

# Land Acquisition Assessment

Mt Atkinson and Tarneit Plains  
Infrastructure Contributions Plan (ICP)  
Land Assessment

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# Assessment Executive Summary

## Mt Atkinson and Tarneit Plains, Infrastructure Contributions Plan (ICP) Land Assessment



### Property Description.

The subject area relates to two Precinct Structure Plans (PSP):

- PSP 1082 - Mt Atkinson
- PSP 1085 - Tarneit Plains

The PSPs comprise a total of 80 property holdings with a total parent area of 1,470.88 hectares plus road reserves.

Mt Atkinson PSP is bound by Riding Boundary Road to the south, the Western Freeway to the north, Hopkins Road to the east and both the Western Grasslands Nature Reserve and land incorporated within the Rockbank South PSP to the west.

Tarneit Plains PSP is bound by Middle Road to the south, Riding Boundary Road to the north, Hopkins Road to the east and the Western Grasslands Nature Reserve to the west.

<b>Property Description</b>	- PSP 1082 - Mt Atkinson
	- PSP 1085 - Tarneit Plains

	Cumulative Area "Before" (ha.)	Cumulative Area "After" (ha.)
PSP 1082	861.60	798.82
PSP 1085	341.40	333.84

### Instructions.

<b>Instructing Party</b>	Victorian Planning Authority
<b>Interest Valued</b>	Freehold
<b>Date of Instruction</b>	27 February 2017
<b>Client Reference</b>	Ben Hawkins

### Valuation Summary.

<b>Date of Inspection &amp; Valuation</b>	Relevant as at 1 June 2016 Refer to Assumptions / Qualifications - Date of Valuation
<b>PSP 1082 Accumulative Assessed Value "Before"</b>	<b>\$461,310,000 (Exclusive of GST)</b> Four Hundred and Sixty One Million Three Hundred and Ten Thousand Dollars
<b>PSP 1082 Accumulative Assessed Value "After"</b>	<b>\$420,665,000 (Exclusive of GST)</b> Four Hundred and Twenty Million Six Hundred and Sixty Five Thousand Dollars
<b>PSP 1085 Accumulative Assessed Value "Before"</b>	<b>\$58,840,000 (Exclusive of GST)</b> Fifty Eight Million Eight Hundred and Forty Thousand Dollars
<b>PSP 1085 Accumulative Assessed Value "After"</b>	<b>\$57,560,000 (Exclusive of GST)</b> Five Million Five Hundred and Sixty Thousand Dollars

### Prepared By.

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T/A Charter Keck Cramer

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### Leaders in Property Intelligence.

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NOTE - This Valuation Executive Summary should be read in conjunction with the Risk Profile / SWOT Analysis; Valuation Report and Assumptions / Qualifications.

J083150:CP:NM

**CHARTER.**  
KECK CRAMER

# Valuation Report

## Mt Atkinson & Tarneit Plains Infrastructure Contributions Plan (ICP) Land Assessment

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### Instructions.

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#### Instructing Party

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MELBOURNE VIC 3000  
(Mr Ben Hawkins - Senior Structure Planner)

Telephone +61 (0) 3 9651 9694

Email ben.hawkins@vpa.vic.gov.au

Refer to Assumptions / Qualifications - Instructing Party / Terms of Reference  
Refer to Assumptions / Qualifications - Definition of Market Value

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#### Purpose

To assess the fair market value of the land within the Mt Atkinson and Tarneit Plains PSP, namely land identified and required for the following:

- ICP arterial road (new / widening) projects.
- ICP flaring for intersections.
- ICP community facilities.
- ICP local indoor recreation centres.
- ICP local sports reserve.
- ICP local network park.

The values assessed have been in this instance concluded in accordance with the definition of market value being “*the estimate amount of which a property should exchange on the date of transaction between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion*”.

Elements traditionally associated with compensation as described within the *Land Acquisition and Compensation Act* 1986 including (but not limited to) severance, disturbance, enhancement / depreciation and special value do not form part of the assessed values.

