



ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE

OLD REYNELLA FORMER WINERY SITE DPA

Kingston Room, Old Parliament House, Adelaide

Monday, 15 June 2020 at 10:05am

**(OFFICIAL HANSARD REPORT)
PARLIAMENT OF SOUTH AUSTRALIA**

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MEMBERS:

Mr S.J. Patterson MP (Presiding Member)

Hon. D.G.E. Hood MLC

Hon. T.T. Ngo MLC

Hon. M.C. Parnell MLC

Hon. A. Piccolo MP

Mr P.N. McBride MP

WITNESSES:

ALLEN, ANITA, Director, Planning and Development, Department of Planning, Transport and Infrastructure

JENKIN, SALLY, Team Leader, Planning and Development, Department of Planning, Transport and Infrastructure

1 The PRESIDING MEMBER: Thank you, Ms Allen and Ms Jenkin, for joining us this morning. I welcome you to our hearing of the Environment, Resources and Development Committee. I will introduce you to the committee members. To your right are the Hon. Mark Parnell, the Hon. Tung Ngo and the Hon. Tony Piccolo. To your left are the Hon. Dennis Hood and Mr Nick McBride. I am the Presiding Member, Stephen Patterson. We also have two parliamentary officers here, Dr Merry Brown and Ms Joanne Fleer. Hansard is here recording.

The hearing will be broadcast online via the parliamentary website. Members of the public are allowed to listen to the hearing via the website but are not invited to be present in the meeting because of the measures introduced in response to COVID-19. A transcript of today's hearing will be published on the committee's website. All persons, including members of the media, are reminded that the same rules apply as to the reporting of parliament. I understand, Ms Allen and Ms Jenkin, that information on committee processes and protections afforded to witnesses has been provided to you. Is that the case?

Ms ALLEN: Yes.

Ms JENKIN: Yes.

2 The PRESIDING MEMBER: I remind witnesses that in giving evidence to the committee you are protected by parliamentary privilege. This means that you are protected from legal action with respect to the evidence that you provide to the committee today. This protection only applies to evidence given at the hearing and published by the committee. You are not protected if you publish your evidence elsewhere or repeat your evidence outside of the hearing. The committee prefers to hear evidence in public where possible. If there is any matter you wish to discuss in private, please indicate this to the committee at the start of your evidence. Unless you have any questions, I invite you to introduce yourself, make a presentation, including an opening statement, after which we will follow with questions and discussions from the committee. Thank you. Go ahead.

Ms ALLEN: I am Anita Allen. I am Director of Planning and Development. I have asked Sally if she could do the opening statement for us today.

Ms JENKIN: I am Sally Jenkin. I am Team Leader of DPAs at the department. Thank you, Chairman and members of the committee. This DPA was prepared by the City of Onkaparinga and was approved by the Treasurer as the minister's delegate. The DPA rezones 32 hectares of land, currently containing a Bunnings store; it was also the site of the former Hardys winery. Prior to the rezoning, it was industrial land which means that commercial and industrial activities, including warehousing and bulky goods, could occur at the site, even adjacent to the existing residential areas.

The rezoning divided the site into three zones. The Bunnings warehouse will be contained in an urban employment zone. The heritage buildings will be in a suburban activity zone

to provide for medium density residential development, up to three storeys, and other integrated mixed use development and also public open spaces. A residential zone will adjoin the existing residential zone with a policy to allow lower densities at the interface. The DPA underwent an eight-week consultation process and 60 submissions were received. The council directly notified all residents in the surrounding area and held community information sessions.

A number of issues were raised during the consultation process, including increased traffic and road safety, retention of significant trees, the impact of smaller housing on the surrounding lower density housing, heritage protection and concern about the loss of the vineyards, and stormwater. In regard to these issues, one needs to consider that the existing zone was already an employment zone so that any development application could be assessed against any of those issues.

There are six state heritage places and three local heritage places associated with the former winery. The DPA does not change the extent of listing and policy requirements for assessment of any of these developments. Under the code, they will be covered by the local and state heritage places overlay and an adjacency overlay will apply for 60 metres of these sites. This will ensure that development adjacent to the heritage places will not dominate, encroach or unduly impact on the setting of those places.

The state heritage unit has formally advised it has no concern for the rezoning and in fact acknowledges that the rezoning may assist in the restoration of those buildings. In addition, the concept plan supports the retention of the few vines on the north of the site which run to the road, which is considered part of the context of the heritage listings.

Council has undertaken a detailed traffic analysis which considered the safety of access points and stormwater investigations in finalising the DPA and is happy that the proposal deals with those issues. The development policy is supported by the concept plan, and provides guidance to ensure the retention of significant trees and heritage places, appropriate stormwater and traffic responses. The developer will have to provide 12.5 per cent open space and, in addition, the concept plan shows areas where public open space should occur.

