

Victorian Government Land Use Policy and Guidelines

Unlocking public value from government land



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Victorian Government Land Use Policy

1. Introduction

1.1 Background

The Victorian Government is the largest landowner in the state, with landholdings representing almost 40 per cent of Victoria's land area. Government land is an important asset for all Victorians, enabling government services, protecting environmental and cultural values and facilitating community and recreational uses.

Smart land use can give governments the flexibility they need to deliver timely and accessible services and infrastructure, as well as creating much-needed open spaces. Doing this well requires governments to align portfolio and agency objectives with whole-of-government land use priorities.

1.2 Purpose

The purpose of the Victorian Government Land Use Policy (the Policy) is to establish a framework that enables a strategic, whole-of-government approach to government land use decision-making, in order to maximise public value for Victorian communities.

It seeks to achieve this through:

- ensuring public value is the overarching objective of government land use;
- delivering strategic, whole-of-government advice to maximise public value;
- accessing accurate information about government land; and
- defining clear government land policies, procedures and roles.

The Policy supports and supplements other government land policies, provides overarching direction for government land use and articulates Land Use Victoria's role in promoting a whole-of-government, public value approach.

1.3 Scope

The Policy is relevant to all Victorian Government agencies that manage or own land, or have an interest in policy objectives that are facilitated by government land. In particular, the overarching objective of maximising public value should help to shape and frame how agencies approach land related issues, particularly in promoting cooperation in land use across government.

2. Policy framework

2.1 Ensuring public value is the overarching objective of government land use

Government land can be used for public benefit countless times, but only sold once.

Decisions about the future use of government land need to be made carefully to ensure public value is maximised; decisions fully consider the needs of current and future generations; and land use is in line with whole-of-government strategic priorities.

For the purposes of the Policy, public value is defined as using or making decisions about government land which deliver intergenerational, social, economic and environmental benefits to the Victorian community.

Public value can be enhanced by considering the following themes:

- **Intergenerational.** By considering how land use decisions made today benefit current and future generations, including Traditional Owners who use the land to pass down their culture to younger generations.
- **Social.** Equity of access to health, housing, education and recreational space, and improved local amenity and social inclusion. For Traditional Owner groups access to land is an integral part of their future sustainability, self-reliance and community prosperity.
- **Economic.** Access to employment, and benefits for business and industry.
- **Environmental.** Improve resource use and sustainability, reduce contamination, emissions and waste, improve ecosystems and biodiversity and manage the impacts of climate change.

The following principles have been developed to guide land use decision-making that provide public value:

- **Focus on achieving positive social, environmental and economic benefits.** Government land use decisions should consider the broad impacts of government land use on Victorian communities. Government land use should focus on delivering social, environmental and economic benefits that meets the needs of the Victorian community, while offering value for money to government. Decision-making will consider the rights and interests that Traditional Owners have in land, and look at opportunities to deliver the aspirations of Traditional Owners.
- **Intergenerational equity impacts.** Government must consider the long-term intergenerational impacts of land use decisions and balance these impacts against short-term benefits. By considering the impacts of decisions out to 2050 and alignment with long-term strategic plans such as Plan Melbourne 2017-2050, agencies can ensure long-term community and government needs are taken into account.
- **Whole-of-government perspective.** Government land use decisions need to take a whole-of-government perspective. This means thinking about the use of government land not only from the perspective of the landholding agency, but with a view to broader objectives of other agencies and the government as a whole.
- **Engage and collaborate.** In making land use decisions, government agencies should engage and collaborate across government, and more broadly with business and industry, not for profits and the community where appropriate, in an open and meaningful way. Building collaborative relationships and working partnerships with Victorian Traditional Owner groups is also integral to good land use decisions.

2.2 Delivering strategic, whole of government advice to maximise public value

Strategic Land Use Assessments assist decision makers to maximise public value of land use decisions by assessing needs and whole of government priorities. Strategic Land Use Assessment's provide recommendations on options to maximise public value from government land. They enable decision makers to compare the public value impact of different land use options.

Land Use Victoria plays a leadership role delivering Strategic Land Use Assessments using the mechanisms outlined below. While not required to undertake assessments for every government land decision, other departments are required to have regard to the Policy and public value principles when making land decisions or providing advice relevant to decision-makers.

Identification mechanisms

Site, projects or land issues for Strategic Land Use Assessments can be identified through the following mechanisms:

- **At the request of government.** Land Use Victoria can be asked for advice on any government site or land related issue by the Premier, Special Minister of State or a Cabinet committee, via the Minister for Planning. Landholding Ministers, or the Secretary or Chief Executive of a landholding agency can also request advice on a site, project, or issue within their portfolio.
- **Procedural mechanisms.** Land Use Victoria will consider undertaking Strategic Land Use Assessments on some surplus government sites undergoing the First Right of Refusal Process. Sites with a value over \$5 million in metropolitan Melbourne or \$3 million elsewhere in Victoria, and/or above 5,000 square metres, within the vicinity of a state significant place (as defined in Plan Melbourne) or a regional city centre, will be identified. These sites will then be subject to a filtering process, and where there is strategic significance and public value opportunity, Land Use Victoria may undertake a Strategic Land Use Assessment.