Our assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding. Detailed development potential for each holding has not been provided at the time of valuation. Therefore should information relating to encumbrances and development potential of the individual holding be made available, this report should be returned to us for further consideration and if necessary re-assessment.

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**Our Reference**

J083150:CP:NM

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## Title & Land Description.

### Title Particulars

Due to the large volume of individual Certificates of Title, we have not undertaken title searches for the purpose of this assessment. We have however relied on information prepared by the Victorian Planning Authority (VPA). Accordingly our assessments are on the basis that individual Certificates of Title does not incorporate encumbrances that would have an adverse effect upon value.

The PSPs include existing road reserves. In terms of road reserves, whilst they increase the developable area of the PSPs, adjacent properties abutting the road have a right of access and therefore considered encumbered land.

Our valuation excludes development works completed to date and reflects the known circumstances and configuration of parent holdings as at April 2016.

Additionally, our assessment does not affect the ownership of multiple titles but rather the assessments are provided on the basis that each parcel is within individual ownership.

## Planning Details.

### Local Authority

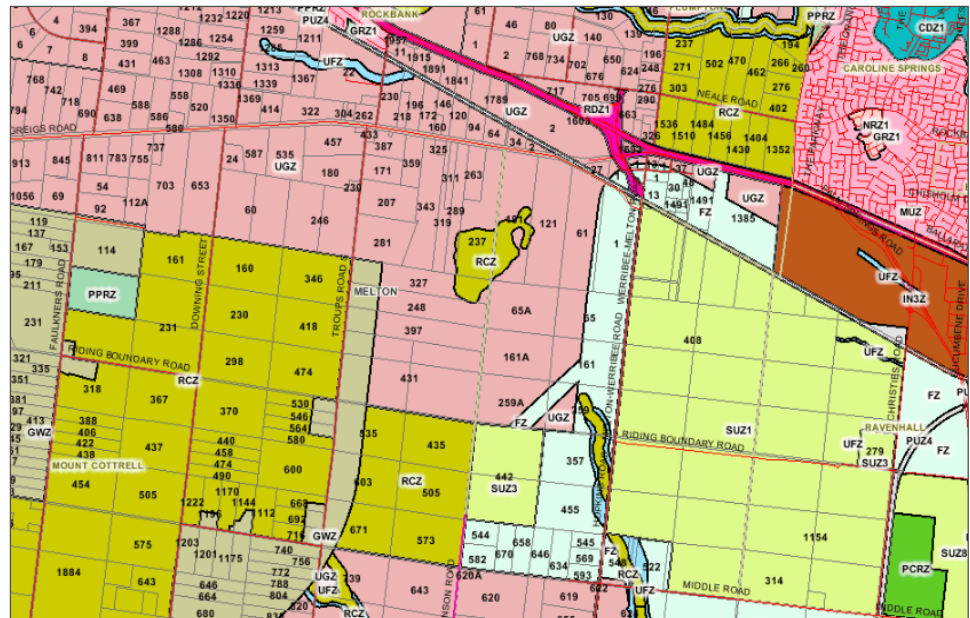
City of Melton.

### Zoning

Pursuant to the provisions of the Melton Planning Scheme, land included in the PSPs are within the following zones:

- *Urban Growth Zone (UGZ).*
- *Rural Conservation Zone (RCZ).*
- *Farming Zone (FZ).*
- *Special Use Zone (SUZ).*
- *Urban Floodway Zone (UFZ).*

A current zoning map prepared by the Department of Environment, Land, Water and Planning (DELWP) (not to scale) is as follows:

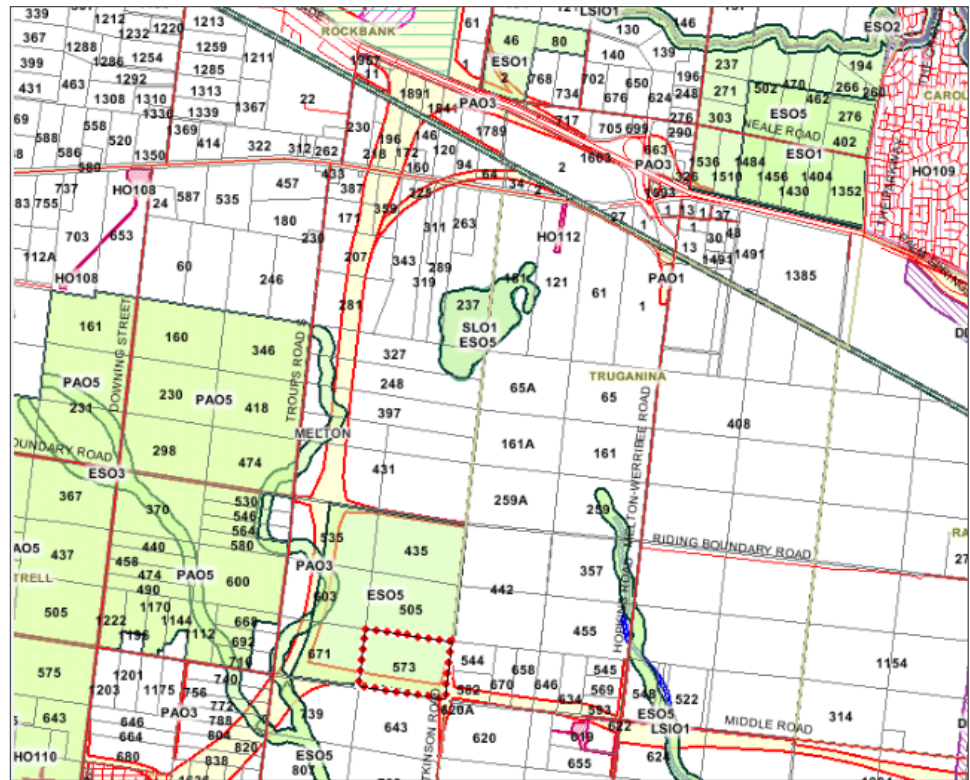


SOURCE - [www.land.vic.gov.au](http://www.land.vic.gov.au)

The parent holdings within the PSPs are included within the following overlays:

- Land Subject To Inundation Overlay (LSIO).
- Public Acquisition Overlay (PAO).
- Environmental Significance Overlay (ESO).
- Significant Landscape Overlay (SLO).
- Heritage Overlay (HO).

A current overlay map prepared by the DELWP (not to scale) is as follows:



SOURCE - www.land.vic.gov.au

Our valuations are completed on the basis that no encumbrances identified within the zoning and/or overlay particulars which would impact upon the development potential of the subject holding or require extended holding periods due to planning matters or incur additional costs for development.

Refer to Assumptions / Qualifications - Zoning

**Current Use**

As at the date of valuation, the subject land generally comprised vacant rural / residential land. The land is improved with dwellings, sheds and associated farming.

**Potential / Future Use**

Pursuant to the Planning Scheme, the potential uses for the subject property may be summarised as those where a planning permit is not required (Section 1 of the Planning Scheme) and those where a planning permit is required (Section 2 of the Planning Scheme). Those uses noted under Section 3 of the Planning Scheme (Prohibited) are not considered to place any undue restriction upon the future use or development of the site.

In undertaking these assessments, we have had regard to the highest and best use of the individual parcels in addition to current social and economic conditions within the western corridor.

**Native Title**

There are no attributes observed that would identify the property as having coexisting or likely coexisting Native Title interests.

Refer to Assumptions / Qualifications - Native Title



## Environmental Details.

**Environmental Statement** A “Land Capability Assessment” report was prepared by Jacobs dated July 2015. The report related to the Mt Atkinson and Tarneit Plains PSP area and concluded the primary potential sources of contamination from information gathered by reviewing the history of land use in the PSP and surrounding areas, desktop assessment reviews and inspections of properties within the PSP area that were identified as presenting a potential risk.

