

Notification of proposed collective bargaining with or without a boycott or exclusive dealing or resale price maintenance

Guidance in completing your notification to the ACCC

To lodge a notification of proposed:

- collective bargaining with or without a boycott or
- exclusive dealing or
- resale price maintenance

(the **notification**), you should include the information, data and documents outlined in this form. Where possible, each question should be answered fully and be substantiated with evidence. If a question is not relevant or where information is not available and cannot be reasonably estimated, please provide a brief explanation.

If the ACCC is not satisfied that the statutory test is met, it cannot allow the notification.

It is an offence to knowingly provide false or misleading information to the ACCC. Refer to section 137.1 of the *Criminal Code* (Cth).

Key points for lodging your notification

- We encourage you to consult the relevant guidelines and contact the ACCC at <u>exemptions@accc.gov.au</u> for a pre-lodgement discussion to clarify what information and evidence may be needed to assess your notification.
- Failure to provide sufficient information may render the notification invalidor otherwise impact the ACCC's ability to assess your notification.
- You should provide all relevant information and evidence you intend to rely on.
- Less weight will likely be given to a statement or submission that is not supported with corroborating evidence.
- A valid notification must contain:
 - a public version of your notification for publication on the public register. You should provide a clearly marked confidential version if you wish to claim confidentiality for parts of your notification. All confidentiality claims must be substantiated. The public version must contain sufficient information to enable public consultation on your notification
 - o a signed declaration by the notifying party
 - payment of the relevant fee (\$1,000 collective bargaining; \$2,500 exclusive dealing; \$1,000 resale price maintenance).

Information

Notifying party

- 1. Provide details of the notifying party, including:
 - 1.1 Name Oakden Developments Pty Ltd (ACN 653 869 624) (Oakden Developments) on behalf of Urban Renewal Authority ABN 86 832 349 553 (URA) and Oakden Rise Incorporated (yet to be incorporated) c/- Finlaysons Lawyers, L7, 43 Franklin Street, Adelaide Address SA 5000 Telephone number 653 869 624 ACN 1.2 Contact person Telephone number Email address

1.3 Description of business activities

Oakden Developments is a residential developer that has entered into a development agreement with Urban Renewal Authority (the South Australian Governments land owning entity) and intends to deliver 1600 dwellings. Additionally, Oakden Developments intends to deliver a café/restaurant, two swimming pools, a fully furnished gym, multipurpose rooms for community use (including meeting areas), parent facilities, bathroom and shower facilities, outdoor BBQ facilities and children's play areas (**Communal Facilities**) to be handed over to Oakden Rise Incorporated and run as community facilities for the owners and occupiers and surrounding residents of the Oakden Rise Development (being land held in Certificates of Title Volume 6257 Folios 128,129, 130, Volume 6226 Folio 969 and Volume 6256 Folio 495 (Land).

1.4 Email Address for service of documents in Australia.



Details of the notified conduct

- 2. Indicate whether the notified conduct is for:
 - 2.1 exclusive dealing (s. 47 of the *Competition and Consumer Act 2010* (Cth) (the Act);
 - 2.2 resale price maintenance (s. 48)
 - 2.3 collective bargaining (s. 93AB). If the notified conduct is for collective bargaining, whether the notified conduct includes a collective boycott.
- 3. Provide details of the notified conduct including:
 - 3.1 a description of the notified conduct

The Land owned by URA will be developed by Oakden Developments (the **Developer** a Villawood entity) to construct and deliver a total of 1600 dwellings and the Communal Facilities (**Oakden Rise**). Each dwelling will be sold on the

condition that the buyer;

- enters into the Oakden Rise Club Licence (Club Licence); and
- becomes a member of Oakden Rise Incorporated;

Please note, the entity that will own the Communal Facilities is yet to be incorporated but is to be Oakden Rise Incorporated (Facilities Owner)). The Club Licence will require a monthly fee to fund the maintenance and upkeep of the Communal Facilities within the Land.

The parties intend that:

- The Communal Facilities will be managed by a third-party operator engaged by the Facilities Owner;
- The Communal Facilities will be owned by the Facilities Owner, an Incorporated body with its members being owners within the Land.
- Construction will commence in approximately 18-24 months (with a sunset date for such construction to commence of 48 months) with completion a further 12 – 24 months thereafter whereby the Club Licence will come into effect; and
- The Club Licence is only for the ongoing use and maintenance of the Communal Facilities, the Developer will arrange for the construction of the Communal Facilities at its sole cost and expense.

