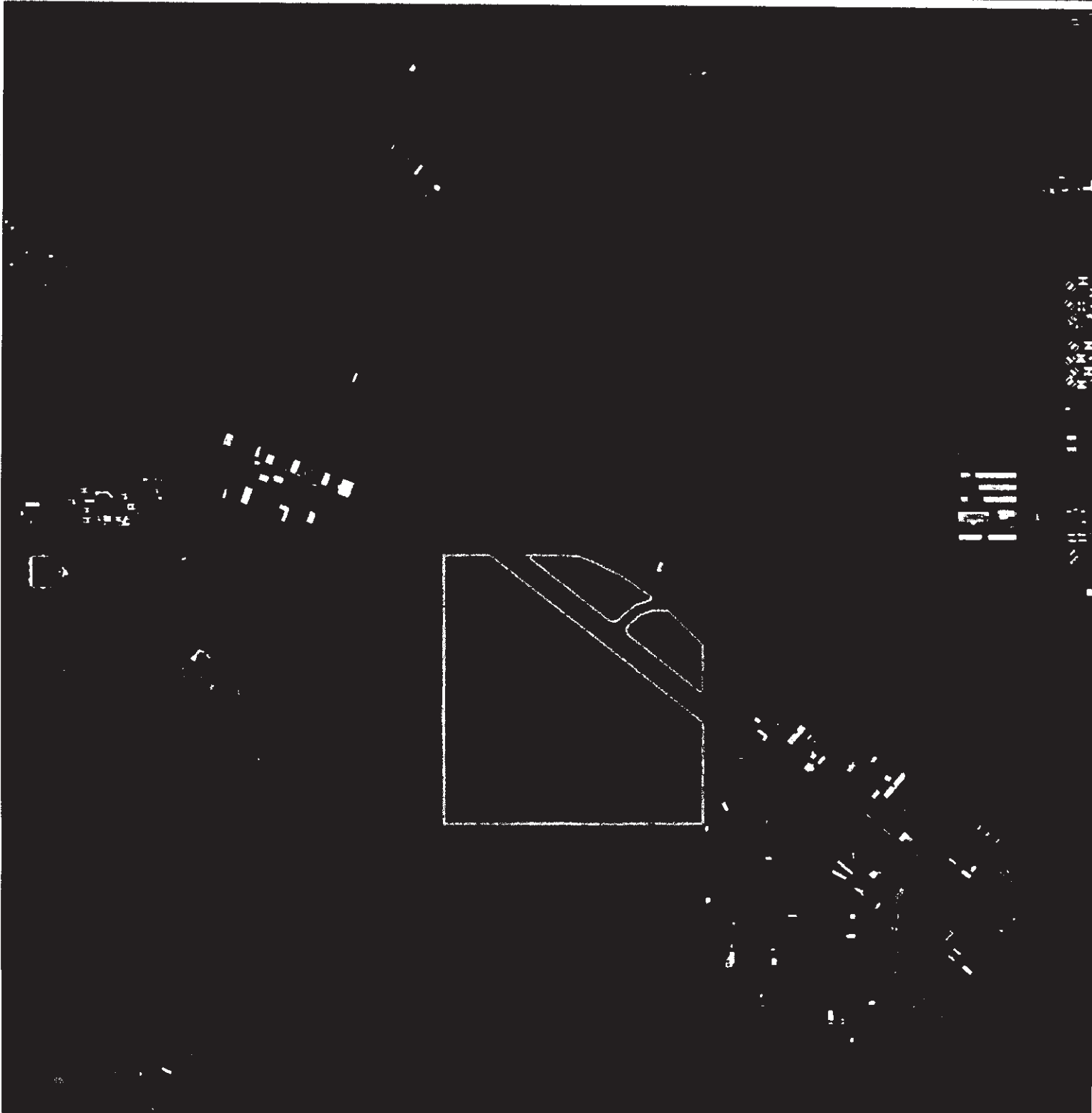


Australian Government
Department of Defence

11 Mile

Former Transmitter Station

Stuart Highway, Palmerston, NT



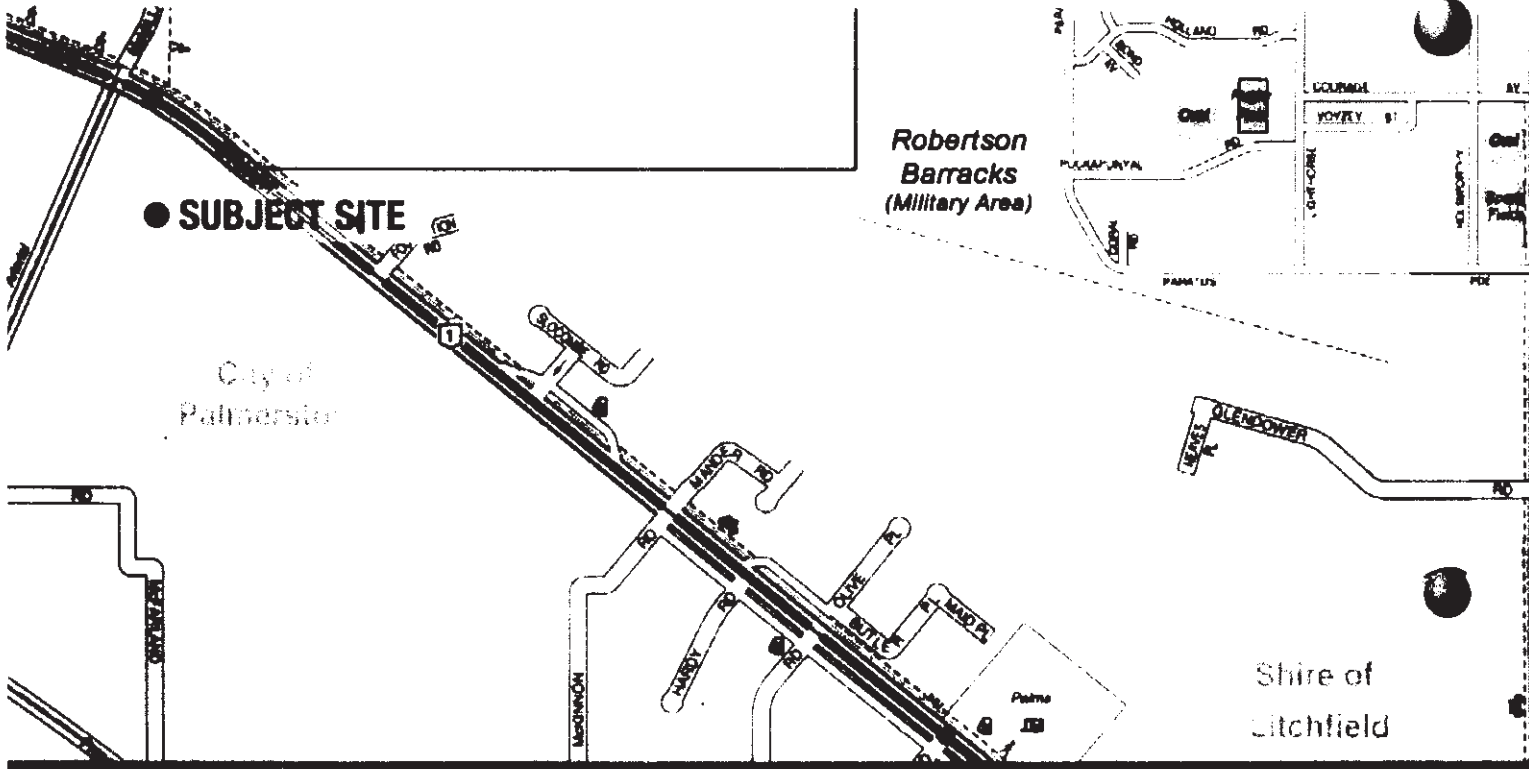
DATE OF PHOTOGRAPHY
August 2005

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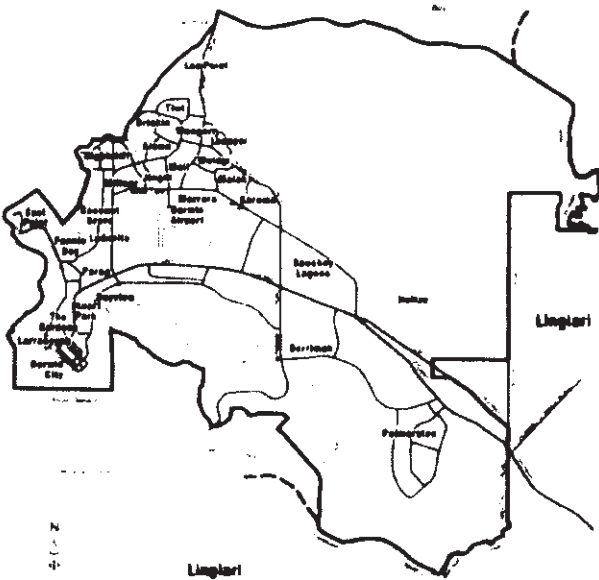
SCALE
0 ————— 1km

Area of Property - 60ha (approx)

11 Mile



COMMONWEALTH ELECTORAL DIVISION OF
SOLOMON



Site area 66ha (approx)

Stuart Highway, Palmerston, NT

The former Royal Australian Air Force Transmitting Station is located approximately 16km south of the Darwin CBD and has extensive frontage to the Stuart Highway.