These include the following:

- *Two petrol filling stations located at the north-west and north east of the PSP area. The presence of underground storage tanks (UST) constitutes a high risk of contamination to underlying soils and groundwater.*
- *The Nevas broiler chicken farm located at Property 16 considered a moderate risk of contamination associated with waste and general site activities.*
- *The existing material recycling facility at 2 - 50 Meskos Road. The site presents a moderate to high potential for contamination associated with use of chemicals, fuels, equipment on site and general material stockpiling.*
- *Highly localised areas of potential contamination with associated land uses such as stockyards and general farm premises. These are likely to incorporate fuel tanks and chemical storage facilities.*
- *Highly localised areas of potential contamination associated with stockpiles and general dumped materials. These locations, contamination is likely to be localised to stockpiles themselves and in some instances, shallow underlying soils.*
- *Diffused but low level sources of contamination associated with the widespread application of agricultural chemicals on farmland, orchards and plant nurseries. These chemicals may include pesticides, herbicides, fungicides and fertilizers.*

The report recommended the following works to be undertaken in relation to the primary potential sources of contamination:

- *An Environmental Audit Overlay (EAO) should be applied to the two petrol filling stations located north of the Mt Atkinson PSP area.*
- *A more detailed desk based assessment should be undertaken to the service station particularly north west of the Mt Atkinson PSP with limited groundwater and soil sampling in the vicinity.*
- *Limited soil and groundwater assessment should be undertaken to the Nevas Chicken Farm (property 16) prior to any redevelopment of this property to a more sensitive use.*
- *Limited soil and groundwater assessment is recommended at the existing material recycling facility at 2-50 Meskos Road.*
- *Properties classified as “Low-Moderate” risk which have not been property inspection/interview has not been undertaken. It is recommended that these properties have these inspections/interviews undertaken prior to development.*
- *Drilling and collection of soil samples to assess geotechnical soil properties for building foundations and road design.*
- *Drilling and installation of groundwater monitoring wells to determine the depth of groundwater and aquifer hydraulics testing.*
- *Excavation and removal of USTs, soil remediation and tank pit validation if USTs are found on properties.*
- *Removal of other potentially contaminating infrastructure.*
- *Classification and appropriate removal of various stockpiles and dumped materials.*
- *Assessment of potential soil contamination issues associated with materials along the rail alignment.*

The report also notes that there are number of off-site sources of contamination in the vicinity of the PSP site. The greatest of risk was acknowledged to be the Boral Quarry to the south east which presents as a “low to moderate” potential for contamination for the PSP area. The remaining off-site properties are deemed to present a very low potential for contamination of the PSP area.

Quantification of the environmental problems was not available at the time of valuation. Therefore this valuation and our report is made subject to there being no actual or potential contamination issues or environmental hazards, including surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards issues affecting:

- The existing or potential use of the property.
- The value or marketability of the property.
- The site.

Refer to Assumptions / Qualifications - Environmental Statement

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## **Archaeological Consideration**

Aboriginal Heritage Impact Assessments reports were prepared for both Mt Atkinson and Tarneit Plains PSP areas by Ecology and Heritage Partners dated October 2015. The assessments undertaken as part of these reports included a background review and a field survey.

The desktop assessment and field survey identified six areas of moderate Aboriginal likelihood in the Mt Atkinson area, and six areas of moderate Aboriginal likelihood in the Tarneit Plains area. These consisted of the peak, upper and middle slopes of Mt Atkinson; stony rises; and a relatively undeveloped area in the north west of Mt Atkinson area. The field survey identified two new Aboriginal archaeological sites and the reinspection of 19 previously recorded Aboriginal sites within the study area. A number of sites of low and moderate significance were identified. Mt Atkinson was the only site of high significance, with a recommendation to use the site location as part of public open space. This is proposed in the PSP, together with an area of interpretation of Aboriginal heritage within the public open space.