In regard to the increase in housing density at the residential interface, it should be noticed that while existing houses are low density around the site—they are about 700 square metres—the policy that actually applies to those houses allows housing down to 325 square metres and up to two storeys, so anybody in the surrounding area could redevelop down to that area. The actual rezoning at the interface has a 400 square metre minimum allotment size, so they actually have a higher minimum allotment size and also they have a higher allotment width of 12 metres and they can still go to two storeys.

Council, because of their concerns with the local area, did ask the minister, after they lodged it for approval, to amend the DPA. They wanted to permit only single-storey dwellings in the residential zone. He decided not to go down that path because all residential areas across Adelaide normally allow up to two storeys and it would not be reasonable to expect this area to only be single storey. The council also wanted to apply 18 per cent public open space to the site when the legislation provides and expects 12.5 per cent, and council and the developer worked together with the concept plan about where the open space should occur on the site.

The council also requested a heritage conservation area be provided over the site. The state heritage branch has said the existing heritage values of the site are already well protected by the state heritage items and local heritage items. It did not consider that more broadly the vines across the area needed protection because they didn't demonstrate that reality. Thank you. Any questions?

3 The Hon. M.C. PARNELL: Just looking at the screen, were there maps and things you are going to show us?

Ms JENKIN: Yes, I can show you some maps. That's the existing site there. As you can see, it was all an industrial area. The building to the south is the Bunnings store, and the heritage buildings are to the north of the site. At consultation it shows three areas: a residential zone, the urban employment zone covering the Bunnings site, and at the top corner the suburban activity node. This was slightly amended at the approval stage to enlarge the suburban activity zone, and then there was a concept plan developed. That shows where some of the local roads and access points

should go in response to submissions. They did a fair bit more work on that to make sure that it was safe.

There is a buffer down the southern end between the employment zone and the residential area. Where the pink hashing is just shows that that they've got lower density residential requirements, so they need eight metres from the back of the house to the back of the boundary. The open space is also shown on there.

4 The Hon. M.C. PARNELL: What I was going to ask doesn't specifically just relate to this. We are still getting DPAs coming through whilst we are also on the cusp of the new system. Is the intention that every part of the policy that's in this DPA—it's now operational because it's gazetted—will be just translated exactly into phase 3 of the Planning and Design Code, including concept plans? We had one previously where I think there was a concern that the concept plan wasn't going to be included in the Planning and Design Code, so will this be included?

Ms ALLEN: Thank you for that question. Yes, what we are trying to do is align the zoning that's in the Planning and Design Code as closely as possible to what's in the development plan today, whether that was previously or as part of the transition process. In terms of concept plans, where concept plans are required to support infrastructure delivery, particularly when you're talking about things like access points and the staging of development, we are supportive of that, particularly if it is a more strategic development site where it's going to evolve as it goes. It's quite likely that the commission would support a concept plan like this and commend that to the Minister for Planning, who ultimately made the decision on the final code.

5 The Hon. M.C. PARNELL: I am just getting my head around the fact that the actual decision-maker will be the minister.

Ms ALLEN: Correct.

6 The Hon. M.C. PARNELL: But you've got no reason to believe that the minister, having thought that this concept plan was a good idea now, in a few months time won't still think it's a good idea to incorporate it into the Planning and Design Code.

Ms ALLEN: Yes.

7 The Hon. M.C. PARNELL: So expect to see it; okay. The other aspect, the lot sizes, is always one that's going to be controversial. You have mentioned the existing residential areas. I think you said they were, on average, about 700 square metres, but technically they could do two-for-ones there already because they could get it down to 325.

Ms JENKIN: That's correct.

8 The Hon. M.C. PARNELL: Each 700 block could be divided in half.

Ms JENKIN: That's right.

9 The Hon. M.C. PARNELL: But within this area, it's going up to 400 square metres.

Ms JENKIN: Just in that transition area; that's right.

Ms ALLEN: With the broader setback to the rear, so the eight-metre setback of the dwelling to the rear as well, so there is quite a bit of interface policy there to support the transition process.

10 The Hon. M.C. PARNELL: In relation to the open space, the minimum for a development like this is the 12½ per cent, and that's what the minister settled on. The council wanted 18 per cent. Was there a particular part of this site where council wanted extra open space?

Ms JENKIN: Not that I'm aware of; they haven't identified to us that there was any. I should also add that in the mixed-use area, because of the heritage buildings, there will be a lot of public realm and open space within the area as well because they will need to keep that open. So it might not just be parks within the residential area, but there will be more open public areas within that zone, too.

11 The Hon. M.C. PARNELL: I'm not familiar with the site. Are the state heritage buildings and the local heritage currently used and occupied or are they just boarded up? We have a state planning policy on adaptive re-use. Are there plans for these heritage buildings?

Ms JENKIN: I would have to ask the proponent that question, but the state heritage branch did say in their statement that they thought this was a good opportunity to re-use those buildings in a better way, an economic way.

12 The Hon. M.C. PARNELL: So this was a proponent-funded DPA, wasn't it?

Ms JENKIN: That's correct. It was through the council.

