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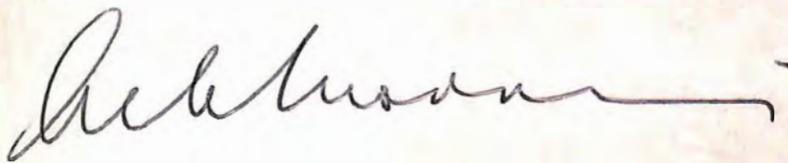
CABINET DECISION

No. **4527**

Submission No.: 3876

Title: INFORMATION PAPER - ESTABLISHMENT OF MATURE
AGE COMMUNITY NEAR ALICE SPRINGS

Cabinet noted the information.



A. G. MORRIS
Secretary to Cabinet.

11 March 1986

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FOR CABINET

SUBMISSION No:3876.....

Title:	ESTABLISHMENT OF MATURE AGE COMMUNITY NEAR ALICE SPRINGS - INFORMATION PAPER
Minister	MINISTER FOR LANDS
Purpose:	INFORMATION PAPER ONLY
Relation to existing policy:	NONE
Timing/ legislative priority:	NIL
Announcement of decision, tabling, etc:	NONE REQUIRED
Action required before announcement:	NOT APPLICABLE
Staffing implications, numbers and costs, etc:	NONE
Total cost:	NOT APPLICABLE

ESTABLISHMENT OF MATURE AGE COMMUNITY NEAR ALICE SPRINGS
INFORMATION PAPER

The Issue

The Chief Minister has asked for a feasibility study into the establishment of a mature age community in the Alice Springs environs. An amount of \$150,000 was provided in the 1985/86 Budget to finance the inquiry.

The purpose of this paper is to acquaint Cabinet with work in hand and to obtain endorsement of the work program set out in this paper.

Background

The rapid growth in the number of mature age and elderly people in the Australian population is a matter which has, in recent years, been widely documented. Between 1981 and 1991, the number of people aged 50 and over is expected to increase by 600,000 (or 17%) to 4.2 million. By 2001 that number will have increased to 5.3 million and will then represent 28% of the total population.

Concurrent with that national trend on ageing, is a continuing move to earlier retirement ages and a dramatic improvement of (through extended superannuation, provident

insurance etc. arrangements) of the financial capacity and prosperity of pre and post retirement aged population. This very significant change in demographic and economic characteristics has already emerged in the United States and has lead to marked changes in the activities and lifestyles of pre and post retirement aged residents.

One notable change has been the emergence of communities which, by design or circumstance, have a very high proportion of post retirement aged population. There have been established a large number of communities designed specifically to provide a recreation/activities oriented lifestyle for their residents. Notable examples in the United States of such towns are: Sun City in Arizona and Lagoon Hills in California.

Some Ministers, as a result of travel to the United States on other business, have had the opportunity to visit some such projects and have observed strong parallels with Alice Springs in climatic and lifestyle characteristics important to their success. As a result, the Chief Minister agreed that a study should be carried out to test the feasibility of encouraging the development of a comparable community in Central Australia. Such communities are without parallel at this time in Australia.

If it could be established, such a community would have important benefits for the Northern Territory in general and Alice Springs in particular. It would:

- . give a major impetus to the economy of the Alice Springs region, both during construction phases and subsequently;
- . significantly broaden the region's economic base;
- . result in greater demographic and sociological balance;
- . lead to an overall improvement in infrastructure consistent with increased population;
- . contribute to an improvement in human skills and resources presently available in the Territory; and
- . create opportunities that might contribute substantially to tourism development in the region.

Parameters of the Proposal

At this stage, no attempts have been made to formulate precise parameters for the proposed community; these will be the subject of specific recommendations at the conclusion of necessary research. In a preliminary sense, however, it is envisaged that the following could apply:

- . the community would be planned to a maximum capacity of about 20,000 people, although the timespan to achieve this might be quite extensive;
- . its location would not necessarily be isolated from Alice Springs but within range of the present and planned infrastructure network;
- . it would nevertheless be self-contained with a distinctive image and identity separate from the existing town;
- . it would probably draw heavily on the style, management and concepts of comparable communities in the United States, adjusted as necessary to cater to the perceived Australian market.

