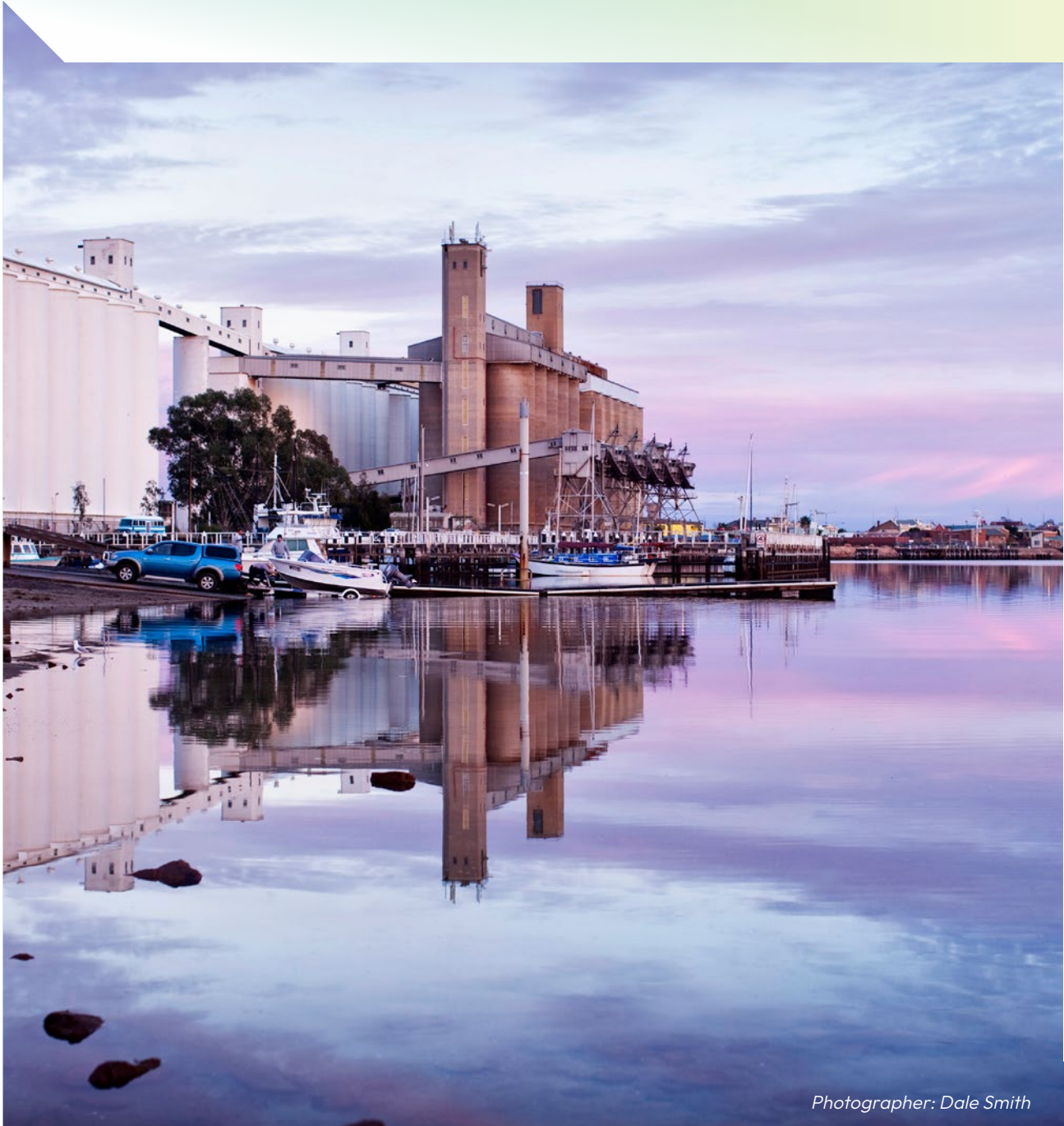


Expression of Interest
Port Pirie

Long term government lease commitments
and infrastructure contributions

**OFFICE FOR
REGIONAL
HOUSING**



Photographer: Dale Smith

Supporting
regional growth
through housing



Renewal SA

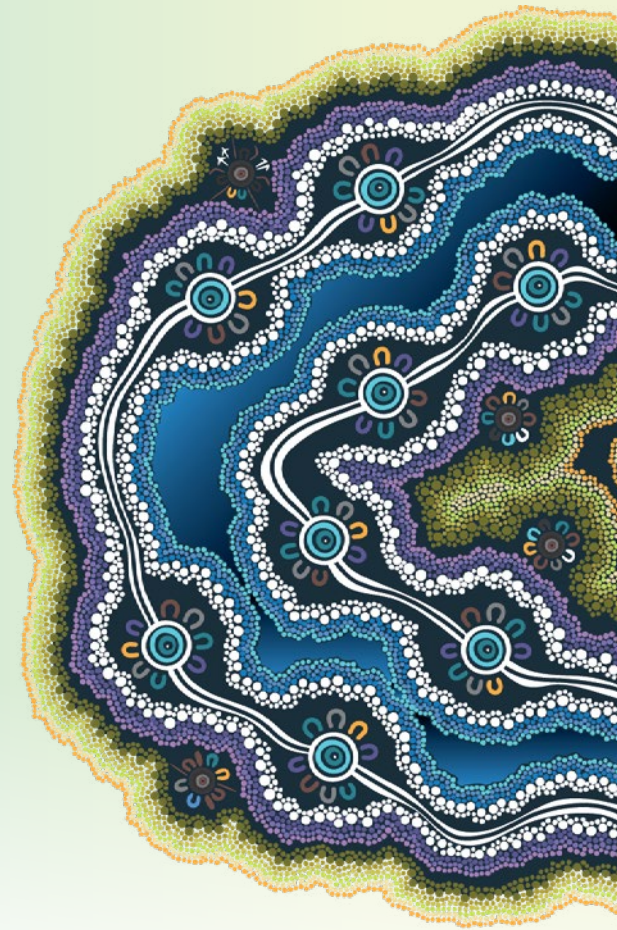
Acknowledgement of Country

Renewal SA acknowledges that the Land intended to be developed is located on the traditional Country of the Nukunu people of the Port Pirie township and northern regions.

We respect and support their spiritual relationship with Country and connection to their land, waters and community.

We also acknowledge and extend our respect to the Traditional Owners and Custodians of the Lands throughout South Australia.

As an organisation that is passionate about creating a better future for all South Australians, we are committed to working with First Nations peoples to ensure Culture and Country is respected in everything we do and is represented through our people and projects.



Introduction and scope

Renewal SA, in partnership with Department for Infrastructure and Transport's Government Employee Housing (GEH), is conducting an Expression of Interest process, seeking a Developer/s to construct up to 10 dwellings for government workers in Port Pirie as part of a new housing development.

Backed by a 10-year lease commitment from the South Australian Government, this increase in rental housing supply will assist in maintaining the important health, education and police services of the city and provide long-term investment opportunity for a Developer.

Renewal SA is further incentivising development in Port Pirie by contributing capital of up to \$1 million towards the cost of constructing infrastructure if the Developer/s creates additional serviced allotments as part of their development.

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From the Director

South Australia's regions are vital to the state's prosperity, contributing more than \$30 billion annually across key industries such as farming, fishing, mining, energy, manufacturing, and tourism.

Renewal SA's Office for Regional Housing is dedicated to partnering with local governments, economic development agencies, developers, builders, and employers to address housing shortages in regional South Australia.

Renewal SA aims to be a catalyst for residential, commercial, industrial, and urban renewal projects that create lasting impacts for South Australia. By increasing the supply of quality, affordable homes, the Office for Regional Housing is helping to improve economic growth and quality of life in our regions.