Strategic Land Use Assessments may be identified through the reviews required under the *Value Creation and Capture Framework* for high value projects, public land developments and precincts. Land Use Victoria may also be asked to provide advice on land related issues in relation to market-led proposals, which are considered in line with the *Market-led Proposals Guidelines*.

- **Land Use Victoria-led identification.** Land Use Victoria may identify Strategic Land Use Assessment opportunities through proactive reviews and annual reports to government on its landholdings. Land Use Victoria will work with the Department of Treasury and Finance, and the Department of Premier and Cabinet to identify initial budget proposals with any significant land related issues. If requested to do so, LUV may provide advice on these proposals.

Levels of assessment

After a site, project or land issue is identified, Land Use Victoria undertakes a filtering process. A site or issue's strategic significance, public value opportunity and Land Use Victoria capacity will inform the level of assessment:

- **Full Strategic Land Use Assessment.** Undertaken on highly significant and complex sites or issues. These assessments are authorised by the Premier, the Special Minister of State or Cabinet, and require a report back to Cabinet.
- **Basic Strategic Land Use Assessment.** Undertaken on less significant or complex sites or issues. These assessments are authorised by a landholding Minister or Secretary. Land Use Victoria also has a standing authorisation to undertake Basic Strategic Land Use Assessments on surplus land going through the First Right of Refusal (FROR) process where it meets the thresholds outlined above. Where interest is expressed across multiple departments, Land Use Victoria will facilitate a process post-FROR to ensure conversations are had across government departments to determine a future use which delivers public value.
- **Ongoing advice and assistance.** Provided for low significance and complexity sites or issues. This advice and assistance is provided directly to the landholding agency.

Figure 1 below provides a workflow for this identification and approval process.

Figure 1: Strategic Land Use Assessment workflow

Identification mechanisms

Procedural	Land Use Victoria-led	Government/agency request
First right of refusal Sites subject to FROR that are: <ul style="list-style-type: none">with an estimated sale value above \$5 million (within the Melbourne urban growth boundary) or \$3 million (within the rest of Victoria), orabove 5,000m² within the vicinity of a place of state significance or a regional city centre	Land Use Victoria analytic program Land Use Victoria proactively reviews and annually reports to government on its landholdings, with a focus on land that: <ul style="list-style-type: none">is within the Melbourne urban growth boundary or within a regional citydoes not have a long-term fixed use (i.e. not a road, state park)particular focus areas (which may fall within or outside the above points), which Land Use Victoria may select or be directed to take at different times	Request for advice from the Premier, Special Minister of State or Cabinet This could relate to any government site or land-related issue
Value creation and capture Projects, precincts and developments identified by the Value Creation and Capture process (prior to budget consideration) as having significant government-related issues.	Review of budget proposals Land Use Victoria will review initial budget proposals for any significant land-related issues and identify those as requiring Land Use Victoria advice. Based on this work, Land Use Victoria may propose particular sites or issues for Strategic Land Use Assessments	Request from landholding Minister, Secretary or Chief Executive This could relate to the landholding Minister's/agency's land, project or issue
Market-led proposals Government land-related market-led proposals		

Filtering

Significance x Public value opportunity x Land Use Victoria capacity		
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HIGH

MODERATE

LOW

Land Use Victoria advice categorisation

Full Strategic Land Use Assessment	Basic Strategic Land Use Assessment	Advice and assistance
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Authorisation

Cabinet, Premier, Special Minister of State	FROR SITES Standing authorisation	Landholding Minister/ Secretary
		Landholding agency

Assessment and advice process

4 MONTHS APPROX	2 MONTHS APPROX	TIMING DEPENDANT ON SCOPE
Advice to Cabinet Committee	Advice to landholder and other relevant parties	Advice and assistance to agencies

2.3 Accessing accurate information about government land

Accurate and accessible information about government land is essential. Without it, government cannot properly assess public value, nor make informed decisions about the use of its land.

While it is critical that agencies have accessible and comprehensive information about their own land, there are also public value benefits to linking and sharing this information across government, with local government and where appropriate, with the community.

To achieve this:

- Victorian Government landholding agencies will share their current and planned future land uses, annual land and government asset valuations, and any other available information with Land Use Victoria.
- Land Use Victoria will work with agencies to help improve the quality and accessibility of land information, and to link whole-of-government land information.
- Land Use Victoria will regularly report to government on the state of its landholdings, identifying key trends, issues and opportunities.
- Land Use Victoria will develop systems and spatial tools that enable better access to information about government land, working with agencies to ensure these meet their needs and assists them with their land management. A single source of government land information will enable linkages to be identified and facilitated between surplus or under-utilised parcels and potential government purchasers or users. This enables proactive use of land and increased efficiency of utilisation, with suitable uses and land supply needs matched to facilitate positive public value outcomes.