13 The Hon. M.C. PARNELL: Yes.

14 The PRESIDING MEMBER: You mentioned the rear setbacks. If you could maybe explain what the rear setbacks are for the existing residential developments as well and then compare it to what this new DPA would consider.

Ms JENKIN: I'm pretty sure they are about four metres.

Ms ALLEN: The setback is currently four. This is eight, so it does mean that the dwelling is sited closer to the front of the property, rather than to the rear.

15 The PRESIDING MEMBER: The effect is that there will be further setback in the new development than what is potentially allowed in the existing surrounding residences.

Ms ALLEN: Yes.

Ms JENKIN: So residents were—

16 The Hon. A. PICCOLO: Set back or set forward?

Ms ALLEN: Set from the rear allotment boundary because that's the interface.

17 The PRESIDING MEMBER: That's what I was meaning.

Ms ALLEN: Yes.

Ms JENKIN: They will have bigger backyards.

18 The Hon. M.C. PARNELL: Bigger backyards.

Ms ALLEN: Bigger backyards.

19 The PRESIDING MEMBER: So eight metres from the back fence—

Ms ALLEN: To the dwelling.

20 The PRESIDING MEMBER: —to the dwelling.

Ms JENKIN: That was because a lot of residents were used to the vineyards behind their back fence, so the council wanted to adjust the boundaries for that.

21 The Hon. T.T. NGO: The council wants 12.

Ms JENKIN: The actual width of the allotments is 12, so they are actually wider than the width in the other areas where it's nine metres for the existing residential areas. They are saying they should be 12 in this area, so they are actually larger allotments. They are wider and they've got a bigger backyard.

22 The Hon. T.T. NGO: I have a question. Local member Nat Cook organised a local community meeting and she had a submission and she made some good suggestions about local area traffic. Was that taken into account or was that mainly just too low down that council had to deal with those sorts of suggestions? Is that right?

Ms JENKIN: My understanding is that all the comments she raised were considered at the approval stage and the council did further work and adjusted the concept plan. When they do the land division application, they will have to reconsider what was actually proposed and the best response at that time using the policy and the Development Act.

23 The Hon. T.T. NGO: So more like council's work?

Ms JENKIN: That is council's work, as part of the development application stage.

24 The Hon. T.T. NGO: I understand that, with a lot of those issues, obviously the local resident and the local member would know a lot more than the department making a policy.

Ms JENKIN: That's right, yes.

25 The Hon. T.T. NGO: I thought it's important that some of those issues be taken into account, but it's not your role.

Ms JENKIN: They are local roads, so they are council-owned roads.

26 The Hon. A. PICCOLO: Can I just clarify that the issues raised by the local MP are not issues in your opinion that need to be addressed at this level or—

Ms JENKIN: The majority of them were addressed because they were part of the consultation. Some of those issues are the ones we have spoken about wanting even less density. The minister and the council decided in different ways that what was there was appropriate. A lot of the really fine detail will be dealt with at the development application stage. Council is saying, 'Look, we think we can deal with the traffic.' My understanding is that there is still ample capacity within those roads to cater for this traffic, and with the amount of traffic, the outcome from this site is only going to be minimal. That was from the council's traffic report.

27 The Hon. A. PICCOLO: If this is endorsed and goes ahead, it doesn't prevent those issues that are raised in the local MP's letter—

Ms JENKIN: No, they will be dealt with—

28 The Hon. A. PICCOLO: —from being addressed.

Ms JENKIN: That's right.

29 The Hon. D.G.E. HOOD: You mentioned the new requirements are an eight-metre setback from the rear boundary to the dwelling. How is the dwelling defined? Does that include an undercover area, for example? If you had that right across the back of a house, is that considered a dwelling or is that open space?

Ms JENKIN: Usually, it wouldn't include a verandah; however, there would be other policy that would support how much covered space you would need across the back.

Ms ALLEN: Generally, it's to the main face of the wall, so the wall of the dwelling. If you put a verandah over it, on top, then there is a requirement for how much site coverage you can achieve overall, so you would need to consider that, but it is a different consideration. Really, what we are talking about is the setback of the massing, which is really the building itself. The verandah is an open structure, so it's looked at in a slightly different way.

30 The Hon. D.G.E. HOOD: If you had the wall, and then that was theoretically eight metres from the fence, and then you had a three-metre coverage of an outdoor dining-type area, then that could be included as part of the yard, so to speak?

Ms ALLEN: It could be, yes. You would still need to assess whether it was a really massive verandah with huge—

31 The Hon. D.G.E. HOOD: That's a council decision, presumably.

Ms ALLEN: Yes.

32 The Hon. D.G.E. HOOD: And that they have to meet the open space criteria, also the setback, and that's all. Am I right?

Ms ALLEN: They will have the setback from the rear, they will have the proportion of the site that can't be covered, and they will have their private open space requirements that come together.

33 The Hon. D.G.E. HOOD: In general, with this plan, it seems to be that the blocks are getting bigger, the setbacks are slightly larger, that if you could put two on 700 now that's going to be hard because there is a minimum of 400 requirement. Who's driving that?

