



To:	Minister for Housing and Suburban Development	Tracking No.: 21/10599
CC:	Director-General, Environment, Planning and Sustainable Development Directorate	
From:	Chief Executive Officer, Suburban Land Agency	
Subject:	Outcome of Lawson Stage 2 Tender	

Original Tender Process

- The original Suburban Land Agency (SLA) release for the whole of Lawson Stage 2 was by a two-stage tender process to firstly shortlist the potential purchasers and then provide a detailed tender package for the sale. The first stage was an Expression of Interest process released to the market in June 2018. Subsequent to this a short list of tenderers was selected, who were invited to submit a more detailed proposal in in September 2019.
- As part of the request for tenders it was a requirement for the tenderers to include the underground relocation of the transmission lines as part of their bid. Additionally, landscaping works associated with a creek line running through the estate and frontage works to Lake Ginninderra formed a major part of works required for the estate development.
- The initial tender process resulted in no complying tenders. Two tenderers did not respond and two were received, both stating that that the unknown financial risks surrounding the undergrounding of the electrical infrastructure was of concern and the primary reason for providing an incomplete tender.

Re-tender Process

- In considering the tender feedback from the initial tender, the Project team reviewed the undergrounding requirement for the electrical infrastructure. [REDACTED] the previous four short listed applicants were invited to re-submit a tender in August 2020, following the redrafting of the Deed conditions to allow opportunity to retain the existing configuration of the overhead electrical infrastructure and amend the existing approved Estate Development Plan (EDP). This process necessitated a full review and further approval of documentation that forms the Deed obligation overseen by the Deed Management section of the Environment, Planning and Sustainable Development Directorate.

- Appreciating the concern raised by tenderers, this change in approach would allow them to address their perceived risks, acknowledging an updated EDP would be required should they decide to pursue this course.
- The tender process closed in December 2020, again with no compliant tenders being received. Two tenderers responded, both stated cost uncertainty, including in the ACT Government planning processes, as their primary reason for providing an incomplete tender.

Next Steps

- The SLA project team are reviewing options to progress the estate development of the Lawson Stage 2 site. These include, approaching the market again via a tender, Joint Venture or Suburban Land Agency delivery.

Recommendations

That you:

1. Note the information contained in this brief.

Yvette Berry MLA *18/02* /2021

Minister's Office Feedback

Reca brief on options for Lawson stage 2

Signatory Name: John Dietz

Phone: 6205 7346

Action Officer: Gareth Burdon

Phone: 6207 0282



To:	Minister for Housing and Suburban Development	Tracking No.: 21/27286 Rec'd Minister's Office .../.../...
CC:	Director-General, Environment, Planning and Sustainable Development Directorate	
From:	Chief Executive Officer, Suburban Land Agency	
Subject:	Options for the Development of Lawson 2	

Background

- You were previously briefed on the outcome of the Lawson Stage 2 Tender process in February 2021. You requested at that time a briefing on the options under consideration for progressing with the development.
- The Lawson Stage 2 development was initially released via a two-stage tender in June 2018. After an initial unsuccessful tender process, the site was re-released in August 2020 removing some mandatory requirements based on feedback from tenderers. The re-release also failed to elicit any complying tenders.
- The Suburban Land Agency (SLA) have received market advice that confirms there is interest in the Lawson Stage 2 development site. Given the locality, both small and large blocks on a developed site would be extremely attractive to local developers. The advice also confirms that the electrical infrastructure and planning risks are legitimate concerns raised by potential developers.

Options Under Consideration for Release of the Site

The SLA is undertaking further analysis on options for progressing the Lawson Stage 2 development which are subject to the SLA Board consideration in the coming months, these include:

Option 1 – Open Market Tender

The SLA has already completed an open market tender without success. The tender request included non-mandating the undergrounding of the electrical infrastructure, seen as the primary risk to developers, however this wasn't sufficient for any of the short-listed tenderers to provide a complying tender.

As the property market conditions have improved since the time of tendering the SLA has sought further advice to ascertain whether another market offering would result in a sale. This advice will be considered in the further development of the above option.

This option would not require a significant amount of preparation for re-release and could be put to market within this calendar year.

Option 2 – Joint Venture

This option considers a joint venture arrangement. This would see the risks and returns shared by the SLA and a developer. Feedback from tenderers out of the initial tender suggested a collaborative approach to the development of Lawson Stage 2 may be a more attractive means for developers to share risks and outcomes with the SLA.

The option requires the preparation of documents to support a joint venture arrangement and would likely follow a two-stage process to shortlist suitable candidates prior to tender. The process would likely take significantly more time than Option 1 as the proposals for development will need to be negotiated prior to entering into a formal agreement

Option 3 – SLA Develop

The option of the SLA developing the site would see the development proceed in a manner typically applied to other SLA developments. The SLA would undertake the construction of all associated infrastructure that facilitates the sales of individual blocks.

A review of the current Estate Development Plan would be undertaken to identify options to reduce the cost associated with electrical infrastructure and the projects financial feasibility.

Further estate design and approval will likely be required prior to future release of blocks within the estate. Depending on the nature of any redesign, releases could possibly occur over the 2021-22 financial year.