2.4 Defining clear government land policies, procedures and roles

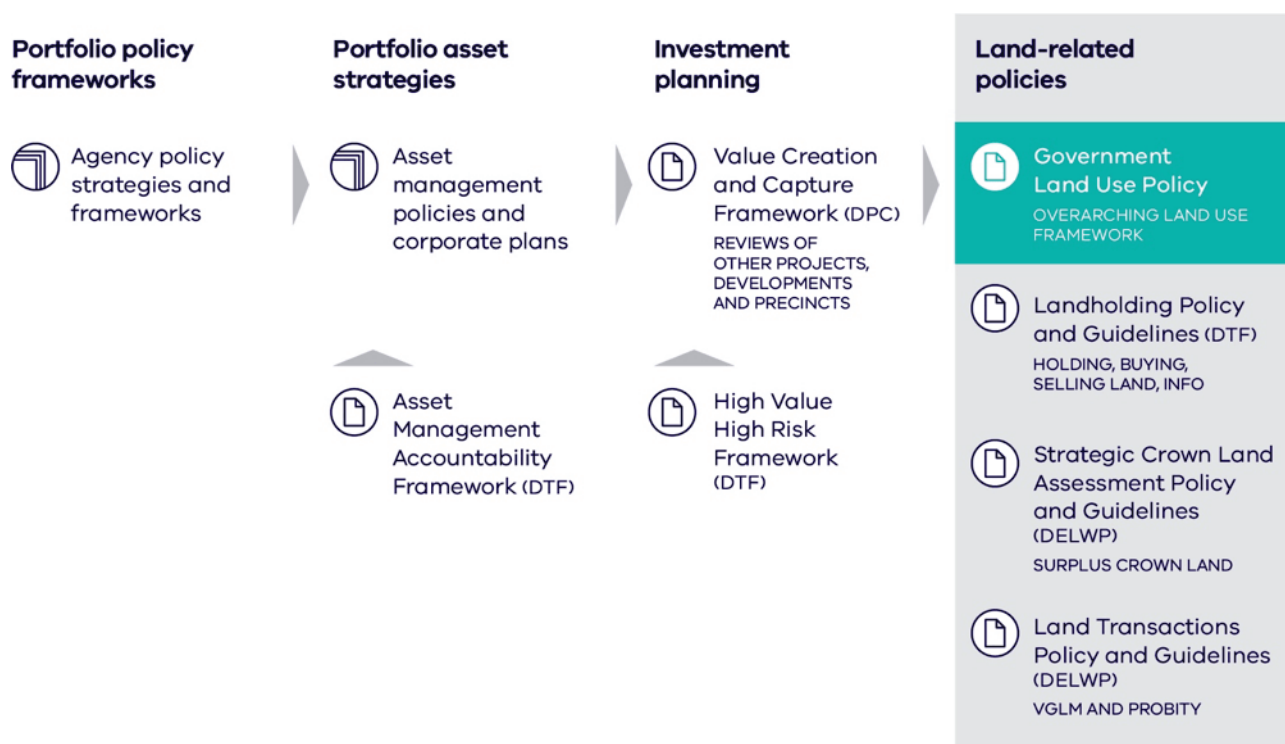
Government land is administered under a number of different policies and frameworks, which give various roles and responsibilities to different agencies across government.

The Policy provides an overarching direction for government land use and articulates Land Use Victoria's role in promoting a whole-of-government, public value approach. Other policies outline the purposes for which government agencies are permitted to hold land, how inherent public value in government land should be assessed and protected and the probity requirements relating to its sale. The requirements of these policies are not impacted by the Policy and remain applicable to government agencies when using and transacting land. These include:

- *The Government Landholding Policy and Guidelines*, which set out the circumstances in which government agencies are permitted to hold land and minimum data and reporting requirements on that land.
- *The Strategic Crown Land Assessment Policy and Guidelines*, which establish process for assessing the public land values inherent in surplus Crown Land and the status of any traditional owner and/or native title rights. These assessments ensure that these values and rights are not impinged by the alienation of this land from the Crown estate.
- *The Land Transactions Policy and Guidelines*, which establish the probity requirements applying to the purchase and sale of government land and the role of the Victorian Government Land Monitor in overseeing these transactions.

Figure 2 below provides an overview of the government land policy context.

Figure 2: Government land policy context



Victorian Government Land Use Policy Guidelines

1. Introduction

The purpose of the Victorian Government Land Use Policy Guidelines (the Guidelines) is to provide information on how the Policy will be implemented to ensure a whole-of-government approach and to maximise public value from government landholdings.

- **Section 2: Ensuring public value is the overarching objective of government land use.** This section details the principles that should be applied by government agencies when making land use decisions to ensure a public value focussed, whole-of-government approach.
- **Section 3: Delivering strategic, whole-of-government advice to maximise public value.** This section details how Land Use Victoria will apply the public value decision making principles when undertaking Strategic Land Use Assessments.
- **Section 4: Accessing accurate information about government land.** This section details how Land Use Victoria will access and provide more accurate information about government land, through regular performance reporting to government and through the development of systems and tools.
- **Section 5: Defining clear government land policies, procedures and roles.** This section details the hierarchy of land-related policies, Land Use Victoria's work plan identification and approval procedures and the roles of various stakeholders.

2. Ensuring public value is the overarching objective of government land use

The Policy defines public value and identifies the public value principles all Victorian government agencies must apply to guide land use decision-making.

Government-owned land has a value on its own. However, when government land is used to locate a school it delivers increased value through education outcomes. Likewise, when government land is used for a national park it delivers increased value through recreational, public amenity and environmental outcomes.

By applying the public value principles, agencies can seek to identify and facilitate opportunities to deliver increased public value from their land use.