Ms JENKIN: That was the council that drove that and put that in the DPA for approval.

34 The PRESIDING MEMBER: Just to clarify that, Dennis, the existing 700, from my understanding, is that they will have a minimum block size of 325.

Ms JENKIN: That's right.

35 The PRESIDING MEMBER: So they are not changing that for the existing residence surrounding it; it's just within—

36 The Hon. D.G.E. HOOD: Understood—it's just within the new area.

Ms JENKIN: The new area is not divided, so they will probably go right to the 400 to start with.

Ms ALLEN: It is a relatively conservative policy position that has been taken here to respond to the concerns about it being an open setting before and now becoming a development site. That's why more generous setbacks and allotment sizes have been selected at the interface to deal with that particular local concern. They are quite generous allotment sizes, generous frontage widths and generous setbacks.

37 The Hon. D.G.E. HOOD: A 12-metre frontage allows for a double garage, presumably, on those blocks?

Ms ALLEN: Yes, 12 metres is quite a large frontage width.

38 The Hon. D.G.E. HOOD: It allows for a double garage?

Ms ALLEN: Definitely; you can get a double garage, your built-form outcome. You can get that down to around 10, though—a double garage.

39 Mr McBRIDE: Thank you for your presentation. It is just interesting in the sense of this generosity and the development, e.g., the size of the block is 400 metres, 12 metre frontages. Basically, I am trying to understand what the community's sentiment was and whether you've won that argument. Obviously, there's talk about being an open area of vineyards and those sorts of things.

Those of the community who probably appreciated the fact that there was a vineyard in the back door, did you win them over by saying, 'Oh, this is not as many houses as it could be. Oh, they're going to have a bigger backyard than it would really go if it was somewhere else. And we've got 12-metre frontages now, rather than 10,' for example? Did that actually win any persuasion for those who really would like to have seen the vineyard stay there in the first place? That's just from a community perspective. I am wondering how DPTI then was able to manage or win any arguments from that point of view.

Ms ALLEN: Just to be clear, it wasn't us that had the debate with the local community. It was really led by the council, and that's the position they ended up taking after that consultation process concluded. While at the end of that process they did come back to the minister with some additional requirements, the fundamentals of that separation and setback were addressed.

40 Mr McBRIDE: Just to clarify, because I was right: it was probably a council negotiation and the discussion they had. Did you hear whether the council are now held in a higher light or a higher regard for a not as closely densely housed area than it could have been?

Ms JENKIN: All I can advise is that if there's a lot of community objection we often still get letters direct to the department. Other than one from the MP, we haven't received any, so that shows that there aren't significant outstanding issues.

41 The PRESIDING MEMBER: If I can ask about some traffic issues, principally around Burgoyne Drive, which is the top left in that concept plan. How many traffic movements are expected to come out of that primary access point?

Ms JENKIN: I would have to go back through the paperwork to check on that, but it always depends on what is actually proposed as well in future development applications, especially in that mixed-use area.

42 The PRESIDING MEMBER: Is that where the main residential ingress and egress is perceived to come from, or is it going to be directed to Panalatinga Road?

Ms JENKIN: And to Panalatinga, yes; so both ways.

43 The PRESIDING MEMBER: In the end, do you feel that the local traffic management has been addressed?

Ms JENKIN: Yes, definitely.

Ms ALLEN: It is a similar question we often take around traffic. This is a hypothetical proposal in terms of exactly what will happen on this site, and until you have the detailed design of the land division layout you won't know exactly what the traffic volumes will be and also what types. You might not get the take-up by commercial that you expected, or you might have a slightly different make-up of the mixed-use area, and that could alter it.

Really, we're just talking about, for a DPA purpose, a range of traffic that you are most likely to get, given the zoning of the site, but that could certainly vary. The main thing for us is that the traffic can be accommodated at its highest and making sure that the detailed design work can then happen. We are comfortable that the local traffic can be managed as generated from this site, and we will need to work through the detail of how they make that work most effectively at land division stage.

44 The PRESIDING MEMBER: I notice that you have the Coast and Vines Trail around there as well. In terms of trying to make pedestrian and bike access into the development, it seems to me that would be the sensible place.

45 The Hon. A. PICCOLO: On that question you raised—and I apologise if I have missed it and you have already mentioned this—what is the mechanism for enabling the infrastructure to be put in place? One of the things that is a real bugbear is that you have an application, that application doesn't make the threshold for certain infrastructure to be done, the next one does the same and the next does the same, but when you've got three added together then you've got chaos.

What is the mechanism in this particular development to make sure things are picked up? I assume there is some sort of infrastructure in place to do that. I have some examples in my own town where we didn't, and so we had Coles go there and no traffic requirements were made because they didn't meet the threshold, and then Bunnings went there and by themselves they didn't do it, and then Aldi went there. There was chaos, and the taxpayer then had to pick up the whole tab. What is to stop that occurring in this development?