Role of the N.T. Government

Ideally, it is envisaged that the Territory Government would largely be able to limit its involvement to that of facilitating the project. The question of public financial support is one that will be addressed in a detailed report to the Government at a later date. The following scenario is envisaged:

- the Territory Government would provide basic engineering works and essential services just as it would for a conventional urban centre in the Territory;
- it would prepare or commission a master plan for the selected area and regulate development in accordance with that plan;
- it would provide the necessary social infrastructure where necessary on the same basis as in other communities, e.g. health and welfare services, administration centres;
- special infrastructure, such as golf courses or other active recreational facilities would be provided by developers;
- passive recreation areas, such as parklands or wilderness areas might be provided in part by the Territory Government as regional (rather than community) resources;
- overall, the project would be very heavily dependent upon private finance (even more so than in the example of Palmerston), which would preferably be drawn from insurance houses and larger building and development corporations; and

- . careful consideration would be given to the extent to which the Territory Government could recoup its direct outlays from developers or residents.

On the question of indirect financial support for such a community, the Territory Government would need to consider the question of concessions to elderly people. Present arrangements, with an absence of means testing of applicants, could result in increases in concessional payments of more than \$5 million annually in present values.

Work Programs

Necessary work to progress the study can conveniently be classified under the following headings:

- . site identification and evaluation;
- . market research and evaluation;
- . empirical research of existing projects;
- . demographic and socio-economic analyses;
- . draft legislation.

Progress on each of these aspects is discussed hereunder.

Site Identification and Evaluation

To date, three possible sites have been identified and a Consultant has been retained to prepare a preliminary report. His brief is described in Attachment 1 to paper. His report, which favours the Commonage (Valley) area, is presently being evaluated. The Department of Lands is identifying additional possible sites.

Market Research and Evaluation

Negotiations are under way with a market research consultant with a view to carrying out preliminary market research and strategy development for the project. A draft work program incorporating clearly defined stages is being negotiated in such a way that the consultancy can be terminated at any stage without further financial obligations. This matter is discussed further in Attachment 2.

Empirical Research of Existing Projects

The market research and strategy work program will try to identify the target population at which the project should be aimed and type of "product" which should be developed.

An important parallel program is the inspection of existing broadly comparable projects, in Australia and overseas, and

discussions with developers and operators. This aspect is important, not only to obtain practical data and experience to better evaluate the conclusions drawn from market research, but also to investigate the options relating to management, financing, marketing, land titles, regulation, etc. These aspects are discussed further in Attachments 3 and 4.

Demographic and Socio-economic Analysis

Extensive in-house research is being carried out to gather a data base on essential characteristics of the Australian population and on developing trends. These data are of importance in attempts to quantify the target population and in forecasting its attitudinal response to the project.

Also to be carried out is a detailed assessment of the socio-economic impact of the project upon the Alice Springs region in particular and the Territory in general. This will include estimates of the likely transitory and continuing effects on such aspects as job creation, employment levels, economic activity, and local and Territory Government services and benefits.

Draft Legislation

Although the preparation of draft legislation necessary for the project is in hand, it is suggested that it should not be introduced into the Assembly until the Government has made key decisions arising from research presently being undertaken.

The form of the Bill will be influenced by the results of the other work programs and should not be settled until the Government's intentions on its own role in the project has been finalised.

Timing and Reporting Arrangements

Subject to approval of the proposed work programs, it is the study group's intention to present an interim report to the Minister for Lands during May 1986. That report will include recommendations on funds needed for 1986-87 to progress the project.

The timing of a final report cannot yet be determined but is likely to be before the end of 1986. That report will provide detailed comments on the feasibility of the project together with a cost/benefit analysis and an assessment of its social and economic impact on the Territory. It will also contain specific recommendations on the nature and extent of the Government's involvement in the project.

Establishment of an Authority

Attachment 6 discusses aspects relating to the establishment of an Authority to oversight the project if the Government decides to proceed. In the interim work is being carried out by Messrs. Dave Tuzewski, Don Darben and Rudi Roodenrys.

Recommendation

That the contents of this paper be noted.



6-3-86

ATTACHMENT 1

EVALUATION OF POSSIBLE SITES

Attached is a consultant's brief relating to a physical and economic evaluation of possible sites in connection with a mature-age community.

The brief requires a consultant to assess sites 25K north of Alice Springs, 25k south of Alice Springs and the commonage area adjacent to the present town.

The brief is limited to aspects relevant to land development costs for each site. As a separate exercise, we will need to address relevant marketing advantages of each location.

ATTACHMENT 1

EVALUATION OF POSSIBLE SITES

THE PROPOSAL

The Northern Territory Government is considering a proposal to develop an Adult (Retirement) Community in or near Alice Springs.

The concept for the proposed community is not absolutely firm, but the intention is that overseas models (particularly in the United States) are to be a guide to the project. Of specific interest is the retirement new town concept, represented by Arizona's Sun City (47,000 population) and California's Leisure World (22,000 population). Such developments are designed for retired persons interested in a leisurely but active lifestyle within a self-contained community, in a climate conducive to year-round outdoor activity.