Examples might include:

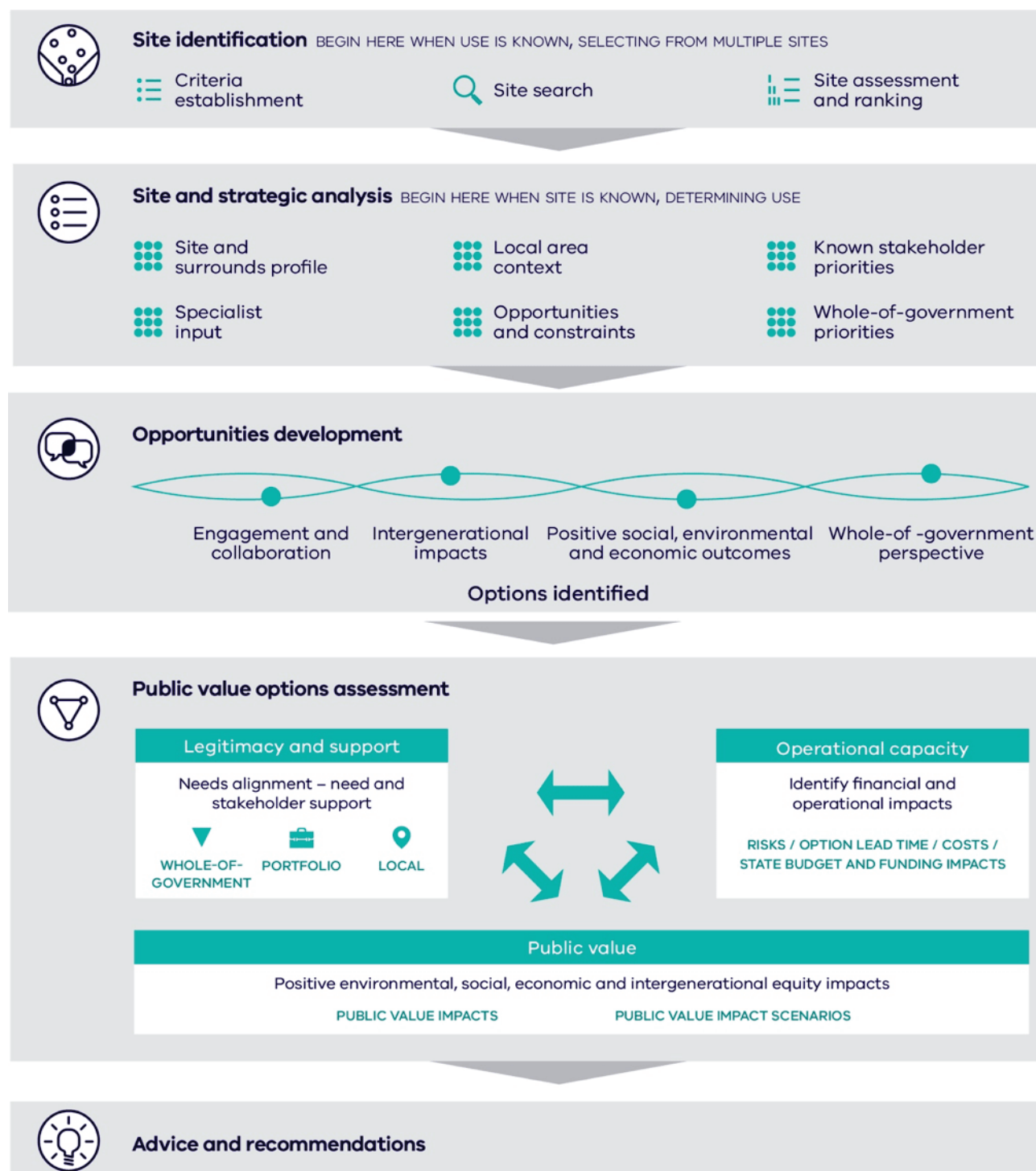
- co-location of uses and more efficient site utilisation to deliver multiple community benefits/outcomes that cross portfolio areas from one land asset;
- interim uses of vacant land assets where they are being held for a permanent future use, by facilitating short-term policy outcomes while offsetting impacts of leaving land un-utilised, (such as maintenance costs, vandalism, and reduced neighbourhood amenity);
- improved utilisation and best use of government land based on government policy objectives and strategic plans;
- considering land use and service delivery in an area in terms of local needs and issues; and
- acquiring and holding land for anticipated future needs, in light of whole-of-government strategic plans.

This approach aligns with and supports the Government's *Value Creation and Capture Framework*, which encourages agencies to consider broader opportunities to enhance public value when developing capital investments, public land developments and precinct projects.

3. Delivering strategic, whole-of-government advice to maximise public value

The Policy identifies Strategic Land Use Assessments as a process by which land use options are considered and public value can be assessed. Strategic Land Use Assessments provide a structured process to gather, analyse and assess the relevant evidence to support good land use decision-making. The aim of a Strategic Land Use Assessment is to make recommendations to the relevant decision-maker on the preferred options that maximise public value from a whole-of-government perspective. When Land Use Victoria is engaged to undertake a Strategic Land Use Assessment, the methodology documented in Figure 3 will be utilised.