Ms JENKIN: My understanding is that they are local roads. There was no need to have any deed with the state department for traffic.

46 The Hon. A. PICCOLO: What you're saying is that the local roads will be able to pick up all the additional traffic?

Ms JENKIN: No, but there was no identification of a need to do any traffic deeds for the state government. In terms of local government, you can deal with that at the DA stage if it directly affects those local roads.

47 The Hon. A. PICCOLO: Sorry, I've heard that story before, with all due respect, Sally. That was said in Gawler and now it's cost the state government and the taxpayer \$7 million.

Ms JENKIN: We really are better these days at—

48 The Hon. A. PICCOLO: I understand that. I'm trying to understand how much better, and how it actually is better here. You haven't given me an answer to that yet.

Ms ALLEN: Can I just address that. At the end of the day, there is strategic infrastructure planning when it comes to our road network, and at the state level we do strategic infrastructure planning about where the growth and changes are most likely to happen. There is some responsibility for the state government, of course, to invest in roads to a degree that—

49 The Hon. A. PICCOLO: You are asking the state to do it. That's not the question.

Ms ALLEN: I understand that. That is then to allow for the growth of our state, economic development and residential growth, so there is an expectation around that. When an individual developer comes in, we evaluate to see whether their particular application is substantive enough to require more significant upgrade to an intersection or its access point to a state road. In this case, the decision has been made that that is not necessary.

At the local government level, they do the same. They do the local area traffic management plans, and the local traffic management plans identify where they need to put in strategic investment, which will be public investment. Then when a development comes in such as this they evaluate whether that is going to create the demand, this particular site creating demand that needs to be resolved through an agreement with the developer and the council.

Normally that comes through a deed of agreement, and if a council thinks it is necessary they can negotiate that as part of the rezoning process, just like we do at the state level. Should they not consider it necessary at this stage, they can still re-evaluate that at the land division stage. Particularly if there is direct access onto a council road, they need approval from the council to access their road and therefore can negotiate how that access is developed and the cost of that access to their local road. That's the general approach to how we deal with transport infrastructure.

50 The Hon. A. PICCOLO: That's what we have now. I am not convinced by that argument, that a developer will come in and say, 'This is what we're offering,' and the council could just deal with the local development assessment panel and actually refuse it. I have seen many of those matters go to court. The policy framework is not in place to demand that. So what is the policy framework for a council to demand that?

You are saying that this new development will not create additional traffic that will warrant more public infrastructure requirements, whether state or local. If they are required, depending on the densities of the mixed use, etc., what is the policy framework to make sure that happens? To say that the council can just refuse it—sorry, I don't buy into that one because I have seen that many times. That power exists today, and it doesn't happen. The contrary has happened on numerous occasions. What I need clarified is: what are the instruments available to make sure that can be picked up properly, if not at this stage, at the next stage?

Ms ALLEN: The instruments are a deed of agreement between the council and the developer—

51 The Hon. A. PICCOLO: Which we don't have. You have told us we don't have.

Ms ALLEN: They have not prepared one. The council has determined it not to be necessary at this point of time. They could have taken that view and requested a deed of agreement, and they haven't done that. That's the main instrument. The other instruments that are available are under the PDI Act. The Planning, Development and Infrastructure Act provides new mechanisms to deal with this issue that we don't have now under the Development Act.

52 The Hon. A. PICCOLO: Specifically?

Ms ALLEN: There are the new infrastructure scheme provisions. I am more than happy to provide more information to this committee if it is of interest to you. I can provide you some documentation to set out how those schemes work. There are a range of different schemes. There is a basic and a general infrastructure scheme, and they are set up for different types of infrastructure provisions. They can be more site-specific, like around a locality, or they can be much broader. For example, at a site like this, you could put an infrastructure scheme over that site and the surroundings if it was determined that everyone might need to contribute to the scheme.

For example—and I am not suggesting we go down this path, but this is the sort of mechanism—if this site was generating traffic, you could put an infrastructure scheme over it that would look at the long-term strategy for them to support and fund infrastructure. If it was determined there were a number of developments within a locality that were contributing to that, the scheme could be set up over a whole number of different landowners' sites and manage how they contribute to that growth and change over time.

Often, that is part of the negotiation about what the state's contribution might be, what the local contribution might be and what the private developer's interests might be because quite often there are multiple benefits that come out of any infrastructure improvement. It's not only

the site here, for example, that would benefit if streets were upgraded. So it's a mechanism to look at that more holistically, and it's about assigning the beneficiary to who pays for the infrastructure. The new act does provide a much better framework for us going forward, but we don't have that at the moment. The only opportunity we have at the moment is to use deeds of agreement.

53 The Hon. A. PICCOLO: Between the current act and the new act coming into place, is there going to be a gap when applications could be lodged, which means only the current laws apply?

Ms ALLEN: This policy environment is in operation today, and there is no infrastructure scheme over it at the moment.