The proposal for an Alice Springs Adult Community is to cater for 20,000 to 25,000 people, located to make maximum use of existing facilities and infrastructure, while maintaining an independent identity and character in a self-contained town.

Subject to confirmation of the feasibility of the project, the Government intends to establish a specific authority (possibly modelled on the Palmerston Development Authority) to implement detailed planning and development of the community.

A number of investigation and research studies are to be undertaken to clarify details of this project, this study being one of them.

THE STUDY

Three alternative locations have been suggested as possible development sites for this community. These are the Alice Springs Commonage, an area approximately 25 kilometres south of Alice Springs and an area about 25 kilometres north of the town. No specific sites have been selected but the general locations are illustrated on the attached plan.

The primary task in this study is to evaluate the three alternatives against at least the following criteria and report on the advantages for each location. It will be necessary for the consultant to identify specific boundaries for the three sites evaluated.

Evaluation Criteria

- | | |
|-------------------------|--|
| Orientation | - Climatic factors (sun, wind)
- Vistas |
| Topography | - Ease of building construction
- Ease of pedestrian movement
- Stormwater drainage
- Vistas/aesthetics |
| Soils | - Ease of land development
- Potential for gardens/landscaping
- Potential for erosion
- Salinity of soils |
| Hydrology | - Surface water run-off
- Groundwater recharge areas
- Groundwater pollution potential
- Salinity of groundwater |
| Vegetation
(Natural) | - Shade
- Aesthetics/Conservation |
| Constraints | - Soils (salinity, rock, etc.)
- Drainage (swamp, recharge areas,
etc.)
- Buffers (roads, sewage ponds, etc.)
- Slope
- Airport noise |
| Convenience | - To Alice Springs facilities
- To rail and airport |
| Economics | - Broad cost comparison for roads
- Broad cost comparison for services
- Broad cost comparison for on-site
works
- Broad cost comparison for landscaping |

N.B. It can be assumed that the Commonage option will involve vacant Crown land. The other options would probably mean acquisition from Pastoral Leases.

DOCUMENTATION

The report is to be presented in A4 and/or A3 sheets with text and diagrams bound in one volume.

A draft report is to be submitted for comment prior to the Production of the final report.

20 copies of the draft report will be supplied; 50 copies of the final report.

TARGET DATES

The draft report is to be completed and submitted by 24 February, 1986.

The final report is to be completed and submitted by 31 March, 1986. (Comments on the draft report will be presented to the consultant by 14 March, 1986.)

LIAISON/MANAGEMENT

The study will be managed for the Government by the Department of Lands. All correspondence and other contact will be with the Secretary of the Department of Lands or his nominated Project Officer.

This study will be subject to the Department's "Standard Conditions of Engagement of Consultants".

ATTACHMENT 2

MARKET RESEARCH AND EVALUATION

A consultancy is currently being negotiated with Banks Consulting, market research specialists of high repute. The brief for the consultancy would provide for a phased program of works with reassessment of the program at the end of stage.

In summary, the research program would consist of the following stages:

- back data analysis - providing a comprehensive review of available market and general data with summary conclusions on consumer attitudes and perceived needs;
- opportunity research and definition - through a series of strategy workshops, make a preliminary identification of the opportunities and concepts of the community;
- strategy selection outline - a summary of possible strategic directions in a condensed format for side-by-side comparison, evaluation and selection of a preferred strategy;
- creative development - development of research stimuli to express the selected strategy in consumer terms;
- consumer groups - nine focus groups (3 Sydney, 3 Melbourne, and 3 in Alice Springs) to expand, refine and focus the concepts against their target markets;
- development blueprint - a summary document that outlines the consumer opportunity in positioning, product development and communication terms;
- feasibility study - once the opportunities have been qualitatively identified, they feed into a conventional

feasibility study for quantitative assessment of their market potential and projected dollar value.

The outcome of these work stages will be an orderly and definitive statement of:

- the characteristics of the target audience in attitudinal, behavioural and demographic terms;
- the combinations of man-made facilities, natural environments and people activities, cultural values and experiential highs that interlock with the target audiences' key aspirations to deliver high persuasion benefits;
- the optimal concept for the development, and how it translates physically, emotionally, socially and culturally into the selected side;
- specific strategies on how the development should be positioned, marketed and communicated to the target audience;
- a global plan of how the entire project fits together into an integrated product development, marketing and communication strategy.

Once these questions are answered, the output feeds into a feasibility study to assess the size and \$ value of the market and its probable return-on-investment.

ATTACHMENT 3

RETIREMENT HOUSING PROJECTS IN AUSTRALIA

An extensive search of available literature has confirmed that the project contemplated for Alice Springs is unparalleled in Australia.