Figure 3: Strategic Land Use Assessment methodology

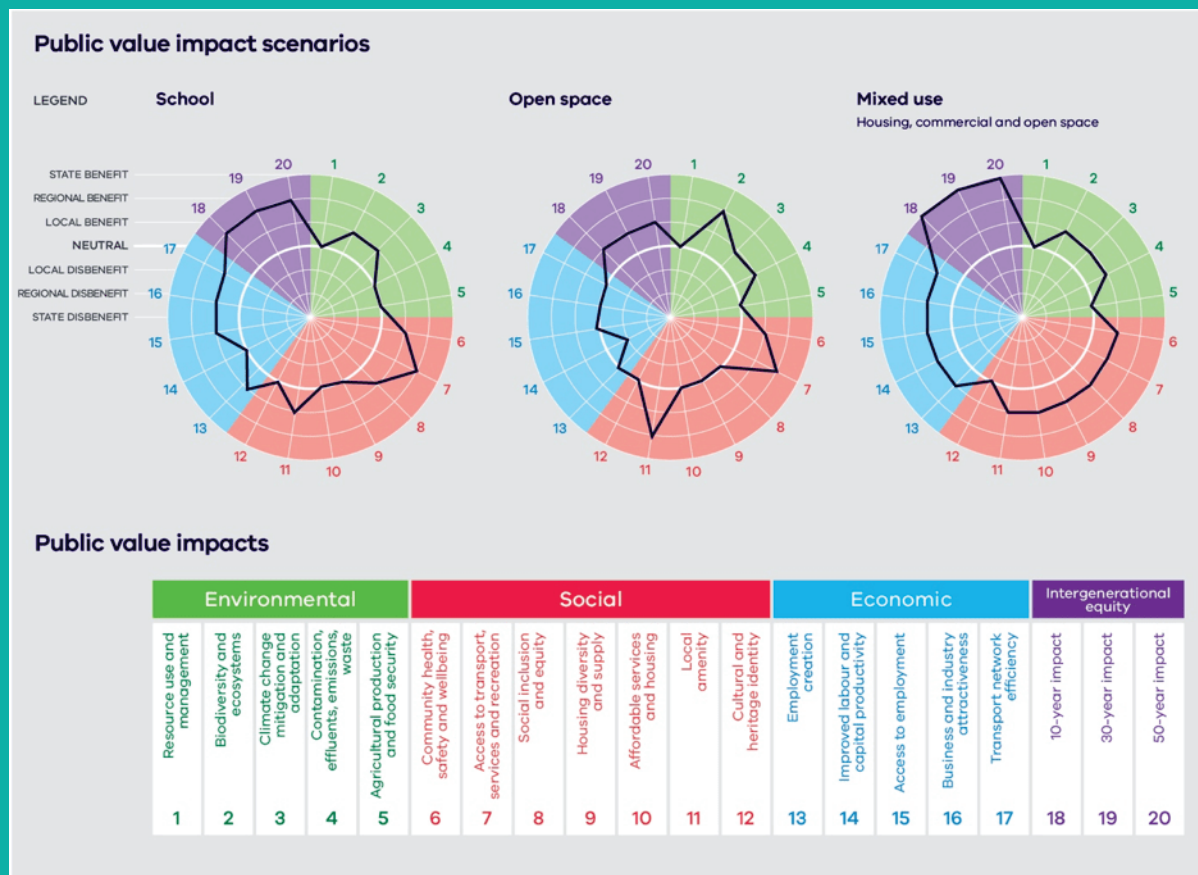


Advice and recommendations for decision-makers

Strategic Land Use Assessments are a means of assessing public value of future government land use options. They provide a structured process to gather, analyse and comparatively assess the relevant evidence base to support good land use decision-making.

The public value impacts of the land use options are assessed against public value indicators. In the conceptual example below, three hypothetical future uses are presented; a school, open space and a mixed use (housing and open space). The radius graphs are intended to visually communicate the public value benefits and disbenefits for each scenario tested.

These graphs provide a means of comparing the public value impacts of use options to assist those making strategic land use decisions.



3.1 Site identification

This stage of a Strategic Land Use Assessment only occurs when there is a need to identify and obtain advice on potential government land sites for a known future use.

It involves working with relevant stakeholders, such as landholding or delivery agencies, to establish criteria to assist in identifying potential sites. This may involve requirements such as size, proximity and access to other services, access to roads and transport or a general preferred area.

The identified criteria are then used to search for suitable government landholdings. These are then filtered to remove anything not suitable, for example sites with high environmental or cultural significance or those with fixed future use.

The remaining sites are then assessed against site assessment criteria (identified in consultation with key stakeholders) and ranked based on their suitability.

3.2 Site and strategic analysis

When a Strategic Land Use Assessment involves identifying and assessing future use options of a known government owned site, this is the first stage of the process.

Once a site or sites are identified, this stage involves reviewing and collating relevant information about a site/s and its surrounds. The broader surrounding context will be determined through understanding the current and future land use/s and the communities that it could serve.

A range of information will be collated to develop an understanding of the key issues, priorities and broad options for the assessment, including technical information about the site/s and the surrounds, and information about the area (such as demographics and other government land uses). Known information about the relevant priorities of community, business and government stakeholders and the relevance of the site to whole-of-government priorities and policy commitments are also considered. Where appropriate inspections of the site and surrounds will also be undertaken.