Port Pirie is a major service and industrial centre for the Mid North

region of South Australia that has significant opportunity for further growth. The region is experiencing a significant housing and rental shortage that the state government is seeking to address.

As the urban development agency for the Government of South Australia, Renewal SA invites proposals for this significant development opportunity in Port Pirie.



Matt Hunt

Director, Office for
Regional Housing

Port Pirie

One of the earliest declared ports in Australia, Port Pirie played a key role in the export of commodities and grain harvested from across the northern regions of the state.

The port grew rapidly following the expansion of the railway network in the 1870s and 1880s. Main streets were laid out to follow the curve of the creek, and some of regional South Australia's most iconic civic buildings were built along Ellen Street.

The city is home to a globally significant multi-metals processing facility. Owned by Nyrstar Australia, the facility has been in continuous operation since 1889 and employs approximately 800 people – one of the Upper Spencer Gulf region's largest employers.

Beyond its vibrant business community, Port Pirie serves as a major regional centre providing key services including health, education, retail and recreation for the wider Mid North region. Key facilities include the Port Pirie Regional Hospital and associated health services, several public and private schools including boarding houses, Uni Hub Spencer Gulf, TAFE SA campus, regional art gallery, Northern Festival

Centre and the Memorial Oval function centre and sporting precinct. Port Pirie has an enviable lifestyle with city-level services in a country location.

The state government employs hundreds of workers in Port Pirie and will continue to do so to support this growing region. To help attract and retain this essential workforce, the state government facilitates access to rental housing and subsidises rental costs for qualifying staff.

As Port Pirie continues to grow and thrive, the state government is committed to ensuring that the workforce critical to providing essential services has access to high-quality housing. The offering of long-term rental commitments for up to 10 dwellings represents part of this ongoing commitment.



The opportunity

LONG TERM LEASE COMMITMENTS

The Office for Regional Housing (OfRH) is seeking to stimulate housing developments throughout regional South Australia. Through the Regional Key Worker Housing Scheme Pilot Program (RKWHS), the OfRH is directly delivering at least 35 dwellings throughout regional SA. The RKWHS is constructing the dwellings for the Department for Infrastructure and Transport's Government Employee Housing (GEH). GEH provides rental housing to eligible state government workers.

The OfRH continues to expand the RKWHS through partnerships with the private sector and local government. Most recently, the OfRH released land at Kloeden Reserve, Whyalla, seeking a Developer/s to purchase the land and construct 10 rental dwellings backed by long-term lease guarantees.

This EOI is seeking a Developer or multiple Developers to construct a minimum of three and up to 10 rental houses for government workers as part of an expansion of the RKWHS. The OfRH is seeking a total of 10 rental houses to be constructed which may be split over multiple developments by multiple developers.

The Government of South Australia will commit to provide long-term leases over the houses for use as GEH dwellings. This will provide the successful Developer/s with 10 years of guaranteed rental income along with maintenance and tenancy management services, with make-good provisions at the end of the lease.

A copy of the lease form for these dwellings to the Government of South Australia has been included within this EOI (see Appendix A).

The GEH dwellings are required to be built within a maximum 30 months from the Development Agreement being entered into with Renewal SA and will be leased to the state government for a minimum of ten years, at market rental rates. This will be determined by an independent valuer and adjusted periodically in accordance with the terms of the lease. Acceptance of this principle is an absolute requirement of the successful Proponent/s.

The Development Agreement (or similar) will stipulate the ongoing lease commitment and requirements of the Developer/s.

These dwellings will accommodate essential government service workers including teachers, police officers, and healthcare professionals. The dwellings can either be retained by the Developer or sold to third-party investors with the leases attached.



The opportunity

INFRASTRUCTURE CONTRIBUTION

Renewal SA understands one of the key constraints for land development in regional SA is the cost of infrastructure. This is particularly evident in regional areas where land values are significantly lower than in metropolitan areas, while infrastructure delivery costs are higher.