Furthermore, Post Contact Heritage Assessments were prepared for both Mt Atkinson and Tarneit Plains PSP areas by Ecology and Heritage Partners dated March 2015. The assessments undertaken as part of these reports included a desktop assessment and field survey. The desktop assessment indicated that there is three historical heritage sites recorded within the PSP area. The field survey undertaken on the 17, 18 and 20 of June 2014 recorded four previously registered historical sites including one delisted dry stone wall. An additional 13 dry stone walls were also recorded.

The registered sites and features included house and buildings associated with 65 - 543 Griegs Road East, two cobbled roadways, Griegs Road and a stone wall at 2-50 Meskos Road. Specific recommendations included that the cobbled roadways be retained within open space or conservation reserve. Where proposed impacts to H0112 (House and Buildings) that are consistent with those listed in Clause 43.01-1 of the Melton Planning Scheme are unavoidable, a Planning Permit will be required from Melton City Council.

Melton City Council has developed planning controls under Clause 52.37 of the Planning Scheme to protect dry stone walls across the municipality. It identifies dry stone walls for protection within the Mt Atkinson and Tarneit Plains area along part of Griegs Road (west); Mt Atkinson Road; and in the south east corner of the PSP near Middle Road and Hopkins Roads. Wherever possible the PSP should be designed to provide compatible land uses around the walls, such as unstructured open space, conservation reserves, wide adjoining road verges or allow retention of walls on frontage property boundaries by providing service lane.

The Mt Atkinson and Tarneit Plains PSP include an encumbered area for heritage (Heritage Reserve - Post Contact). As such, our valuation is subject to there being no additional archaeological classifications or materials contained upon the site which would adversely impact its existing or potential use or reduce the marketability or development entitlement.

Our valuation is provided on the basis that there is no cost and/or adverse implications identified within the current and/or future CHMP's.

Should any problem be known or arise, then the valuation should be referred back to us for further comment.



## **Flora and Fauna Consideration**

A flora and fauna study has not been provided for to all property holdings within the PSP areas.

Conservation Area Concept Plan reports were prepared by Ecology and Heritage Partners dated April 2015 for land identified as Conservation Area 8 which specifically relates Property 53, 54, 57 and 58 and Conservation Area 7 relating to Property 46 for the purposes of identifying the ecological values for those properties in order to determine the applicable management category and assist the Department of Environment, Land, Water and Planning (DELWP) in developing a Conservation Management Plan (CMP). Results showed the Conservation Areas were predominantly covered by Plains Grasslands and supports a moderate occurrence of fauna of national significance which includes the Striped Legless Lizard, Golden Sun Moth and Spiny Rice Flower. Furthermore 31 flora and 31 fauna species of state significance were recorded in the locality with 5 flora and 3 fauna species to have a moderate likelihood of occurrence, 15 regionally significant fauna species with 1 species to be a moderate likelihood of occurrence.

Our valuation is therefore provided subject to there being no remnant vegetation or flora other than that detailed which would impact the development potential of the land or incorporate or warrant costs associated with assessment or compensation for habitat destruction. Should any problem be known or arise, the matter should be referred back to us for further comment.

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## **Locality.**

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### **Precinct Description**

The Mt Atkinson (PSP 1082) and Tarneit Plains (PSP 1085) Precinct Structure Plan (PSP) are identified as two distinct precincts with a total of 80 holdings. Mt Atkinson PSP is bound by Riding Boundary Road to the south, the Western Highway to the north, Hopkins Road to the east and both the Western Grasslands Nature Reserve and land incorporated within the Rockbank South to the west. Tarneit Plains is bound by Middle Road to the south, Riding Boundary Road to the north, Hopkins Road to the east and the Western Grasslands Nature Reserve to the west.