The SLA Board will consider options in the coming months that will inform the timing of a future release. The Board’s consideration will include the possibility of attaining improved social housing outcomes.

Recommendation

That you **note** the information contained in this brief.

Noted / Please Discuss

Yvette Berry MLA

15/04/21

Minister’s Office Feedback

Please work with my office following the brief on a time for a more detailed plan and options around the possibility of bringing amenity on line sooner and affordable, Public and social housing opportunities

Signatory Name:

Tom Gordon

Phone: x75553x

Action Officer:

Gareth Burdon

Phone: x70282

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To:	Minister for Housing and Suburban Development	Tracking No.: 21/89212
CC:	Director General, Environment, Planning and Sustainable Development Directorate	
From:	Chief Executive Officer, Suburban Land Agency	
Subject:	Lawson Stage 2 – Electrical Infrastructure	
Critical Date:	Routine	

Purpose

To provide an overview of the constraints and opportunities as presented in the Lawson Stage 2 Business Case.

Recommendations

That you:

1. Note the information contained in this brief.

Noted / Please Discuss

2. Note that a discussion paper for the Planning Subcommittee of Cabinet regarding the treatment of the powerlines traversing the site is being prepared.

Noted / Please Discuss

Yvette Berry MLA. 04/11/2021

Minister's Office Feedback

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Background

1. As part of the Indicative Land Release Program (ILRP) 2018-19FY the Lawson Stage 2 site was released via a tender in June 2018, which was unsuccessful in attracting an acceptable offer. A further tender release was completed in 2020, which was also unsuccessful in securing a sale. The Suburban Land Agency (SLA) Board is currently considering the optimal approach for development of the site and a Business Case has now been prepared to assist with this decision.
2. At meeting #59 of the SLA Board (the Board) on 23 September 2021, at which you were in attendance, you discussed your aspirations for the site including a focus on placemaking and meeting non-financial objectives. This is consistent with your letter of expectations – December 2020, *'The Government's objective is to achieve the best social and community outcomes possible, not the highest possible price'*.
3. The Board considered the Business Case in detail later in the meeting and agreed with the recommendation that the SLA is best placed to deliver the estate. The Board also noted the recommendation in the Business Case to leave the high voltage powerlines that traverse the site in situ given the cost and risk associated with the alternative undergrounding option. The Board discussed this recommendation given the potential community benefit and best practice approach of undergrounding powerlines.
4. Given the undergrounding options would likely yield a negative land value, despite the community benefit, the Board has requested your views be sought on this matter.
5. As discussed with the CEO of the SLA, a discussion paper for the Planning Subcommittee of Cabinet is being prepared which considers the risks, benefits, and costs of the treatment of the powerlines. The paper is scheduled to be considered on 17 November 2021 and will be provided to you as a matter of priority.
6. It should be noted that the Planning Subcommittee process, and further consideration of the issue by the SLA Board, may delay the Lawson Stage 2 project.

Issues

7. Lawson Stage 2 is constrained by the Belconnen Zone Substation (3.3ha) located in the middle of the site and overhead 132kV high-voltage powerlines traversing the site in an east-west alignment.
8. The approved Estate Development Plan (EDP) for Lawson Stage 2, which contemplated the undergrounding of the high-voltage powerlines, allows for up to 940 dwellings to be developed including 1.9 hectares of CZ5 mixed use and 1.0 hectares of community use land. The Territory has also committed to 80 sites for affordable housing, 24 to public housing, and 20 to community housing.
9. The Lawson Stage 2 Business Case recommends that the SLA manage the development of Lawson Stage 2 and undertake an amendment to the existing EDP to leave the high-voltage powerlines in-situ. This will provide the SLA with the flexibility to pursue several additional opportunities to improve both the social, community and financial outcomes for Lawson.

10. The preferred approach in the Business Case will require a delay in the full re-release of Lawson Stage 2, although a partial release is being investigated. However, it will present a better financial result for the SLA and was considered the preferred option when subjected to SLA's Investment Decision Framework which considers the SLA's organisational objectives including social and community outcomes.
11. The Board has considered the pros and cons of achieving a potentially non-commercial outcome versus demonstrating place-led outcomes as set out in the Business Case, and has requested further engagement on the issue, with you as Minister, and with relevant directorates, including Treasury.

Key Points of the Options

12. High-Voltage Powerlines in Situ
 - a. A 75-metre electrical easement will be required if the high-voltage powerlines are retained. [REDACTED]
 - b. All other landscaping initiatives will be retained.
 - c. [REDACTED]
 - d. The external development feasibility study, Business Case, and the SLA Investment Decision Framework, all conclude that the retention of high-voltage powerlines in situ is the preferred approach. The latter two consider social and community objectives in reaching that conclusion.
13. Undergrounding High-Voltage Powerlines
 - a. Evoenergy own the Belconnen Zone Substation and the associated high-voltage powerlines. Inter-organisational works negotiations are expected to take at least six months and all works would be undertaken by Evoenergy.
 - b. The SLA would lose some development flexibility as they would only have a limited ability to influence Evoenergy works timeframes.
 - c. [REDACTED]

Next Steps

14. As per your briefing with the SLA CEO on 15 October 2021, the SLA Project team will develop a discussion paper for the Planning Subcommittee of Cabinet for the meeting on 17 November 2021. This discussion paper will consider the risks, benefits, and costs of the treatment of the powerlines. The SLA Project team will also liaise with Treasury to obtain their view on the electrical undergrounding issue.