3.2 any relevant documents detailing the terms of the notified conduct

- 1. Sale of Land Contract See Annexure A;
- 2. Encumbrance See Annexure A (see annexure D of the Contract);
- 3. Club Licence See Annexure A (see annexure F of the Contract);
- 4. Application for membership in Oakden Rise Incorporated (see attachment 1 of the Sale of Contract)
- 5. Villawood Industry Endorsements See Annexure B.

3.3 the rationale for the notified conduct

The requirement to participate in the Club Licence is to ensure the Facilities Owner is able to maintain the Communal Facilities for the benefit of the land purchasers, future residents and their families. The Club Licence will improve the efficiency of business operation and improve the quality of the facilities being supplied. The membership in Oakden Rise Incorporated ensures the longevity of the Communal Facilities beyond the construction of Oakden Rise by the Developer. It allows owners to be a part of the decision making regarding the Communal Facilities.

There are limited cafés, restaurants, swimming pools, gyms, multipurpose rooms, parental facilities, outdoor BBQ facilities and children's play areas within the local vicinity of the Land. Providing these facilities with a Club Licence will ensure purchasers, future residents, and their families have greater flexibility and choice when determining which facilities to utilise.

Additionally, Villawood has experience in delivering facilities of a similar nature to the proposed Communal Facilities. This previous conduct has received numerous industry endorsements from the government, media, business and importantly the community. To establish a successful community, it is essential that the Communal Facilities are constructed in accordance with the Club Licence. The Club licence will allow Oakden Developments to create and Oakden Rise Incorporated to

maintain a thriving community indefinitely following the construction of the Communal Facilities.

3.4 any time period relevant to the notified conduct.

Construction of the Oakden Rise Development is scheduled to begin in July 2025 and conclude in 2026. The Developer intends to begin selling dwellings this year.

4. Provide documents submitted to the notifying party's board or prepared by or for the notifying party's senior management for purposes of assessing or making a decision in relation to the notified conduct and any minutes or record of the decision made.

Not applicable.

5. Provide the names and/or a description of the persons or classes of persons who may be directly impacted by the notified conduct (including targets in collective bargaining or boycott conduct) and detail how or why they might be impacted.

The persons influenced by the notified conduct are not yet known to the notifying party, as they are impacted only once they have purchased a property within the Oakden Rise Development. However, this class of person is impacted by the Club Licence and membership application as they are required to enter into a licence and become a member of Oakden Rise Incorporated as a condition of purchasing land within the Oakden Rise Development. This is a financial condition which is made known to the purchaser prior to any agreement being entered. A purchaser may elect to acquire land elsewhere within the metropolitan Adelaide area, as the Oakden Rise Development does not represent a significant market share of residential land supply within these areas.

Existing Communal Facility owners may be impacted by the notified conduct. While unlikely, existing businesses may experience a reduction in market share due to the construction of the Oakden Rise Communal Facilities.

Market information and concentration

6. Describe the products and/or services, and the geographic areas, supplied by the notifying parties. Identify all products and services in which two or more parties to the notified conduct overlap (compete with each other) or have a vertical relationship (e.g. supplier-customer).

Oakden Developments intends on constructing 1600 dwellings, a café/restaurant, two swimming pools, a fully furnished gym, multipurpose rooms for community use (including meeting areas), parent facilities, bathroom and shower facilities, outdoor BBQ facilities and children's play areas within the Land. It is our understanding that within a five-kilometre radius of the Land there are approximately:

- 10 Gyms;
- No multi-purpose rooms;
- 17 food venues;
- 6 pools; and
- 3 tennis clubs.

Consequently, it is these businesses that the Club Licence may overlap with.

7. Describe the relevant industry or industries. Where relevant, describe the sales process, the supply chains of any products or services involved, and the

manufacturing process.

The proposed conduct will occur in the context of the residential property market in the Adelaide Metropolitan region of South Australia. The proposed conduct has the potential to increase competition between the existing gyms, food venues, pools and tennis clubs. However, the Land is currently vacant of residential dwellings; it is therefore our submission that the demand for the Communal Facilities will come from new purchasers of land and existing facilities will not be financially disadvantaged.

8. In respect of the overlapping products and/or services identified, provide estimated market shares for each of the parties where readily available.

The proposed conduct will affect a small share of the relevant market, as the 1600 dwellings will generate a demand for the proposed Communal Facilities and likely not disadvantage existing businesses.

- 9. In assessing a notification, the ACCC takes into account competition faced by the parties to the proposed conduct. Describe the factors that would limit or prevent any ability for the parties involved to raise prices, reduce quality or choice, reduce innovation, or coordinate rather than compete vigorously. For example, describe:
 - 9.1 existing competitors
 - 9.2 likely entry by new competitors
 - 9.3 any countervailing power of customers and/or suppliers
 - 9.4 any other relevant factors.