54 The Hon. A. PICCOLO: So the answer is yes.

Ms ALLEN: Correct.

55 The Hon. M.C. PARNELL: But there is no development application either, is there?

Ms ALLEN: There is no development application.

56 The Hon. A. PICCOLO: Not today.

57 The Hon. M.C. PARNELL: There could be tomorrow.

Ms ALLEN: Like I said, you can still work through a deed of agreement arrangement should the council consider it necessary to update where the site interfaces with the council transport network.

58 The PRESIDING MEMBER: Would it be fair to say that, because the council hasn't asked for it at this stage, they are across it and don't feel the need for an infrastructure scheme?

Ms JENKIN: At the moment, the traffic report said that there was spare capacity even with the proposed traffic generated from this site, so there was enough spare for traffic. If there needed to be any speed adjustments, they could work that out later on.

Ms ALLEN: In some respects, it's a matter for the council to be satisfied about the local conditions, and it's a matter for the state to make sure the state interests around traffic are addressed, which is what we have done.

59 Mr McBRIDE: In some of the information, it talks about stormwater and management of stormwater. This is a question probably more for just the south of Adelaide and in regard to some information about McLaren Vale, the shortage of water for the vineyard industry down there and so forth. It's not just this development but overarching for south of Adelaide. Are there any plans in place to capture stormwater for the use of agricultural purposes in the south of Adelaide? Obviously, we are talking south of Reynella and so forth here.

Ms ALLEN: Can I take that one on notice?

60 Mr McBRIDE: Sure.

61 The PRESIDING MEMBER: I think that's the questions done. Thank you very much for your attendance and your evidence given to the committee. We will provide you with a copy of the transcript to review afterwards.

THE WITNESSES WITHDREW

WITNESS:

BLANKS, JEREMY, Chief Executive Officer, Tarac Properties Pty Ltd

62 The PRESIDING MEMBER: I will just read you the statement, so bear with us. You may have heard it while you were sitting there, but we will go through it properly. I welcome you formally to today's hearing of the Environment, Resources and Development Committee and I will introduce the committee members. To my left and your right are the Hon. Mark Parnell, the Hon. Tung Ngo and the Hon. Tony Piccolo. To my right and your left are the Hon. Dennis Hood and Mr Nick McBride. I am Stephen Patterson, the Chair. We also have parliamentary officers, Dr Merry Brown and Ms Jo Fleer.

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Mr BLANKS: Yes.

63 The PRESIDING MEMBER: I remind witnesses that in giving evidence to the committee, you are protected by parliamentary privilege. This means that you are protected from legal action with respect to the evidence that you provide to the committee today. This protection only applies to evidence given at the hearing and published by the committee. You are not protected if you publish your evidence elsewhere or repeat your evidence outside of the hearing.

The committee does prefer to hear evidence in public where possible. If there is a matter that you do wish to discuss in private, please indicate this to the committee at the start of your evidence. Unless you have any questions, I will invite you to introduce yourself and make an opening statement, followed by questions and discussion with the committee. Thank you, go ahead.

Mr BLANKS: Good morning. My name is Jeremy Blanks and I am the Chief Executive Officer of Tarac Properties, who is the owner of the site in its entirety. Firstly, I would like to thank the committee for the opportunity to come and speak to you this morning. I don't have anything specific to speak to. I did make a short written statement to the committee, which I am sure you have, which was really about the opportunity to be here and answer any questions on the finer grain, the non-technical planning issues and anything to do with the background of the site or anything of that nature. That's the purpose of me being here this morning.

64 The Hon. M.C. PARNELL: Thank you and thanks for coming in. This is not a common situation, because it is a very large holding of land in a single ownership. Your company has effectively paid for the work to be done by the council and there is obviously toing and froing—there is the community, there was the local member, there is the department.

At the end of the day, as the owner, are you happy with what has been put in the *Government Gazette*? What didn't you get that you wanted? The reason I ask that question is because this committee really only has a couple of functions: we can either say we like it, we don't like it or we think the minister should make some more changes, so here is your opportunity to tell us what it is you like or don't like about what was gazetted.

Mr BLANKS: That's a very good question. The process we went through was very long and my understanding is it was more comprehensive than the minimum required at this stage. At the end of the day one of the things that appealed to us about this site was the fact that it is a large single holding and it created the opportunity for somebody to master plan it, so rather than having to line up multiple different owners and the complexities of that, it is there as one piece. I refer to it as the hole in the middle of the doughnut. When you look at an aerial photograph of the site, it is completely surrounded by residential land uses and has been since probably the 1980s.

When we bought the site we had three simple things as our objectives: we wanted to be able to retain and bring employment into the south, we wanted to be able to create a master-planned residential community, and we wanted to create an environment where the majority of those heritage items could be adaptively reused. Heritage reuse and the jobs are the two hardest parts for the site.