Whole-of-government priorities, land use and infrastructure priorities are identified by reviewing key policies such as *Plan Melbourne 2017-2050*, *Plan Melbourne Implementation Plan*, *Regional Growth Plans*, *Victoria's Infrastructure Plan* and *Infrastructure Victoria's 30-year Strategy*. Portfolio level priorities will also be analysed using government agencies' strategic and corporate plans, while local level priorities will be analysed using council plans and other relevant local government strategies and plans.

Strategies and plans will not be relied on in isolation. To understand land use needs and whether certain land use decisions are supported, close engagement is required with relevant government agencies, for example the Victorian Planning Authority, and relevant local governments. This engagement will seek to build an understanding of particular land use and community needs.

Any specialist input that may be required (for example on development feasibility) is identified and a view developed on the key opportunities and constraints offered by the site, including any potential cross-government linkages that should be investigated.

This stage results in the development of initial high-level opportunities to inform the next stage of the process.

3.3 Opportunities development

The opportunities development process for a Strategic Land Use Assessment is an iterative, consultative process. Both formal and informal mechanisms for community and stakeholder engagement can be utilised, and those mechanisms will be tailored to suit the nature of the site or issue.

Whole-of-government advice principles are used to test broad strategic opportunities with stakeholders, evaluate feedback, link opportunities that could deliver multiple objectives, and, where appropriate, undertake detailed analysis.

Advice from experts on specialist matters may be sought, including for example:

- Development Victoria advice on any potential property development options;
- Strategic Crown Land Assessments of the public land values or Traditional Owner/native title rights associated with Crown land;
- Valuer-General Victoria advice on valuation impacts;
- input from the Office of the Victorian Government Architect on relevant design considerations; and
- advice from the Department of Economic Development, Jobs, Transport and Resources on economic development and transport considerations.

The opportunities development process will involve continuing to explore local and community priorities and perspectives on potential land use options by closely engaging with local government and leveraging its understanding of local needs. Where appropriate, it may also involve engaging with Traditional Owners to ensure that their views and land management aspirations are appropriately considered.

By the end of this stage a shortlist of well understood options will have been developed.

3.4 Public value options assessment

Each shortlisted future use option or site undergoes a public value assessment. Future use options will be assessed against the business as usual base case to show the comparative change.

Each option is assessed based on the following perspectives:

- **Legitimacy and support.** What are the needs being addressed and what level of stakeholder support is there expected to be?
- **Public value.** What public value outcomes will be generated?
- **Operational capacity.** What are the financial and operational impacts and are there resources and capabilities to deliver?

Legitimacy and support

Public value can differ significantly depending on the strategic context and stakeholder expectations. Competing land uses will deliver different public value outcomes to be considered in decision making, due to different economic, social, environmental and intergenerational perspectives, or due to different agency or portfolio objectives and priorities. For example, an option that provides office accommodation for corporate staff in an agency may be rated as having high alignment with portfolio needs, but may not strongly align with local or whole-of-government needs.

The legitimacy and support for each land use option will be assessed based on an evaluation of the whole-of-government, portfolio and local needs that the option addresses, as well as the level of stakeholder support. While an option may address stated needs, it may not gain

stakeholder support due to its impacts. Stakeholders can include decision-makers, central agencies, portfolio agencies, local government and community.

Public value impact assessment

Assessing the current and future use of government land, requires assessment of environmental, economic, social and intergenerational impacts and the extent to which each option provides public value benefits or disbenefits. The assessment will focus on maximising social, environmental and economic benefits, while minimising disbenefits to the greatest extent possible. A range of environmental, social, economic and intergenerational equity indicators will be utilised, as detailed in Table 1. It should be noted that this is not a complete list, with indicators being reviewed and updated over time.

Table 1: Public value indicators

Environmental	Social	Economic	Intergenerational equity
Resource use and management	Community health, safety and wellbeing	Employment creation	10-year impact
Biodiversity and ecosystems	Access to transport, services and recreation	Improved labour and capital productivity	30-year impact
Climate change mitigation and adaptation	Social inclusion and equity	Access to employment	50-year impact
Contamination, effluents, emissions and waste	Housing diversity and supply	Business and industry attractiveness	
Agricultural production and food security	Affordable services and housing	Transport network efficiency	
	Local amenity		
	Cultural and heritage identity		

The significance of the environmental, social and economic benefits or disbenefits are assessed based on the scope of the community that is impacted. Levels of impact include:

- State: the land use benefits or disbenefits a metropolitan or state-wide population
- Regional: the land use benefits or disbenefits a region or group of municipalities
- Local: the land use benefits or impacts on the local community or one municipality

While these impacts are not weighted, they ensure that the assessment takes into account a broad range of public value impacts and that these impacts are clearly communicated to decision-makers. This approach complements the value creation outcomes outlined in the *Value Creation and Capture Framework* and aligns with the approach taken by Infrastructure Victoria in its *Options Book*.

Intergenerational equity means meeting the environmental, social and economic needs of the present generation without compromising the ability for future generations to meet their own needs.

The intergenerational equity impacts of each land use option will be considered based on the benefits and disbenefits of the option for both current and future generations.