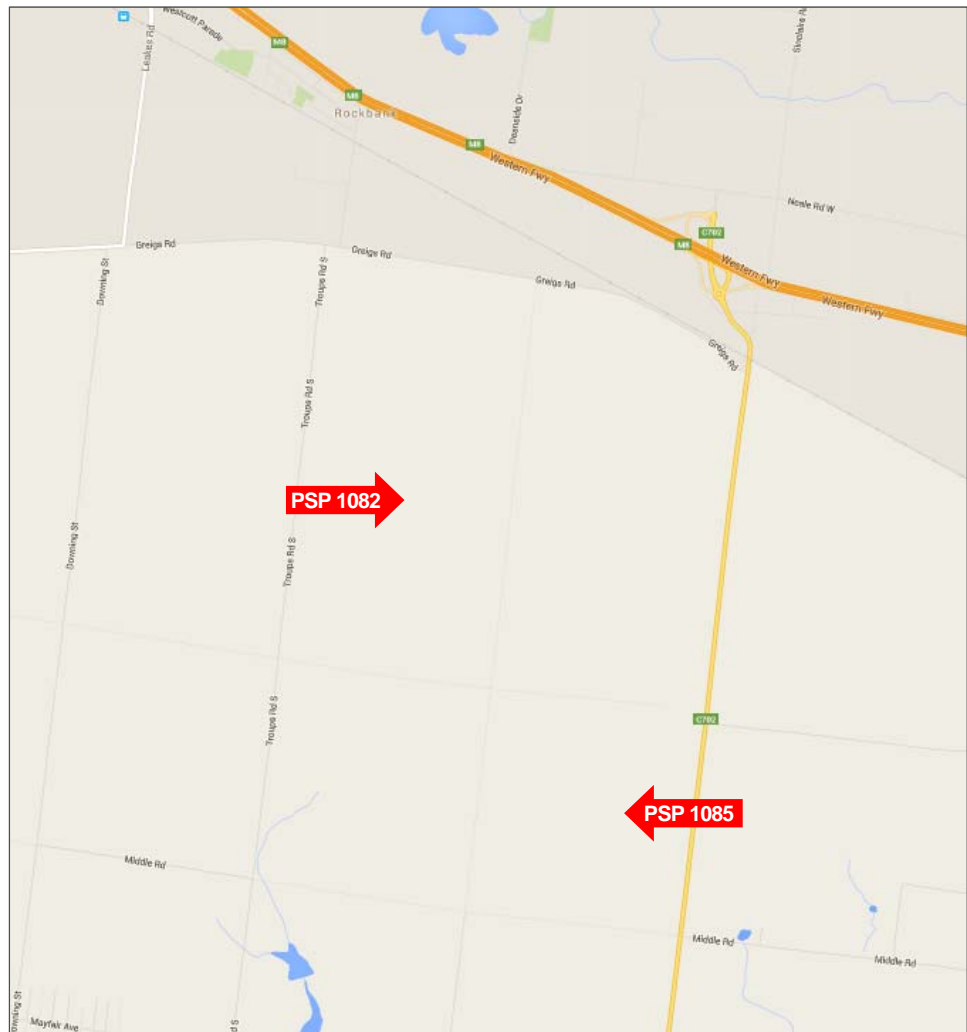
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### **Locality & Surrounding Development**

The PSPs are within the City of Melton approximately 25 kilometres west of the Melbourne Central Business District (CBD).

The subject land is surrounded by rural residential holdings identified within future PSP's including the Plumpton, Kororoit, and Rockbank PSP's. The surrounding land predominantly comprises land used for farming and agricultural purposes. To the east of the subject land is the Melbourne regional landfill site located across Hopkins Road. Furthermore, located east is the Deer Park Quarry.

The subject locality can be identified within the locality map as follows:



SOURCE - Google Maps

**Road System and Access**

East of the PSPs is Hopkins Road which provides the major north-south connection to the PSP. West of the PSPs is Troups Road South and provides access to the properties west of the PSP. Located north is Griegs Road, a sealed road which connects Hopkins Road to Troups Road South. Riding Boundary Road and Middle Road are unsealed road which provide east-west connection through the PSPs.

The PSP area is also serviced by the Western Freeway which is aligned in an east west direction north of the Mt Atkinson Precinct which provides access to the Melbourne Central Business District.

Public transport networks include a bus route along the Western Freeway and the Rockbank train station located 4.5 kilometres east of the PSP.

