

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

(a) Name of person giving notice:

N98433 **Urban Renewal Authority (trading as Renewal SA) ABN 86 832 349 553**

(b) Short description of business carried on by that person:

A project for the sale of residential land and new dwellings in the northern Adelaide area.

(c) Address in Australia for service of documents on that person:

**Matt Wilson
C/- Renewal SA
Level 9, Riverside Centre
North Terrace
ADELAIDE SA 5000**

2. Notified arrangement

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Contracts for the sale of vacant residential land

(b) Description of the conduct or proposed conduct:

Refer attachment

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

(a) Class or classes of persons to which the conduct relates:

(1) Purchasers of the vacant allotments referred to in paragraph 2(a) above

(2) Private builders in competition with the builder nominated by Renewal SA in respect of each vacant allotment

(b) Number of those persons:

(i) At present time:

Purchasers – Nil

Private builders - 3

(ii) Estimated within the next year:

Purchasers – maximum of 19

Private Builders – 3

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Purchasers - Not applicable

Private Builders – 3

1. Rivergum Homes Pty Ltd

(ACN 065 466 337)

387 – 391 South Road

Mile End SA 5031

2. Gasparin Homes

(ABN 56 422 037 870)

89 North East Road

Collinswood SA 5081

3. Steventons Construction Group

(ACN 088 110 294)

44 Nelson Street

Stepney SA 5069

4. Public benefit claims

(a) Arguments in support of notification:

Refer attachment

(b) Facts and evidence relied upon in support of these claims:

Refer attachment

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

Refer attachment

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

Refer attachment

- (b) Facts and evidence relevant to these detriments:

Refer attachment


7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

**Matt Wilson
C/- Renewal SA
Level 9, Riverside Centre
North Terrace
ADELAIDE SA 5000**

Dated..... 10 August 2015

Signed on behalf of the applicant


.....
(Signature)
Matt Wilson
(Full Name)

Urban Renewal Authority

(Organisation)

Manager, Special Projects, Urban Design & Planning

(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

ATTACHMENT

Background

1. The Urban Renewal Authority (trading as Renewal SA) (**Renewal SA**) is a statutory corporation of the South Australian Government pursuant to the *Urban Renewal Act 1995 (SA)*. Its functions include “to initiate, undertake, support and promote residential, commercial and industrial development in the public interest, particularly for urban renewal purposes” (section 7(1)(a)).
2. Renewal SA is currently managing the release of a number of parcels of land onto the market in the northern suburbs of Adelaide in a residential development known as “Playford Alive”.

The Playford Alive project involves the regeneration of the Peachey Belt suburbs of Davoren Park and Smithfield Plains and more than 500ha of greenfield development in Munno Para, Andrews Farm and Penfield. Playford Alive is a partnership involving Renewal SA, the Department for Communities and Social Inclusion (DCSI), the City of Playford and the local community.

Renewal SA will develop 339.8 Ha of greenfield land which will yield approximately 4,350 allotments providing some 6,100 dwellings. Renewal SA will also facilitate the redevelopment of public housing assets in the Peachey Belt including:

- the provision of 814 new or upgraded houses for public rental (built across the Greenfields and Renewal areas
- the refurbishment of 600 dwellings and
- the creation of more than 700 residential allotments in the Renewal Area.

As the developer of Playford Alive, Renewal SA is responsible for the following activities:

- Engaging with stakeholders and community
- Assembling / managing land and assets
- Delivering public realm and dwellings
- Master planning and design
- Co-ordinating and constructing regional infrastructure
- Creating and selling residential allotments and commercial development sites
- Facilitating the delivery of innovative and affordable housing
- Facilitating place activation
- Community development, employment and training

Project Vision

Renewal SA's vision for a special place

In the view of Renewal SA, Playford Alive is a special place that brings together established suburbs and new areas under one united purpose – to enhance quality of life in a vibrant community. This ambitious project – one of the largest of its kind in Australia – will deliver a range of benefits such as improving the supply of affordable housing and community amenities in Adelaide's north; boosting access to quality health care and education; and supporting skills training and economic growth.

By the time the project is completed in 2025, there will be some 40,000 people living in a community renowned for its outstanding facilities and open space – more than 30 hectares dedicated to sports grounds, parks, wetlands and reserves. Bike and walking trails linking these green open spaces will help promote healthier lifestyles for residents and visitors. A wide range of housing – with a focus on affordability - is on offer throughout the project area: from new land blocks to new homes and apartments as well as refurbished homes. Throughout this new community is a host of new facilities such as schools, a GP Super Clinic, railway station at Munno Para, parklands and an exciting new town centre that will set a new benchmark for retail and lifestyle in Adelaide's north.

Importantly, the Playford Alive urban development and renewal project is helping to drive major investment in infrastructure, training and services in the northern suburbs, creating jobs for many South Australians. In collaboration with the University of Adelaide, the City of Playford and the Federal Government, the Stretton Centre is being established to support enduring employment in Adelaide's north.

Current status

Since project commencement in 2008, Playford Alive has become a thriving new community at the gateway of the Barossa Valley.

