

Direct Negotiation Proposals

This information is for incumbent tenants interested in submitting a proposal for direct negotiations to Parks Victoria.

Direct negotiations

The *Leasing Policy for Victorian Crown Land 2018* (Leasing Policy) requires that new leases are allocated in a fair and equitable manner.

Under the Leasing Policy a “competitive selection process, such as an expression of interest applies to the leasing of public land, unless direct negotiations would better achieve an outcome which serves the community interest.”

Eligibility

A tenant may only submit a direct negotiation proposal if:

- the applicant is a current holder of a valid lease with Parks Victoria; and
- generally, more than 50% of the term of the lease has passed; and
- generally, more than 18 months of the term of the lease remains.

Proposal assessment

Parks Victoria’s direct negotiation proposal assessment is a thorough and extensive process.

Direct negotiation proposals are assessed against the direct negotiations criteria and leasing principles set out in the Leasing Policy, Parks Victoria strategies, management plans and other assessment tools, as relevant.

Key assessment criteria categories include the proposal concept, strategic alignment, visitor experience, business management and viability, and environmental, heritage and cultural management.

Parks Victoria may also consider the value of returns to the State and community; demonstrated understanding of the planning approval process applicable to any proposed works; investment value versus term sought; sustainability; scope designs; impact of proposed modifications on park users; a schedule of committed development works, and the tenant’s performance and compliance history, amongst others.

Submitting a direct negotiation proposal

Direct negotiation proposals should be comprehensive from the outset, include the term being sought and the proposed rental, and demonstrate how they will achieve the outcomes considered in the assessment process.

A pre- submission meeting is available. For probity and perceived conflict of interest purposes, Parks Victoria is unable to work

with an incumbent tenant to develop their direct negotiation proposal, assist or offer advice.

Direct negotiation proposals should be sent to commercialbusiness@parks.vic.gov.au

Decision

The submission of a direct negotiation proposal does not guarantee that a new lease will be granted to the existing tenant. Parks Victoria reserves the right to undertake a competitive selection process to select a new tenant following the end of the tenant’s current lease.

Proposal assessment costs

Incumbent tenants are responsible for any costs associated with the direct negotiation proposal including any assessments required. The incumbent tenant will be required to reimburse Parks Victoria for all costs associated with the assessment process, such as, asset condition reports, valuations, and if permitted by law, legal fees.

An indication of potential assessment costs can be provided, if requested by the tenant.

Direct negotiation approval

Once assessed, Parks Victoria submits a report with recommendations to the appropriate decision-maker, such as the Minister for Energy, Environment and Climate Change, noting that additional approvals may be required based on the land status and agreement type.

If ‘approval in principle’ (AIP) to negotiate directly is not endorsed, Parks Victoria will advise the incumbent tenant of the assessment outcome. If AIP to negotiate directly is endorsed, Parks Victoria publicly advertises the intent to directly negotiate in a locally circulating newspaper and publishes it on the Parks Victoria website. Statements received in response to the advertisement will be considered by Parks Victoria prior to confirming direct negotiations.

Statements in response to the advertisement can be sent to commercialbusiness@parks.vic.gov.au attention, Senior Manager Commercial Agreements.

Resources

- [Leasing Policy for Victorian Crown Land, 2018](#)
- Relevant park Master Plan, Management Plan, Precinct Plan or other relevant strategies or plans
- Parks Victoria’s vision including ‘[Shaping our Future](#)’