CONTACT

Director
Environmental Services
Department of Environment
and Heritage
PO Box 1000
Darwin NT 1308

ADDITIONAL BACKGROUND – PROPERTY DISPOSALS FRAMEWORK

Surplus Defence property is disposed of in accordance with the Commonwealth Property Disposals Policy (CPDP). The CPDP states that surplus land, where there is no alternative efficient use, is to be sold on the open market at full market value. Methods of sale used by Defence include: tender; auction; and private treaty (agency listing).

Where it is considered that a sale to state, territory or local Government would optimise housing and/or community outcomes or where sale to state, territory or local Government would facilitate other Commonwealth or co-operative policy initiatives that could not otherwise be achieved by way of an open market sale, there are provisions for direct or 'priority' sales. The CPDP also allows 'concessional' sales which are priority sales below market value. Previous land owners might also be eligible for a first right of refusal under the *Lands Acquisition Act 1989*.

Concessional priority sales require a security of purpose clause and a standard clause from the Department of Finance and Deregulation is included in Defence's template contract of sale. The security of purpose clause locks-in the land use that underpins the Government's approval for a concessional priority sale so that recipients do not gain a windfall profit from subsequently selling the land with a higher value land use outcome.

Sales that optimise housing, community and/or jobs outcomes require a disposal strategy that is agreed by the Minister for Housing, the Minister for Finance and Deregulation and the Minister of the owner agency.

In accordance with the Defence Housing Australia Service Agreement for the provision of ADF housing, Defence advises DHA of surplus land that might be suitable for ADF housing. DHA can then apply for a priority sale under the CPDP, if it wishes.

All property disposals require the approval of the Minister for Finance and Deregulation under the *Lands Acquisition Act 1989*. Priority/concessional sales also require the separate approval of the Minister for Finance and Deregulation. The Special Minister of State currently has responsibility for property matters.

In accordance with the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* Defence is required to identify whether any land it manages has Commonwealth or National heritage values. Under Section 341Z of the EPBC Act, Defence is required to notify the environment minister how it intends to protect the heritage listed values of a surplus property post sale at least 40 business days before contracts are exchanged.

Defence might remediate site contamination resulting from Defence's previous use of the property to meet obligations under 'polluter pays' principles and mitigate post-disposal liabilities.

Defence engages various external consultants and contractors to complete due diligence investigations prior to disposing of property, including compliance with the EPBC Act. Specialists engaged by Defence include lawyers, environmental and heritage consultants, contamination remediation contractors, property valuers, property surveyors, land planners, marketing agents etc.

Preparing property for disposal can take between 18 to 24 months depending on due diligence issues and the extent of contamination remediation works, if required.

The disposal of Defence property is often a sensitive community issue. Local interest groups might lobby State and Federal MPs for particular outcomes and this can impact on disposal timeframes.



Northern
Territory
Government

DEPARTMENT OF
LANDS, PLANNING AND THE ENVIRONMENT

FOI 247/14/15

Serial 3

Ms Lorraine Holcroft
Acting Assistant Secretary
Property Management Branch
PO BOX 7925
Department of Defence
CANBERRA BC ACT 2610

Chief Executive
Level 5, Energy House
18-20 Cavenagh Street,
Darwin NT 0801

Postal address
GPO Box 1680
Darwin NT 0801
Tel 08 8924 7286
Fax 08 8924 7044
Web www.nt.gov.au/dlpe

Our ref DDPI2010/2034-03

Dear Ms Holcroft

RE: Disposal of '11 Mile' Property

Thank you for your letter dated 27 October 2014 regarding a priority sale of 11 Mile (Sections 1157 and 5122 Hundred of Bagot) to the Northern Territory Government.

The Territory Government is committed to releasing land for development to support the economic growth of Northern Australia. To this effect, Mr Lawson Broad, Director Land and Economic Development, and I met with Mr John Owens, First Assistant Secretary, Department of Finance, on 9 September 2014 regarding a priority sale of the Kowandi North site (Section 5623 Hundred of Bagot, Northern Territory). It was discussed at that meeting that the Territory would progress a submission to the Commonwealth for the sale of the site.

The Department of Defence's consideration in the disposal of 11 Mile is appreciated however the Kowandi site is of strategic importance to unlocking land for residential development and remains the Territory's current priority. The Territory is therefore not in a position to also pursue the purchase of 11 Mile at this time.

Should you require additional information on any of the above, please contact Ms Sharon Jones, Director Land Administration, on (08) 8999 7019 or via email at sharon.jones@nt.gov.au.

Yours sincerely

47F

JOHN COLEMAN
Chief Executive

17 / 11 / 2014