As an incentive to a Developer to commit beyond the construction of up to 10 dwellings, Renewal SA will provide up to 50% of the civil infrastructure costs, including road, footpath, landscaping, water, power and/or stormwater infrastructure. The contribution will be for civil infrastructure works within the development site only.

- The contribution will be capped at \$50,000 per allotment, up to a maximum contribution of \$1,000,000 (GST exclusive).
- The Developer must provide evidence of infrastructure costs to access the contribution. The incentive does not apply to the allotments where GEH dwellings will be built, only to the 'additional allotments' created. The Proponent can apply for fewer than 10 dwellings but must build at least three dwellings to qualify.

Larger developments with more allotments have greater chance of success.

There is only \$1 million available in total. If there are multiple developers seeking an infrastructure contribution and they are selected by the evaluation panel, the total contribution amount will be split across multiple developments. Through the evaluation process, Renewal SA may choose to allocate a lower amount of infrastructure contribution than requested by the Proponent. Renewal SA will retain the ability to allocate the contribution amount at its absolute discretion.

EXAMPLE 1

Developer A commits to construct the 10 GEH dwellings and will construct an additional 10 allotments to access the infrastructure contribution. The total cost of civil infrastructure is \$2 million for the development.

50% of the civil infrastructure costs would equate to \$1 million however, as Developer A is only constructing 10 additional allotments and the maximum funding per additional allotment is capped at \$50,000, Developer A is eligible to receive \$500,000. i.e. 10 allotments x \$50,000 per allotment = \$500,000 (GST excl.).

If Developer A was to construct 20 additional allotments as well as the GEH dwellings, it could receive up to \$1 million in infrastructure contribution. For example: 20 allotments x \$50,000 per allotment = \$1 million (GST excl.).

EXAMPLE 2

Developer B commits to construct six GEH dwellings and will construct five additional allotments.

Developer B is eligible to apply for the six GEH dwellings and would be eligible to apply for an infrastructure contribution as well. The total cost of infrastructure is \$1.5 million.

Developer B could receive 50% of the civil infrastructure costs which would equate to \$750,000 however, as Developer B is only constructing five additional allotments and the maximum funding per additional allotment is capped at \$50,000, Developer B is eligible to receive \$250,000. For example: five allotments x \$50,000 per allotment = \$250,000 (GST excl.).

EXAMPLE 3

Developer C commits to construct 10 GEH dwellings and 30 additional allotments.

The total cost of civil infrastructure is \$1.5 million for the development.

Even though Developer C is developing 30 allotments and therefore could apply for a \$1 million infrastructure contribution, it is only eligible for a 50% contribution to civil infrastructure costs, therefore it is eligible for a \$750,000 (GST excl.) contribution. For example: 50% of \$1.5 million infrastructure = \$750,000 (GST excl.).

The process

Renewal SA is conducting this EOI to identify a Developer/s with the expertise and financial capacity to deliver the best outcome for the state.

Without limiting any of its other rights, Renewal SA reserves the right to alter the EOI process, including suspending or terminating it, changing its nature, or omitting any stage, or adding additional stages.

Key milestones

Expression of Interest Released

**Thursday,
3 April 2025**

Last Queries Time

**5pm (ACST),
Thursday 15 May 2025**

Expression Interest Closing Time

**5pm (ACST),
Thursday 22 May 2025**

Notification of Preferred Proponent/s

Late Q2 2025

Renewal SA and Successful Proponent/s enter into Development Agreement (or similar) and Infrastructure Agreement (or similar), subject to government approvals.

Q3 2025

NEGOTIATION, DOCUMENTATION AND FINAL APPROVAL

The Preferred Proponent/s may be offered a period of exclusivity to negotiate, finalise and document all matters relating to the Development Agreement (or similar) to enable the construction of the GEH dwellings.

The final proposal and proposed Development Agreement (or similar) will then be presented to the government for consideration and, if deemed appropriate, for approval. The Development Agreement (or similar) will clearly articulate the housing that will be constructed for GEH, the timelines for construction and the ongoing rental commitments.