We bought the site in 2016. Under current zoning, which is primarily non-residential, we have brought three new businesses to the site. You asked a question before about the heritage buildings. Accolade Wines still occupy the majority of those heritage buildings. They stayed on the site. We have brought Bunnings, which has brought about 130 jobs. We have brought Minda Commercial Enterprises to the site, which is just under 200 jobs, and we have just recently leased one of the other buildings to another company which we understand will bring about another 50 or 60 jobs. So we have gone from 180 jobs on the site to somewhere between 400 and 500 jobs.

The north-east corner of the site we see as an opportunity to create both more employment but also some appropriate residential uses. The concept with the residential was to endeavour to do it in a way that is as much like-for-like as practical, and that was where we started. I guess if there is somewhere where we were not in agreement with the council, it's on that interface, because what we are now providing is something that has bigger lots, bigger frontages and bigger setbacks than what is permitted on the existing lots next door. There was a bit of an issue of, I guess, equity and fairness that we thought didn't quite fit, but we accept that that is the trade-off, and we are looking at the site holistically and what we can do with the whole site for the community and for the region.

65 The Hon. D.G.E. HOOD: Can I just ask about the company's attitude towards the larger blocks? You touched on it just a moment ago, but it is different from what surrounds it. Can you explain your view of that change?

Mr BLANKS: There are a few elements to that. There was a desire by the council to create more of a sense of openness, I think, between the land that we have on the interface with the existing allotments, and the setbacks, and the larger lots—meaning physically less houses on that boundary—were intended to do that. The downside of that is you can create less houses which means that, in terms of housing supply into this region, physically there will be less houses.

The planning concept right from the start was less density towards the boundary and more density towards the middle of the site, away from the existing housing. That concept has been achieved but not as effectively as it would have been if it was like-for-like on the boundary between our site and the existing houses.

66 The Hon. D.G.E. HOOD: Does it impact housing affordability at all, given that there will be larger blocks and presumably larger houses given the footprint requirements?

Mr BLANKS: The short answer is probably, but with a housing subdivision of this size, from our point of view, it's really important that you can create some variability in the types of housing that you put in there. We don't want to see one type of housing across the whole site, so the short answer is, yes, but we can work with it.

67 The Hon. D.G.E. HOOD: And does it impact your profitability at all, given those restrictions?

Mr BLANKS: Inevitably it does, yes.

68 Mr McBRIDE: Thank you, Jeremy. Not so much about this development, but a question about the new planning laws that come into play in the next six months probably, hopefully: are you excited by the new planning laws? I ask that not in a mischievous way. Perhaps one of the advantages is it is taking away power from local council; in other words, if you tick boxes in the planning code, and you don't have to go through council, because you are meeting the code's description, let's call it, will that make your development processes easier?

Mr BLANKS: Well, that is an interesting question because I think the proof will be in the pudding.

69 Mr McBRIDE: You are not fully aware of what is going to be rolled out?

Mr BLANKS: I know what's happening, but in terms of understanding practically how that will roll out and whether it will be easier is a question that is very, very hard to answer at this stage. I know and agree with and support the concept that it is meant to be easier, I think, but whether it actually plays out that way is hard to know.

Having said that, in the process, to the extent that we have been able to have input, given that it's a council-driven process, we did have thought for what the likely zones would be under the Planning and Development Code for what we looked at here as a way of making that transition as easy as possible.

70 The Hon. D.G.E. HOOD: As a quick follow-up if I may, you mentioned that the company acquired the land back in 2016. Here we are in mid-2020, and we are still at the design approval process stage. Is that unusually long?

Mr BLANKS: Rezoning is notoriously a long, complex process. Is it unusually long? I probably haven't done enough to know what the average period is.

71 The Hon. D.G.E. HOOD: Had you anticipated it being this length of time?

Mr BLANKS: No, but I think the reality for us was that in the middle of our process we had a local government election cycle and a state government election cycle, and both of those tended to slow the process down.

72 The Hon. D.G.E. HOOD: Presumably during that time your company has borne significant interest costs and the like for holding—

Mr BLANKS: Holding costs.

73 The Hon. D.G.E. HOOD: And that will impact on the overall feasibility of the project in the medium term to longer term.

Mr BLANKS: Yes, correct.

74 The PRESIDING MEMBER: My question would be around the local traffic. I talked before about the top left, which is the north-western corner of the development, just around Burgoyne Drive. Do you see that as where a lot of the residential traffic will go out of in the master plan, or do you see it more moving them to Panalatinga Road and out through that use?

Mr BLANKS: Traffic was something that got a lot of airplay through the process, but it was also something that we had done quite a lot of work on prior. When we got development approval to have Bunnings come to the site, that required us to do a significant upgrade to our intersection with Panalatinga Road. So we have paid for and installed traffic lights at that intersection. That paves the way for an access from the residential component to Panalatinga Road, but the majority of the traffic is expected to come out through Burgoyne Drive.

We did a lot of work with the council and also the local residents because initially that Burgoyne Drive main residential access was going to be directly onto Reynell Road, and that was highlighted as creating some problems. We solved all of those problems by shifting it to Burgoyne Drive. As part of that process, we are also looking at realigning Corn Street. So there is a series of changes that have been integrated into this plan as a result of the consultation.