The proposed conduct may increase competition between existing Communal Facilities of similar nature. Following the completion of the 1600 dwellings, a demand for new competitors will likely increase due to the additional residents of the Oakden Rise Development. We submit that the proposed terms of the Club Licence do not overwhelmingly prevent or hinder potential or existing competition.

Public benefit

10. Describe the benefits to the public that are likely to result from the notified conduct. Provide information, data, documents or other evidence relevant to the ACCC's assessment of the public benefits.

The public is likely to receive an overwhelming benefit from the implementation of the Club Licence, specifically:

- Increased efficiency of business operations;
- Improved quality of communal facilities;
- Promotion of competition; and
- Creation of facilities that would otherwise not be commercially viable.

In previous developments overseen by Villawood there has been a clear benefit to the surrounding community by implementing facilities of a similar nature to the proposed Communal Facilities. These benefits are highlighted in the public testimonials and endorsements located in Annexure B.

Public detriment (including likely competitive effects)

11. Describe any detriments to the public that are likely to result from the notified conduct, including those likely to result from any lessening of competition. Provide information, data, documents, or other evidence relevant to the ACCC's assessment of the detriments.

Oakden Developments submits that no public detriment will result from the proposed conduct, as potential purchasers of the dwellings have the choice of many alternative developers and vendors to purchase land (both developed and undeveloped) in the Adelaide metropolitan region. We submit that existing suppliers of Communal Facilities will not see a decrease in market share due to the increased residents within the Oakden area.

We anticipate the possibility for a minimal financial detriment to the purchasers and future residents of the dwellings as they are required to pay a fee to maintain their Club Licence membership. Additionally, we consider that the maintenance of Communal Facilities under the Licence may be a competitive advantage against potential competitors.

Contact details of relevant market participants

12. Identify and/or provide names and, where possible, contact details (phone number and email address) for likely interested parties, such as actual or potential competitors, customers and suppliers, trade or industry associations and regulators.

The identities of the potential purchasers are unknown.

Given the limited impact of the proposed conduct Oakden Developments submits that there are unlikely to be any interested parties that would be affected by the proposed conduct.

Any other information

13. Provide any other information you consider relevant to the ACCC's assessment of the notified conduct.

Oakden Development consider it relevant to identify the legislative framework provided to organisations creating a Club Licence interstate. For example, the Associations Incorporation Reform Act 2012 (VIC) enables Victorian organisations to establish and maintain a Club Licence while being awarded legislative protection. Those legislative protections are not present in South Australia, despite Oakden Developments proposed conduct being the same as other Victorian organisations.

Organisations within Victoria currently utilise the Associations Incorporation Reform Act to establish and maintain Club Licences successfully. It is the opinion of Oakden Developments that the proposed conduct does not breach the legislative framework already provided to organisations interstate. Accordingly, in the ACCC's assessment of the notified conduct, it should be noted that Oakden Rise Incorporated proposed Club Licence would be permissible interstate and ought to be considered permissible in South Australia too.

Additional information for collective bargaining (with or without a collective boycott) conduct only

- 14. Confirm that the notifying party is not a trade union, an officer of a trade union or acting at the direction of a trade union.
- 15. Provide details (name, phone number, email address) of the persons who are current members of the group (contracting parties) on whose behalf the notification is lodged. If relevant, identify the classes of persons who may become contracting parties in the future and on whose behalf the notification is lodged.

16. Confirm each contracting party:

16.1 reasonably expects to make one or more contracts with the targets for the supply or acquisition of the relevant goods or services and

- 16.2 the value of each contract will not exceed A\$3 million (or any other amount prescribed by regulation) in any 12 month period.
- 16.3 Provide details of the basis for that expectation.
- 17. If the contracting parties propose to engage in a collective boycott with respect to the targets, provide details of:
 - 17.1 the event/s that would trigger a collective beycett
 - 17.2 the process that would be followed
 - 17.3 any proposed notice period to be given to the target/s prior to commencing a collective boycott and
 - 17.4 any proposed dispute resolution procedure between the contracting parties and the targets.

Declaration by notifying party

Authorised persons of the notifying party must complete the following declaration.

The undersigned declare that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the *Criminal Code* (Cth).