To access the infrastructure contribution, the Proponent will be required to enter a formal agreement, Infrastructure Scheme (or similar). The agreement will clearly articulate the civil infrastructure that will be required to be developed by the Proponent and the way the infrastructure contribution will be made.

As set out in the Terms and Conditions, see Appendix B, (and without limitation to anything contained therein), no legal or other obligations will arise until formal documentation is executed.

Supplied by Regional Development Australia Yorke and Mid North



Evaluation Criteria

Submissions will be evaluated against the following Evaluation Criteria to determine the Proponent's capability to meet the objectives and requirements specified in this EOI.

Proponents are encouraged to provide sufficient detail to ensure an effective evaluation can be conducted. Submissions must address the following:

Criteria	Outline
Experience and capability	<p>Proponents are required to:</p> <ul style="list-style-type: none"> ▼ Demonstrate experience in delivering projects or housing of a similar scale ▼ Provide details of the team specifically involved in the development ▼ Demonstrate technical and financial capability and capacity to deliver the housing within the proposed timeframe and in accordance with the Key Contractual Principles (KCPs) ▼ Confirm the suitability of the team and business directors, ensuring they are fit and proper persons ▼ If applicable, provide evidence in delivering serviced residential allotments in South Australia.
Development outcomes – land division	<p>Proponents must provide details of the proposed development and outcomes, including:</p> <ul style="list-style-type: none"> ▼ Location of the proposed land division including the relevant lead risk area rating ▼ Plan of division, master plan or similar ▼ Summary of any sustainability measures to be employed, such as water-sensitive urban design, landscaping plans, etc ▼ Proposed timing/program of the land division ▼ Evidence of any statutory approvals in place or lodged ▼ Identification of any known infrastructure constraints on the proposed development, e.g. water, sewer, power, etc.
Development outcomes – GEH dwellings	<p>Proponents must provide details of proposed delivery timeframe of the project, including:</p> <ul style="list-style-type: none"> ▼ Location of the proposed GEH dwellings within the development ▼ Concept plans for the GEH dwellings including site plans, elevations and floor plans ▼ Confirmation of compliance with minimum specifications as set out in Appendix C ▼ Summary of any building sustainability measures, such as passive solar design, light coloured roofs, water efficiency measures, sustainable building products, etc ▼ Construction methodology, e.g. modular, traditional, prefabricated, etc ▼ Proposed timing/program of the GEH dwellings ▼ Evidence of any statutory approvals in place or lodged.

Evaluation Criteria

Criteria	Outline
Development program and timing	<p>Proponents must provide details of proposed delivery timeframe of the project, including:</p> <ul style="list-style-type: none"> ▼ Estimated timing to obtain approvals and commence works on site ▼ Staging plan (if applicable) ▼ Assumed length of project and estimated completion date ▼ Indicative program to meet timeframes in accordance with the Key Contractual Principles.
Commercial terms	<p>Proponents must provide details of key commercial aspects of their proposal, including:</p> <ul style="list-style-type: none"> ▼ Evidence of the proponent's financial capacity and ability to construct the GEH dwellings and (if applicable) develop the serviced allotments ▼ Indicative rental expectations for the GEH dwellings (for each type) ▼ Expectations on the sale price of the allotments (if applicable) ▼ Evidence of the cost of civil infrastructure to deliver the serviced allotments including quotes, invoices or other relevant information ▼ Detail on the cost of construction for the GEH dwellings.

The GEH dwellings and allotments cannot be within the 'high risk' lead risk area as identified in the map in Appendix D. Proposals for GEH dwellings and allotments within the high-risk area will not be considered.

GEH dwellings and allotments will be considered within the 'lower risk' and 'medium risk' lead risk areas. GEH dwellings and allotments are preferred to be within the 'lower risk' lead risk area over the 'medium risk' lead risk area.