Intergenerational equity will be measured using a 10, 30 and 50-year timeframe and based on the extent to which land use options and government land can adapt to changing environmental, social and economic issues over time. Those options that are highly adaptive to these changes and the needs of future generations will be considered as an intergenerational equity benefit. Those land use options that are fixed and expected to

impact on future generations will be considered as intergenerational equity disbenefits. When assessing the intergenerational impacts of future use options, the lifecycle of any potential assets associated with it will also be considered over these timeframes.

Operational capacity

The likely operational and estimated financial impacts of each option will be identified. Considering this alongside public value performance and land use needs is important, as any option that is recommended needs to be cost-effective and feasible as well as deliver public value benefits.

Operational and financial impacts that will be considered may include:

- **Risks.** Analysis of the risks associated with each option and the expected impacts of these risks on delivery.
- **Option lead time.** How long it takes to implement the option. This relates to new land use options which have significant lead times to design, build and commission the asset into service. Understanding the option lead time is important when considering land use options that will be implemented in the medium to long term while the land is held and possibly leased in the interim.
- **Costs.** Identification of estimated costs (likely to be value ranges) associated with the option, including land value, delivery, asset and operational costs, as well as revenue impacts (such as foregone revenue in exchange for policy outcomes).

Where an option to strategically hold land for a future use is being considered, the costs of holding the land (such as maintenance costs) and the opportunity costs of services foregone will also be identified (in addition to the costs of development and delivery). There may be opportunities to offset these holding costs through interim or temporary uses (these may include both state and local government objectives), and these will be identified where appropriate.

- **State budget and funding impacts.** Land use options will each have a different impact on government's budget and funding. Where relevant, any foregone revenue of an option needs to be weighed against the policy outcomes delivered. Land Use Victoria will work with the Department of Treasury and Finance to assess the impacts of options on the State budget.

The assessment of financial and operational impacts as part of a Strategic Land Use Assessment is not a formal cost-benefit analysis. Options that require funding will generally require a subsequent business case and Budget consideration, or, in the case of a development option, a full feasibility assessment. If accepted, the advice for decision-makers resulting from a Strategic Land Use Assessment helps to scope and support a business case or feasibility assessment, and ensure that relevant land is retained in the interim.

3.5 Advice and recommendations

After the public value options assessment is completed, a qualitative overall assessment of each option with a recommended option or options is developed. The overall assessment will balance the three perspectives of legitimacy and support, public value and operational capacity (including financial impacts) to ensure the options recommended are financially responsible, facilitate delivery of strategic government priorities and maximise public value.

The Strategic Land Use Assessment seeks to transparently present the evidence base and strategic analysis on the overall public value delivered by each option.

The overall assessment and recommendations are provided as advice to the decision-maker. In the case of Land Use Victoria-led assessments this will be the requesting authority such as the Premier, Special Minister of State, Cabinet committee or landholding minister.

3.6 Governance

Strategic Land Use Assessment requests can be made by Cabinet, Minister or Departmental Secretary to Land Use Victoria. The governance arrangements for each assessment depends on factors such as the strategic importance of the site, community interest and expectations. Most Strategic Land Use Assessments will have a Project Reference Group with executive representation from Land Use Victoria, Department of Premier and Cabinet, Department of Treasury and Finance and the landholder to provide strategic oversight and advice on the Strategic Land Use Assessment.

Some Strategic Land Use Assessments may require additional governance for reasons such as high public profile, demand from competing agencies or less clear options from the analysis. In such cases Land Use Victoria will seek additional governance from existing boards or committees (such as the Secretaries Board or Victorian Government Infrastructure Committee) or will tailor a new governance body that is fit for purpose.

4. Accessing accurate information about government land

Sharing information about government land will help build a picture of land uses and land use trends, and create opportunities to deliver better public value. Transparency in data collection and storage fosters a knowledge sharing and collaborative culture, and enables government to make better decisions about design and delivery of services, and day-to-day functioning of government.

Land Use Victoria works with agencies to help improve the quality and accessibility of land information, and to link whole-of-government land information. By taking a coordinating role, Land Use Victoria helps promote best practice in land information across government. Land Use Victoria has a key role to play in helping agencies improve the quality of their land datasets, including working with agencies to define, and over time achieve, an aspirational government land dataset.

Land Use Victoria also regularly reports to government on the state of its landholdings, identifying key trends, issues and opportunities. This whole-of-government analysis seeks to examine the size and distribution of the Government's landholdings and the current and future service delivery need it provides for. Land Use Victoria examines how the Government is using its land assets and identifies opportunities to improve land ownership practices to better utilise government landholdings. It also enables identification of potential areas of focus or priority for government, and strategic advice to government around contemporary or significant issues.

Land Use Victoria is also responsible for developing systems and spatial tools that enable better access to information about government land. Land Use Victoria works with agencies to ensure these systems meet their needs and assist agencies with their land management.

5. Defining clear government land policies, procedures and roles

Clear policies, procedures and roles enable better decision-making. **Figure 4** outlines roles and responsibilities of departments and agencies across the land asset lifecycle.