The vast majority of housing projects aimed at ageing or elderly persons have strong welfare housing characteristics, are provided either by State or Local Governments or are sponsored and managed by charitable/community service organisations.

Privately financed schemes in Australia are a relatively recent phenomenon and have in recent years increased substantially in number. They are quite different to our proposed scheme in a number of significant ways:

- scale - generally small with less than 50 units although there are some exceptions with more than 100 housing units;
- location - overwhelmingly located in capital States;
- target population - marketing aimed at local population and it is understood that only a very few have come from locations which are at all distant;
- infrastructure - because of their size, such projects almost always depend upon existing "external" infrastructure with the exception in some instances of low level care facilities and recreation venues.

In addition to specific retirement housing projects, there are several examples of large scale, general purpose housing developments which have been marketed specifically with

mature age or elderly retirees in mind. They are mostly located on the northern New South Wales-southern Queensland coast and in Western Australia in coastal areas adjacent to Perth.

Although the present Australian scene lacks examples of direct relevance, some research is justified and should be undertaken at an early stage.

Research of particular relevance would cover the following aspects:

- pre-establishment research and investigations;
- occupant-specific socio-economic and demographic material;
- details on land titles, covenants, administration and regulation, turnover rates;
- legal complications and limitations.

Rather than be useful in the planning and development of an Alice Springs project, this research would likely be useful for general background information and object lessons to be borne in mind in defining our own scheme.

ATTACHMENT 4

RETIREMENT COMMUNITIES IN THE UNITED STATES

Attachment 3 pointed to the absence of Australian schemes of direct relevance to the Alice Springs project but concluded that some background research was necessary.

Examples of the greatest relevance to our proposals are mainly found in the United States. In addition to Australian-type small schemes serving a local population, there are a number of purpose-built communities catering for people in or approaching retirement age. These communities range in size from several thousand to larger conurbations of around 40 thousand such as in Arizona where there has developed a number of substantial adjoining projects.

Although these communities have common characteristics relating to size and purpose, there is considerable variety in financing methods, image, identity, marketing and, more importantly, success.

It is understood that Mr. Hanrahan and Mr. Coulter briefly inspected several successful examples of American retirement communities. It is essential that these visits be followed by detailed inspections and discussions with management. The communities investigated should be carefully selected to obtain cross-sections reflecting size, financing methods, location and degree of success.

A careful analysis of the above characteristics is of great importance to the planning of an Alice Springs project. As to the population at which the project should be aimed, it would allow the identification of the Australian parallels with the United States situation and enable us to benefit greatly from their experience. In particular, necessary and reliable information is necessary on the following:

- American development processes;
- land titling and regulation procedures;
- planning issues, including centralised controls and the role of governments;
- marketing strategies during pre-construction, construction and post construction phases;
- the role and nature of local government;
- development, ownership and control of public utilities.

It is considered that such research is of basic importance and a valuable shortcut to the planning which would otherwise need to be carried out. It would enable a shift in emphasis on time-consuming Australia-based research from an ab initio basis to one of validating key aspects underlying American developments.

It is envisaged that the necessary research could be undertaken over a period of 2 to 3 weeks and would concentrate on relevant projects in California and Arizona, although there are also useful examples located in Florida.

Subject to agreement, it is intended at an early date to seek the co-operation of senior management at selected communities to facilitate on-site research and investigations. It is also intended to canvass all available research of relevance to the topic. Particular emphasis would be placed on identifying the characteristics of these schemes of the American population to which retirement communities have been shown to be an attractive lifestyle alternative.

ATTACHMENT 5

ESTABLISHMENT OF AUTHORITY

In earlier meetings on this matter, the Chief Minister indicated that an Authority should be established at an early date to control the development of an adult community in Alice Springs. It was envisaged that Authority membership would mainly consist of prominent private citizens and that it would operate as much as possible along the lines of the Palmerston Development Authority. Draft legislation is presently being prepared by the Department of Lands.

It is considered that the appointment of members to the Authority would be premature in advance of the completion of basic research. That research will indicate the type and structure of the Authority best suited to the community's development. It is anticipated, however, that Government membership will be necessary to facilitate the Government's interaction on essential services and other facilities.

Before committing itself to any particular size and membership of Authority, it is important that this basic research will be carried out. It will identify the essential elements that will underlie the feasibility of the project and the nature and extent of Government involvement that will be necessary to maximise the project's potential.

It is nevertheless important that the proposed Authority have an early involvement in the early stages of this project. It was therefore decided by the Chief Minister that Mr. Tuzewski be appointed as interim Chairman and that he oversight and accept responsibility for developmental aspects, in conjunction with Messrs. Darben and Roodenrys.