Development Agreement structure

Key Contractual Principles (KCPs) have been developed as part of this EOI (see Appendix E). This document sets out the key commercial terms and risk allocation required by Renewal SA for the formal legal contractual arrangements to be entered into between Renewal SA and the Proponent/s. Renewal SA expects full acceptance and compliance with each KCP.

Once Renewal SA has selected the successful Proponent/s, a Development Agreement will be negotiated and entered into between Renewal SA and the Developer which will be the overarching legal document that will set out the terms of the agreement and incorporate the principles set out in the KCPs.

An Agreement for Lease (AFL) will be part of the Development Agreement, which GEH and the Developer will be required to enter with respect to the development of the GEH dwellings. The AFL will be a 10-year lease agreement plus an additional five years right of renewal for up to 10 dwellings. Each long-term lease will be individual for each dwelling.

The Developer will be able to sell the dwellings however each dwelling will have the long-term lease attached to the title.

All costs associated with attaching the lease commitment to the title will be borne by the Developer.

A draft lease can be seen in Appendix A.

The Developer/s is obligated to commence promptly, undertake, and complete all development works per the Development Agreement.

To be considered, the Developer must submit an Expression of Interest that meets these terms.

Infrastructure contribution agreement structure

The Proponent will be required to enter a binding agreement (or similar) to access the capital contribution. The agreement (or similar) will articulate what civil infrastructure the Proponent will construct, timelines for delivery, payment amount and method.

The completed infrastructure will be inspected and approved by Renewal SA or its nominees to ensure its proper delivery. Inspection could be undertaken in conjunction with Port Pirie Regional Council or relevant service authority.

Payments will be provided once the civil infrastructure is constructed as per the agreement and agreed milestones.

Next steps

Applications will be assessed against the criteria and short-listed Proponent/s will be invited for further discussions.

Renewal SA reserves the right to negotiate with the preferred Developer/s before making a final decision.



Renewal SA Works Program

The Works Program builds capacity and generates economic development in communities through training and employment initiatives. Through Renewal SA's urban renewal activities, the Works Program creates local jobs, supports social enterprise and builds capacity within communities.

Economic development commitment clauses are written into Renewal SA-managed contracts to ensure our contractors provide a range of work experience, industry immersion, and paid employment opportunities for participants.

These opportunities provide invaluable experience, helping participants to develop employability skills, prepare them for the workforce and assist with career pathway decisions by providing insight into a wide range of industries.

The Works Program team will work collaboratively with the Successful Proponent/s to design and deliver training, employment and engagement opportunities aligning with development of the land and construction of the GEH houses.

Cultural heritage

Renewal SA is committed to best practice cultural heritage management practices to ensure the vision for reconciliation is realised.

It is Renewal SA's expectation that the future developer of the site, will employ best practise cultural heritage management procedures as prescribed by Aboriginal Affairs and Reconciliation.



Lodgement

Submissions are to be lodged via email by 5:00pm (ACST) Thursday 22 May 2025.

