



Ref: BSEC-1-25-2794

Juliana Addison MP
Chair, Environment and Planning Committee
Legislative Assembly, Parliament of Victoria
epc.assembly@parliament.vic.gov.au

Dear Ms Addison

Legislative Assembly Environment and Planning Committee | Inquiry into the supply of homes in regional Victoria - request for information on releasing surplus government land

Thank you for your letter of 23 June 2025 requesting information about the process for releasing surplus government land. I am pleased to provide the following answers to the questions raised by the Committee.

1. Please describe the process for consolidating the ownership of a parcel of government land owned by multiple agencies.

DTP Response:

- a) Opportunities to consolidate adjoining parcels of land to enable a larger development site are actively pursued and progressed by the Department of Transport and Planning (DTP) as part of its role in coordinating and selling surplus government land.
- b) These opportunities are not common due to their reliance upon multiple parcels of adjoining government land being concurrently surplus to the requirements of the respective landholding agencies.
- c) The vast majority of surplus government land sold by DTP has no adjoining government land or has adjoining government land that is not surplus at that time.
- d) Some recent examples where this opportunity has been progressed include:
 - i. The 2023 consolidation of 7 adjoining properties in Railway Pde, Murrumbeena in a sale to Homes Victoria.
 - ii. The 2023 consolidation of 4 adjoining properties in Rosstown Road, Carnegie in a sale to Homes Victoria. (Note: for these two examples above, all parcels were owned by the Head of Transport for Victoria as a result of a Voluntary Purchase Scheme associated with the Level Crossing Removal Project).
 - iii. The 2018 consolidation of the former Fitzroy Gasworks site with the Yarra City Council depot site (including relocating the depot) to enable a mixed use site development including a vertical school, sports centre and housing development overseen by Development Victoria.
- e) When these multi-parcel sales opportunities occur, consolidation of adjoining land doesn't usually require changes in ownership or title boundaries prior to sale. Sales processes are flexible and can allow multiple land parcels owned

by different government entities being sold to one purchaser under a single market process (e.g. with a separate contract of sale for each vendor agency), after which the purchaser coordinates any necessary title changes and subdivisions.

- f) When determining the sales strategy, DTP considers various options, considering the likely future development and/or use of the site, market preferences and other factors.

2. Who is the decision maker for approving land ownership consolidation?

DTP Response:

The DTP Land Coordinator General.

- a) In October 2024 the Government approved the requirement for most State government entities to refer their surplus land to DTP to centrally facilitate its sale on their behalf. This extended existing requirements that applied only to government departments.
- b) This further centralisation of surplus land sales enables DTP's Land Coordinator General (LCG) and the Land and Property Division to collaboratively consider and make decisions on future use options for surplus government land, including developing sales strategies, which in some cases includes land consolidation opportunities.
- c) Decisions on how land is sold are typically made by DTP in consultation with the landholding agency. The 2023 consolidation of land and property functions into DTP has improved collaboration between various land functions such as the LCG, Land Sales, State Planning, the Valuer General Victoria, the Surveyor General Victoria, Land Titles, Precincts, the Victorian Government Architect and Development Victoria.
- d) In some cases, decisions on how to sell surplus land may also involve DTP seeking support or approval from the Government via the Minister for Finance, the Minister for Precincts or a Committee of Cabinet.

3. How long does this process typically take?

DTP Response:

There is no typical timeframe. Most surplus government land ready for sale has no adjoining government land or is next to government land that was not surplus at the time. Furthermore, the timeframe for a consolidation process would depend on site specific conditions including land remediation and/or re-zoning requirements.

4. What is the Land Coordinator General's functions and responsibilities in relation to surplus government land?

DTP Response:

The Land Coordinator General is responsible for

- a) Working across all levels of government and with industry and affected and interested stakeholders to improve the use of government land.
- b) Reviewing government's land policies to identify reform opportunities.
- c) Coordinating the process to identify and acquire land for the delivery of government's priority commitments.

- d) Developing an improved integrated register of government landholdings.
- e) Leading senior governance within the Victorian Public Service to support decision making on government land use optimisation.
- f) Identifying suitable government land to support Invest Victoria's role in leveraging institutional investors to support the delivery of housing outcomes.

5. *What is the process by which a local government (which has identified surplus government land owned by another agency in its community) can seek the release of land for a housing project?*

DTP Response:

- a) The *Victorian Government Landholding Policy and Guidelines* (2017) require all surplus government land to be offered through a First Right of Refusal (**FROR**) Process to all State government entities, Commonwealth entities, the relevant local council, and any relevant Registered Aboriginal Party.
- b) Under FROR, interest from other State government entities takes priority over other parties.
- c) Councils often express interest in surplus government land via the FROR process, in most instances to purchase land for public open space.

6. *Are there plans to update and streamline these policies to facilitate the utilisation of government land?*

DTP Response:

DTP periodically reviews all policies, processes and systems. Development of a new government land database to improve collection and use of data on government land is underway.

7. *In what circumstances can a government agency retain and reinvest the proceeds of a land sale?*

DTP Response:

As outlined in section 4.1.3 of the DTF Resource Management Framework, the Accountable Officer must lodge a business case with DTF and request relevant Cabinet Committee or Treasurer's approval.

Business cases are considered on merits with regard to the agency's objectives and government priorities at the time.

8. *What other exemptions are there to the rule that government land sale proceeds are deposited in the consolidated fund?*

DTP Response:

- a) In addition to the exemption pathway described in response to question 7, the following additional exemptions pathways can be applied in certain circumstances:
 - i. Standing exemption for Universities.
 - ii. Where legislation prevents land sales proceeds being returned to the Consolidated Fund (e.g. the Country Fire Authority Act 1958, section

- 21 requires all CFA land sales proceeds to be applied in the purchase or improvement of CFA property).
- iii. Approval of a Cabinet Committee.
 - iv. Treasurer approval as per section 29 of the *Financial Management Act 1994*.
 - v. Treasurer approval for a Public Non-Financial Corporation to retain some or all of its land sales proceeds as part of end of year processes.
 - vi. Minister for Finance exemption where the property was directly obtained through philanthropy, charitable donations, bequests, gifting or fundraising activities and it is evident the donor wished the benefits/value of the property to be applied to specific outcomes that require the Agency to retain the sales proceeds.

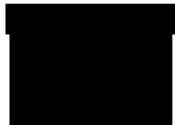
9. What approvals are required to secure an exemption?

DTP Response:

Cabinet Committee or Treasurer's approval is required.

Thank you for raising this matter. I trust DTP's responses are of assistance to the Inquiry.

Yours sincerely



Jeroen Weimar (DTP)
Department Secretary

Date: 07/08/2025