75 The Hon. D.G.E. HOOD: Just following on from my earlier train of thought, Mr Blanks, if the interest costs have been significant, as I am sure they have, in holding the property for this length of time, is that likely to impact your selling costs of the land, ultimately, to consumers?

Mr BLANKS: At the end of the day, the market will tell us what we can sell the land for. We took the risk to buy the land without the rezoning—without knowing firstly whether it would happen or not, what the content of that would be and how long it would take. This part of the market is very price-sensitive and it will tell us what it can afford.

76 The Hon. M.C. PARNELL: I have one other question and if you have no comment, that's fine; I possibly should have directed it to the government officers. Looking through a letter we received from the Onkaparinga mayor, it seems that they basically sent it to the minister saying, 'We're happy with this,' then one month later they have another council meeting and they have

second thoughts, and all of a sudden it's, 'Can you add these extra three things in as well?' Did that take you by surprise?

Mr BLANKS: Yes, it did.

77 The Hon. M.C. PARNELL: Was it just local politics? Do you have any insight as to why that happened? I would have thought that having sent it in, following quite extensive consultation and 60 or so submissions, and a month after they have submitted it for approval to then add more things in, that is an odd way to proceed.

Mr BLANKS: I would agree with that but I won't comment any further.

78 The Hon. A. PICCOLO: Quite a bit has been said about the allotment width from 10 metres to 12 metres and also the allotment size. How many fewer allotments do you get overall? Have you done that calculation?

Mr BLANKS: I couldn't give you an accurate answer off the top of my head.

79 The Hon. A. PICCOLO: My guess would be a marginal amount rather than a huge amount. It's not like 30 or 40 per cent more or less; it's a much smaller amount than that.

80 The Hon. D.G.E. HOOD: It's 20 per cent, because two metres is 20 per cent.

81 The Hon. A. PICCOLO: Not necessarily.

Mr BLANKS: It's a combination of factors. One way of looking at it is: because those lots are a minimum of 400 square metres, they're about 23 per cent larger than what would have otherwise been permitted, but when you combine it with a minimum frontage, it changes all of the dimensions. My guess is that it's probably somewhere between 15 and 30 allotments, as an estimate.

82 The Hon. A. PICCOLO: Did you also make the decision that providing housing choice would actually still help the development?

Mr BLANKS: Housing choice? Yes, absolutely. One of the things that was very important to us is that the non-residential components of this development are an investment for us. We intend to hold them long term. We wanted to ensure that whatever we get permission to do on our boundary is a good thing because we are there for the long haul. It's not a case of, 'Do the development, move on and we can leave a mess.' It was very, very important to get that combination right.

83 The Hon. A. PICCOLO: From your point of view, it was actually from marketing the whole development—it was important to have that housing choice?

Mr BLANKS: Yes, absolutely.

84 The Hon. T.T. NGO: Just following up from Dennis' questions about the project, with COVID-19 and potentially high unemployment, regarding the changes in allotment size, is your company concerned about the potential viability of the projects that are going to come up in the next few years? Can you see a big headwind coming your way?

Mr BLANKS: If we look at it in terms of the general economic impact of COVID-19, yes, we have concerns. I think it is too early to tell what the impact on the housing market is going to be in terms of affordability and demand. We will have to watch and see what happens, but inevitably I think there is going to be a slowdown that is going to take longer to get that demand to where we would like it to be. As I've mentioned before, this is a long-term project for us, so if the economics say, 'You're not going to be able to sell enough blocks within 12 months or two years,' then we'll just have to wait. We will look at it in a staged manner so that we can control that market element.

85 The Hon. M.C. PARNELL: I do have one more question. We have been offline for a while, but all of a sudden we are back online now. What the council is saying in relation to open space is that Tarac promised more than 12.5 per cent. They say that the company promised it at an elected members briefing, and they say that's why they wrote to the minister later saying, 'Can we bump it up from 12.5 to 18 per cent?' So, here is your chance to correct that record: did Tarac promise that there would be more than 12.5—

Mr BLANKS: No.

86 The Hon. M.C. PARNELL: —and did you give a number, or have they misunderstood?

Mr BLANKS: We didn't make a promise. What we did say was that, if particular other elements could be incorporated, we could look to providing more than the 12.5 per cent. It was never a promise and it relied on other things, and it would be fair to say that, by the time we take minimum 400 square metre lots, minimum eight-metre setbacks, minimum 12-metre frontages, it kind of changes the economies of how much more open space can be provided.

87 The PRESIDING MEMBER: Thank you for your evidence today; the committee really appreciates that, and your taking the time to come along. We will provide you with a copy of your transcript for you to review afterwards. Thank you for your attendance today.

88 Mr McBRIDE: We wish you all the best.

Mr BLANKS: Thank you for the opportunity.

THE WITNESS WITHDREW