Email – **OfficeRegionalHousing@sa.gov.au**

Enquiries

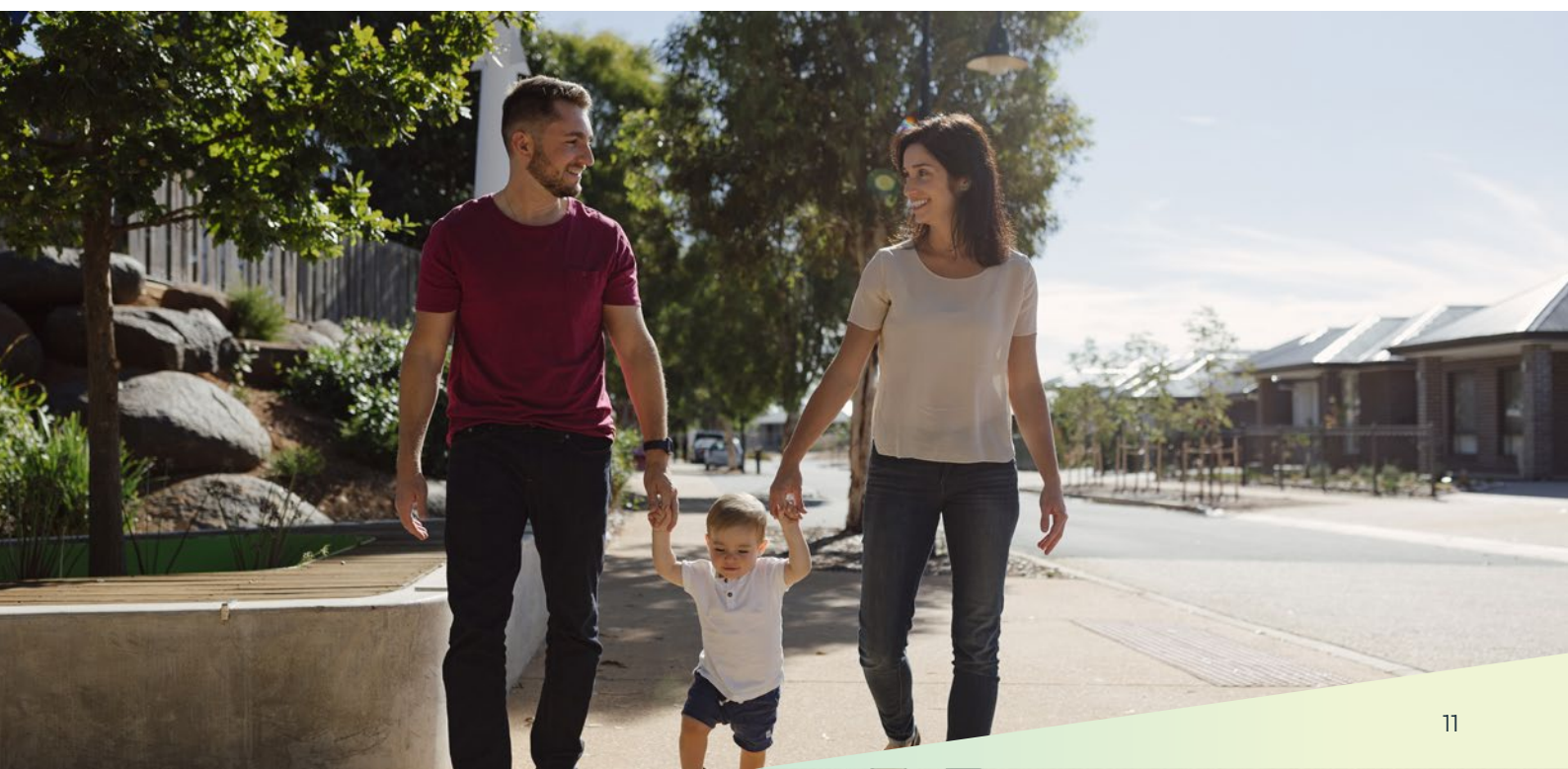
Proponents may raise a query or seek clarification in writing by email at any time prior to the Last Queries Time.

Questions about this EOI can only be raised in writing to the Contact Person/s via the contact email:

OfficeRegionalHousing@sa.gov.au

Please note:

- The Contact Person/s will field queries in relation to this EOI.
- Renewal SA reserves the right to (or not to) inform all other proponents of the question or matter raised and the response given. Renewal SA reserves the right to respond or not respond at its discretion to any query or matter raised.
- Where matters of significance make it necessary for Renewal SA to amend the EOI or provide additional information prior to the Last Queries Time; the amendments shall be advised as an Addendum and made available via the Renewal SA website.



**OFFICE FOR
REGIONAL
HOUSING**

Find out more

Contact the Office for Regional Housing
at officeregionalhousing@sa.gov.au or
1300 342 080

Information is also available at

officeregionalhousing.sa.gov.au



Renewal SA