Consultation

Internal

15. The Board considered the matter at meeting #59 on 23 September 2021.

Cross Directorate

16. The SLA Project team are investigating the viability of a small Lawson Stage 2 release within the 2021-22FY with the Planning Authority.
17. Treasury's views are currently being sought on the financial considerations of the undergrounding option.

External

18. Colliers market advice and Knight Frank financial feasibility analysis.
19. Business case development by Bellchambers Barrett.

Work Health and Safety

20. Nil.

Benefits/Sensitivities

21. High-Voltage Powerlines in Situ
 - a. [REDACTED].
 - b. Flexibility to pursue Territory objectives like 'Build to Rent'.
 - c. Faster delivery to market even with an estimated 12-month EDP amendment process. Opportunity for a small release during 21-22FY.
 - d. [REDACTED]
 - e. Further cost saving and innovative opportunities can be pursued during the EDP amendment process.
22. Undergrounding High-Voltage Powerlines
 - a. [REDACTED]
 - b. Improve urban aesthetics, however, won't remove all electrical related concerns as the Belconnen Zone Sub-Station will not be relocated.
 - c. Maximises site yield.
 - d. Slower delivery to market due to additional contract negotiations with Evoenergy and additional infrastructure works. Opportunity for a small release during 21-22FY.
23. Across Both Options
 - a. The activation of the College Creek area and the Ginninderra Lake interface will be maximised, ensuring that Lawson Stage 2 becomes a vibrant community.
 - b. The affordable housing, public housing and community housing objectives noted above are common to both options.
 - c. A block of land will likely be sequestered for a 'Build-to-Rent' initiative.

Communications, media and engagement implications

24. Retaining the high-voltage powerlines would require an EDP amendment and associated public consultation. This would be managed by the SLA.

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Signatory Name:	John Dietz	Phone:	57346
Action Officer:	Gareth Burdon	Phone:	70282

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Response to DLO Request

*** All information provided should be factual.**

Electronic approval at Executive Director level is required. Please place the approval email in the objective file and cc DG EO and Govt Services when responding to the DLO.

Subject: Timing of Lawson Stage 2 and Build to Rent Market Sounding Impacts

Response:

Lawson Stage 2 – Development

- The SLA is investigating a limited release of two blocks along Ginninderra Drive during the 2021-22FY.
- Options for the High Voltage Powerlines were recently considered by Government, the preference is to leave the High-Voltage Powerlines in-situ; this will require a new, or amendment to, the existing Estate Development Plan.
- TCCS have requested that SLA bring forward works for a roundabout at the intersection of the Stockman Avenue and connection point with Lawson Stage 2 to facilitate a bus services within Lawson Stage 1.
- Indicative Program
 - 2021-22 FY
 - Late 2021 – Develop updated Estate Development Plan with High-Voltage Powerlines in-situ, revise block shapes, road alignments – discussion with Planning Authority on amended EDP (potential for a brand new EDP to be required which would push program a further six months)
 - April 2022 – Completion of roundabout at connection point between Lawson Stage 1 and Lawson Stage 2 to facilitate public transport outcomes
 - June 2022 – Receive approval for EDP amendment from Planning Authority
 - June 2022 – Release of two ‘land not ready’ blocks between 97 and 207 dwellings (subject to consultation with Planning Authority)
 - 2022-23 FY
 - Mid/ Late 2022 – Procure and commence civil construction works for Lawson Stage 2, prioritising connector road through Lawson Stage 2 to Stockman Avenue and the civil works required to allow for settlement on two blocks released in June 2022
 - Mid 2022 – Identify most suitable block for the Built-to-Rent initiative
 - Mid 2023 – further block release, dwelling numbers to be confirms. Likely to include some portion of the social, affordable and community house targets’
 - Mid 2023 – Civil works completion; procurement and commencement of landscaping works including community facilities and lake access
 - 2023-24 FY
 - Early / Mid 2024 – All Lawson Stage 2 estate works complete.
 - Mid 2024 – release of remaining Lawson Stage 2 blocks.



ACT
Government

Suburban Land
Agency

Obj Ref No.: 21/118641

Lawson Stage 2 – Build-to-Rent

- Lawson Stage 2 has been identified for a potential Build-to-Rent development in the future and SLA is seeking feedback from industry to inform this opportunity.
- Further information about the Build-to-Rent Market Sounding process is available on the SLA website: <https://suburbanland.act.gov.au/en/build-to-rent>
- Government is undertaking planning work on Lawson Stage 2, so the exact location, size and release date for a future Build-to-Rent development will be determined as part of the Estate Development Planning process.
- SLA will look to release a site to market for the purposes of Build-to-Rent once planning, subdivision and infrastructure works are further advanced.