Signature of authorised person

Solicitor authorised by Oakden Developments

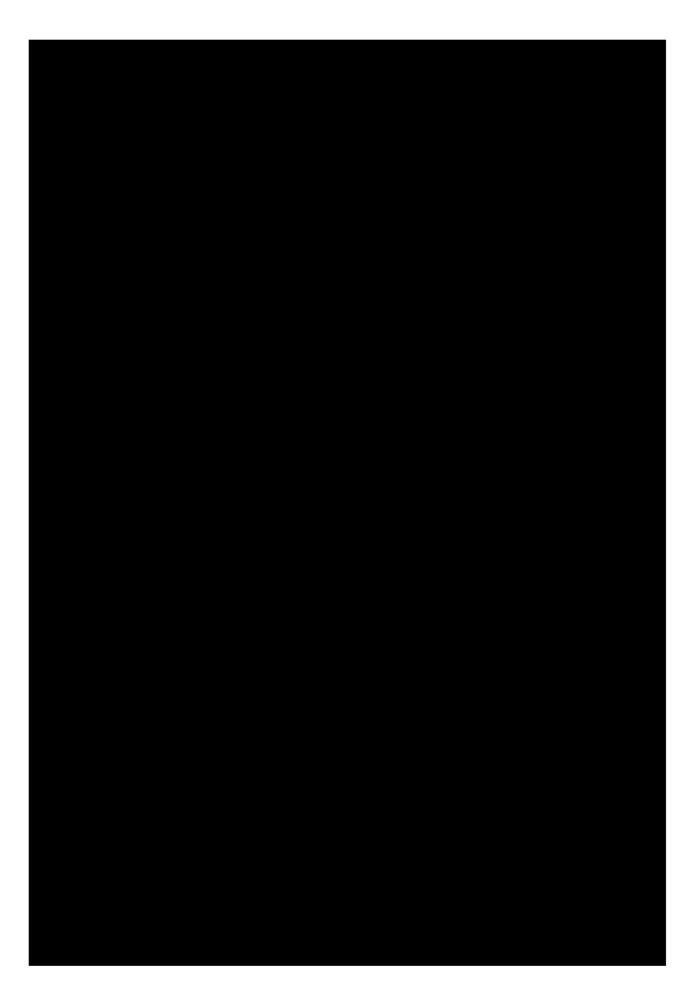
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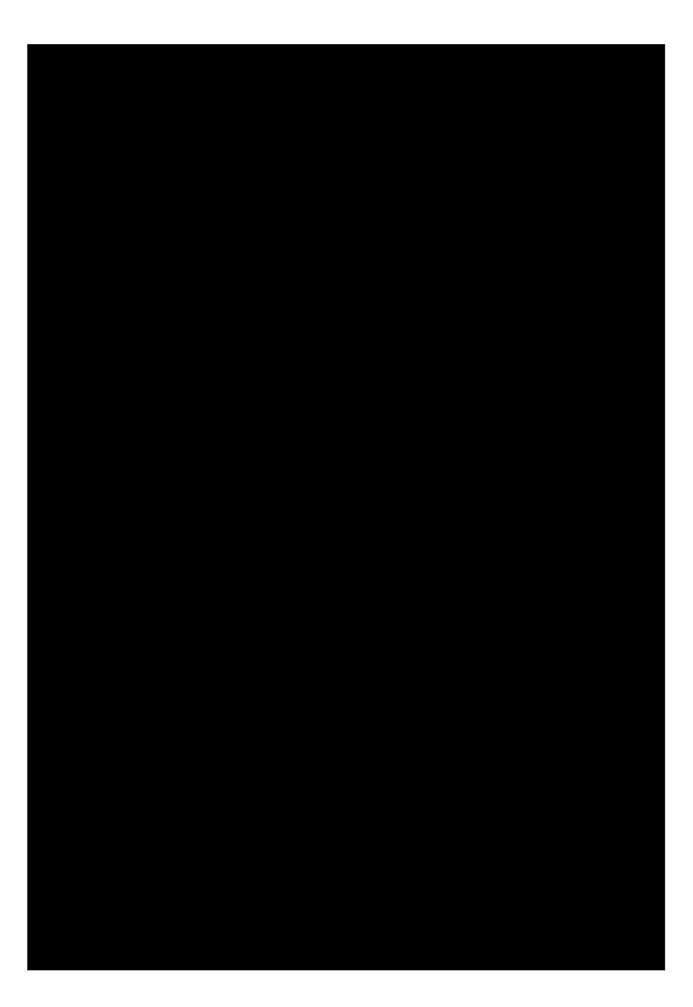
(Print) Name of authorised person

This 10th day of August 2022

Note: If the Notifying Party is a corporation, state the position occupied in the corporation by the person signing. If signed by a solicitor on behalf of the Notifying Party, this fact must be stated.

Annexure A - Sale of Land Contract





















Annexure B - Villawood Industry Endorsements



