

Ministerial Brief

Assistant Treasurer

Subject: Approval in Principle to Proposed Property Transactions. Schedule AIP/6A/2021 **HPE CM#** B21 / 1067

SEG member Jason Loos Deputy Secretary, Commercial out of scope *22/6/21*

Action required by: 25 June 2021 (the Level Crossing Removal Project team plan to occupy 80 Champion Road, Newport from 25 June 2021)

Recommendation/s:

That you:

1. **sign** the attached Schedule AIP/6A/2021 (Attachment 1) providing Approval in Principle for DTF to sell three Crown land properties, re-grant one property and purchase a freehold property on behalf of Victoria Police. ☒ Yes / No
2. **approve** a service agreement with TPG and a Memorandum of Understanding with the Level Crossing Removal Project at 80 – 90 Champion Road, Newport. ☒ Yes / No
3. **note** that your approval in principle will allow the Director, Land and Property to effect all administrative requirements relating to the sale, re-grant, purchase and lease of the properties referred to in the Brief and Schedule. ☒ Noted

Key points:

1. All the properties listed for proposed sale on the attached Schedule AIP/6A/2021 are surplus to Government operational requirements.
2. Your approval for the public sales referred to in this Brief is in accordance with clause 2(c)(iii) of the *Victorian Government Land Transactions Policy and Guidelines – April 2016* (LTPG).
3. Your approval on the schedule will enable the Director, Land and Property, to effect all administrative requirements relating to the sale, re-grant, purchase, service agreement and memorandum of understanding as described in the schedule.

Comments:



THE HON. DANNY PEARSON MP
Assistant Treasurer
Date: 25/06/2021

CONTRIBUTORS

out of scope , Manager, Crown Titles, Land and Property, Commercial. ☎ out of scope
Senior Manager Assets, Accommodation and Native Title, Land and
Property, Commercial. ☎ out of scope
out of scope Director, Land and Property and Trudy Hart, Executive Director, Land and
Shareholder Advice. ☎ out of scope *22/6*

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ADDITIONAL INFORMATION:

Issues/options:

1. All transactions within this schedule will be undertaken in accordance with relevant legislation, the *Victorian Government Landholding Policy and Guidelines (LHPG)* and the *Victorian Government Land Transactions Policy and Guidelines (LTPG)*, including:
 - (a) the LHPG requirement to offer land through the First Right of Refusal Process (FROR) prior to a public sale;
 - (b) the LTPG requirement to sell surplus government land through a public process; and
 - (c) the LTPG requirement when selling or granting a lease or an interest in land, that it be undertaken at a value determined by the Valuer-General Victoria (VGV).

Monash Way, Hazelwood – Public Sale of Crown land

2. If no interest is expressed from a government entity through FROR, the first three properties on the schedule, located at Monash Way, Hazelwood will be offered for sale by public auction under section 89 of the *Land Act 1958* at a reserve price to be determined by the VGV.
3. The valuations quoted in the schedule for the Hazelwood properties are estimates only. The VGV has been requested to value the properties but is unable to complete those valuations due to the current flood situation in the Traralgon area. Valuations will be completed prior to a date being set for the auctions.

Golden Gully Road, Driffield – Re-grant to remove restrictive covenant

4. The property at Golden Gully Road, Driffield is owned by Hancock Victoria Plantations Pty Ltd (HPV) and is currently used for timber plantation. When HPV purchased the freehold title, it was at a reduced price based on a covenant restricting the use of the land “for production of timber associated with the operation of the pulp and paper business in Gippsland.”
5. HPV has requested the restriction on title be removed, which it is entitled to. This will be undertaken by:
 - (a) HPV surrendering the land to the Crown (which removes the covenant);
 - (b) DTF issuing an unrestricted Crown grant to HPV to allow the land to be used for an alternate purpose; and
 - (c) HPV paying the State an amount equal to the uplift in value due to the removal of the restriction, which will be determined by the VGV. HPV will also pay all fees associated with the re-grant and valuation processes.

Purchase of freehold land for Victoria Police – Clyde / Clyde North

6. Victoria Police (VicPol) has requested DTF identify a suitable property located in either Clyde or Clyde North for construction of a new police station. DTF will undertake the purchase using your powers under section 54N of the *Financial Management Act 1994* at a value to be determined by the VGV. DTF will complete all due diligence to acquire a suitable property.
7. VicPol has funding for the purchase and will transfer the purchase price to DTF.

80 – 90 Champion Road, Newport – TPG Service Agreement.

8. The property at 80 Champion Road Newport is managed by DTF and is the site of a former Victoria University TAFE. DTF has recently demolished all buildings on site in preparation for a future possible sale.
9. TPG requires a small telecommunication pit to be installed on the site to connect service cables through an existing conduit to an Optus facility. This will be arranged under a Service Agreement at nil rental.

80 – 90 Champion Road, Newport – Level Crossing Authority – Memorandum of Understanding

10. The Secretary, Department of Transport has served a notice under the *Major Transport Projects Facilitation Act 2009* as part of the Williamstown Level Crossing removal.

- s34(1)(b), s34(4)(a)(ii) will have a rental review of s34(4)(a)(ii), s34(1)(b) per cent annual increase with a s34(1)(b), s34(4)(a)(ii) mid-market review.

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