Figure 4: Land use roles and policies

Stage	Key roles		Key policies
Strategy Ensuring that government land assets respond to changing needs	<p>Asset strategy planning VICTORIA GOVERNMENT AGENCIES</p> <p>Environmental investigations and recommendations VEAC</p> <p>Strategic planning for state significant places and precincts DELWP VPA</p>	<p>Multiple functions, including:</p> <ul style="list-style-type: none"> Coordinating whole-of-government land data Area-based strategic advice Reporting on government land LAND USE VICTORIA	<p>Whole-of-government strategies and plans</p> <p>Asset Management Accountability Framework</p>
Planning Implementing asset strategy and planning for service delivery land needs	<p>Asset strategy planning VICTORIA GOVERNMENT AGENCIES</p> <p>Budget oversight and value capture and creation DPC DTF</p> <p>Precinct planning implementation DELWP DEDJTR VPA</p>	<p>Property development options DEVELOPMENT VICTORIA</p> <p>Multiple functions, including:</p> <ul style="list-style-type: none"> Site Identification Strategic Land Use Assessments LAND USE VICTORIA	<p>High Value High Risk and Gateway</p> <p>Value Creation and Capture Framework</p>
Acquisition and delivery Robust acquisition practices and fit-for-purpose capital works	<p>Land acquisition and capital works VICTORIA GOVERNMENT AGENCIES</p> <p>Project oversight and capability building PROJECTS VICTORIA</p> <p>Delivery of major development and capital works DEVELOPMENT VICTORIA</p>	<p>Multiple functions, including:</p> <ul style="list-style-type: none"> Valuation and surveying Government Land Monitor oversight Cross-agency collaboration LAND USE VICTORIA	<p>Government Land Transactions Policy</p>
Use Managing land to optimise service delivery and asset performance	<p>Land management and property datasets VICTORIA GOVERNMENT AGENCIES</p> <p>Utilisation oversight DTF</p>	<p>Multiple functions, including:</p> <ul style="list-style-type: none"> Cross-agency collaboration Strategic Land Use Assessments LAND USE VICTORIA	<p>Government Landholding Policy</p>
Disposal Transparent, value for money land sales and transactions	<p>Declaration of surplus land VICTORIA GOVERNMENT AGENCIES</p> <p>Transactions processing and proceeds oversight DTF DELWP</p>	<p>Multiple functions, including:</p> <ul style="list-style-type: none"> Valuation and surveying Government Land Monitor oversight First right of refusal process Strategic Land Use Assessments LAND USE VICTORIA	<p>Strategic Crown Land Assessment Policy</p> <p>Government Land Transactions Policy</p> <p>Government Landholding Policy</p>

Government land procedures

There are various roles, responsibilities and policies that are relevant to each stage of the land use lifecycle, including Land Use Victoria's role in providing whole-of-government leadership in relation to government land. Government agencies should be mindful of the various roles and responsibilities when making decisions during any stage of the land use lifecycle. Engagement and collaboration across government is key during this decision making.

- **Strategy.** Strategic consideration of land is key to maximising the delivery of public value and for maintaining and improving service delivery performance. Agencies are required to have strategies that ensure their assets, including land, are effectively utilised to support service delivery outcomes. It is important that agency level asset strategy takes into account whole-of-government land use and strategic objectives.

Agencies can deliver public value and improve service delivery by taking advantage of opportunities to coordinate their land use with agencies with which they share objectives or have compatible service delivery needs. Land Use Victoria works across the government to share information on current and planned future land uses and to facilitate cross-agency engagement where service delivery needs and land use requirements intersect.

- **Planning.** Planning is a fundamental stage within the land management lifecycle. The planning stage includes the identification of new land asset requirements, in response to strategic asset planning, and the process for examining and justifying the requirement for a site and any necessary funding.

Land Use Victoria will provide advice to government on the identification of sites for future service delivery functions. This advice ranges from informal advice and assistance to agencies on site identification, through to advice to Ministers and Cabinet committees in the form of Strategic Land Use Assessments on sites for very significant uses.

- **Acquisition and delivery.** When required, government can acquire land to meet its needs. The acquisition of land by government agencies is governed by the *Victorian Government Land Transactions Policy and Guidelines* (Transactions Policy). Where land is acquired for a medium or long-term future use, there may be an opportunity to deliver public value through the interim use of the land by another agency, local government or a community group.
- **Use.** The use stage of the landholding lifecycle is where the land is used for its intended purpose. Throughout this stage, landholding agencies are responsible for the efficient operation of their landholdings, in accordance with the *Landholding Policy* and Asset Management Strategies. Where agencies are considering changes to the use of land, they are encouraged to take broader public value implications into account. This may mean proactively considering opportunities for cross agency uses or whether other options for the site would deliver higher public value from a whole-of-government perspective.
- **Disposal.** The *Landholding Policy* provides that government agencies must dispose of land if holding the land is not justified under that policy (for example, if the land does not contribute in a cost-effective manner to the current or future service delivery outcomes of the agency). Once an agency has declared land surplus to its service delivery needs, it notifies Land Use Victoria to undertake the First Right of Refusal (FROR) process, which gives other agencies as well as local governments and the Commonwealth the ability to express an interest in acquiring the land. The *Landholding Policy* provides details about how the FROR process operates. If the FROR process does not result in the land being transferred to another government agency, then the landholding agency (or in some cases the Department of Treasury and Finance) prepares to sell the land on the open market in accordance with the *Victorian Government Land Transactions Policy*. The Victorian Government Land Monitor oversees the transaction and applies the same requirements as those applied to land acquisition.