- 20 residential stages have been released to the market in Smithfield Plains, Davoren Park, Andrews Farm and Munno Para with the sale of more than 1,000 lots achieved comprising:
 - In excess of 700 in Munno Para;
 - 113 in Andrews Farm; and
 - More than 200 lots in Smithfield Plains and Davoren Park.
- Renovation of more than 260 public housing properties with 174 retained by Housing SA and the remaining offered for sale.
- Construction of 147 new public housing properties.
- Delivery of a new railway station at Munno Para.
- Opening of new community facilities including a GP SuperClinic, a GP teaching and training facility, the Peachey Place Living Skills Centre, together with two new child care centres.
- Redevelopment and opening of the John McVeity Community Centre in Smithfield Plains
- Opening of three new schools:

- John Hartley School (R-7) in Smithfield Plains (opened late 2010);
 - Mark Oliphant College (Birth to Year 12) in Munno Para (opened in 2011); and
 - Adelaide North Special School in Munno Para (opened in 2014).
- The creation of a Town Park, two wetlands and other public open space reserves.
 - Opening of commercial premises within the Town Centre precinct including a vet, health club, McDonalds, Hungry Jacks, On the Run Petrol Station, three new restaurants and a hair dresser.
 - Construction commencement of a Woolworths Marketplace consisting of a new supermarket, retail specialty stores and restaurants due to open in October 2015.
 - The upgrade of Curtis Road and the partial upgrade of Peachey Road.
 - Opening of two display villages, in 2011 and 2015.
 - More than 2,100 people have taken part in The Works Program @ Playford Alive (training and employment programs) with more than 900 participating in work experience placements and more than 550 having gained paid employment placements.
 - The securing of more than \$10m in funding to support the Works Program @ Playford Alive.
 - Development and delivery of 5 Playford Alive Local Heroes Awards nights and 5 community fun days.
 - Creation of a Playford Alive Initiatives Fund and provision of more than \$680,000 to support 49 community organisations.
3. The part of the development to which this Notification relates is limited to 19 vacant allotments in stage 1 of a terrace housing precinct. Renewal SA has assigned each of the 19 vacant allotments to a particular builder.

As one initiative of the Playford Alive project, Renewal SA proposes to develop an innovative range of affordable housing on terrace allotments. The selection of three builders to undertake this project with Renewal SA resulted from a public expression of interest process ("EOI") where Renewal SA sought submissions from builders who were interested in undertaking innovative affordable housing projects within the Playford Alive project.

As a result of the EOI, the three builders will build on a maximum of 19 allotments to be created by Renewal SA to designs developed by the builders and Renewal SA in collaboration with a view to providing innovative and affordable housing dwellings on terrace allotments. Subsequent stages within the terrace precinct will not be specifically allocated to builders, but will be available for purchasers to choose any builder they wish.

Description of the conduct or proposed conduct (paragraph 2(b))

3. Each of the 19 vacant allotments will be offered to purchasers on the basis that any land contract that they enter into for the purchase of an allotment will be subject to a condition that settlement on the sale will not take place until the purchaser has entered into a building contract:
 - (a) with a builder nominated by Renewal SA to build a dwelling on that vacant allotment that complies with the design code approved by Renewal SA.
4. This restriction limits the building service provider able to be chosen by the purchaser of a vacant allotment to the building service provider nominated by Renewal SA.

Public benefit claim (paragraphs 4(a) and 4(b))

6. Although the purchaser must use the builder nominated by Renewal SA to construct a dwelling on the vacant allotment, the purchaser will be able to choose any building design offered by that builder, provided that such design complies with the development design code approved by Renewal SA.
 - This is a new form of housing development for the northern Adelaide housing market, which aims to increase density around the town centre precinct at an affordable price point. The builders have already committed significant time and expertise in developing the plans for the built form outcomes.
 - The terrace housing development has been designed in a fully integrated manner that provides a high quality streetscape, public realm and built-form design outcome.
 - This structure is providing homes to people from prices ranging from \$275,000 to \$334,000, which is providing affordable housing to South Australians.
 - There are only 19 homes being offered to the market through this arrangement with more than 4,300 lots being offered for sale during the course of the Playford Alive project.
 - By structuring the first release of terrace housing with specific builders, purchasers will save time and money in searching for appropriately designed and priced houses for construction
 - There are many other allotments, of various sizes and prices that are currently available to the general public for purchase without restrictions imposed in this small development.

Market definition (paragraph 5)

Without the proposed restriction, the relevant markets are (taking into account long term substitute possibilities):

- (a) Product – land zoned for residential development

- (i) geographical area: metropolitan Adelaide and near Hills areas (Gawler to Sellicks Beach and inland to Mount Barker/Nairne)
- (ii) functional level: retail sales
- (iii) temporal: continuously occurring
- (iv) suppliers: all owners of vacant land or land appropriate for redevelopment
- (v) acquirers: at large
- (vi) substitutes: residential rental market

(b) Product – building services

- (i) geographical area: metropolitan Adelaide and near Hills areas (Gawler to Sellicks Beach and inland to Mount Barker/Nairne)
- (ii) functional level: retail sales
- (iii) temporal: continuously occurring
- (iv) suppliers: licensed builders
- (v) acquirers: land owners
- (vi) substitutes: none

(a) Product – house and land packages

- (i) geographical area: metropolitan Adelaide and near Hills areas (Gawler to Sellicks Beach and inland to Mount Barker/Nairne)
- (ii) functional level: retail sales
- (iii) temporal: continuously occurring
- (iv) suppliers: developers (project home sales); ‘spec’ builders; vendors of established dwellings
- (v) acquirers: at large
- (vi) substitutes: products (a) and (b), acquired under separate contracts.

Public detriments (paragraphs 6(a) and 6(b))

6. The number of vacant allotments subject to this restriction (a maximum of 19) remains small in comparison with the total volume of residential building activity in the relevant geographical area. Purchasers are able to purchase many other residential allotments within the Playford Alive development and the relevant geographical area that are not subject to this restriction. Moreover, purchasers will be made aware of the requirement to engage the nominated builder before acquiring the allotment (and the building service provider allocated to each allotment), so that an informed decision can be made by the purchaser as to whether or not they wish to proceed with purchasing an allotment subject to this restriction.

7. The effect of the proposed restriction on building service providers in the area will not be significant. It is submitted that there is no public detriment from the proposed restriction.