Retail amenity is primarily located in surrounding town centres including the Melton (High Street) shopping strip precinct, the Woodgrove Shopping Centre and the town centre of Caroline Springs which comprises a large retail precinct.

## Services and Amenities

A Mt Atkinson and Tarneit Plains PSP High Level Utility Servicing and Infrastructure Assessment report was prepared by GHD dated September 2014 which acknowledged the provision of electricity, telephone, gas and water supply being available to the Mt Atkinson and Tarneit Plains PSP subject to new and upgraded essential services infrastructure being established before full development of the PSP area and surrounds occur.

The costs associated with the augmentation of services to the individual parcels is not known or reflected in our assessment.

Our assessment has been provided on the basis that infrastructure (road network and services) have been extended to each parcel in accordance with the Mt Atkinson and Tarneit Plains PSP.

## Scope of Development.

### Precinct Structure Plans [ICP's]

The subject area can be identified by two PSPs.

- PSP 1082 Mt Atkinson.
- PSP 1085 Tarneit Plains.

The PSPs provide in total, 80 property holdings with a total parent area of 1470.88 hectares with road reserves totalling 60.79 hectares. A breakdown of the parent areas in accordance with the PSPs are as follows:

PSP No.	No. Of Properties	Parent Area
1082	57	996.50
1085	23	474.38
<b>Total</b>	<b>80</b>	<b>1,470.88</b>

#### Summary

In assessing value of the parent holdings subject to ICP projects, we have assessed the value of each holding before and after the acquisition of land for ICP projects.

The developable area for each holding is the "Before" scenario and has been derived from the Property Specific Land Budget prepared by the Victorian Planning Authority (VPA) and correspondence received from the VPA dated March 2017 and from this we have deducted the acquisition areas as provided in the Land Budget to arrive at the remaining developable area in the "after" scenario.

The area in the "Before" scenario excludes land within the Property Specific Budget as encumbered land associated with conservation reserves, waterway and drainage reserves, heritage reserves - post contact, utilities easements and for the Griegs Road Reserve and Linear open space to indicate a total developable area of 1,203 hectares.

A summary of the "before" and "after" areas for the PSP affected by ICP projects and adopted within our valuations is noted as follows:

PSP No.	Parent Area	Area (Hectares)		
		Before	Acquired	After
1082	996.50	861.60	62.78	798.82
1085	474.38	341.40	7.56	333.84
<b>Total</b>	<b>1,470.88</b>	<b>1,203.00</b>	<b>70.34</b>	<b>1,132.66</b>

Should the developable area differ from that adopted, this would impact the value assessed and this valuation and report should be referred back to use for further comment.

## Improvements

Each holding is assessed based the proposed zoning and notional highest and best use in accordance with the Mt Atkinson and Tarneit Plains Precinct Structure Plan. The report relates to the assessment of the parent holdings within the precincts for the implementation of ICP projects. Therefore, the values assessed relate to the underlying land values of the individual parcels. Accordingly, the improvements are excluded from the assessments.

## Highest and Best Use

The Mt Atkinson PSP incorporates residential uses and employment uses particularly industrial and large retail format uses. The PSP also incorporates a specialised town centre, Government and potentially non-Government educational facilities, local convenience centres, indoor recreation facilities, community facilities. Tarneit Plains PSP will be primarily for employment use particularly for industrial uses.

The VPA has indicated that land for residential use will be primarily *Residential Growth* zone with some properties subject to a *Mixed Use* zone. In accordance to the Melton Planning Scheme, these zones can accommodate residential uses of a higher density nature. However, higher density housing in Melbourne predominantly exists in inner suburban localities where development is in established areas and the need for space is highly competitive. In established areas, the onus of developing higher density dwelling demand is generated from the increased choice in housing without the trade-offs between location and tenure choice, and maximisation of the benefit and cost minimisation of existing infrastructure. In line with current planning policies and the increase in demographic characteristics within Melbourne together with social preferences to be closer to activity nodes, high density development therefore can be concluded to be viable in proximity to activity centres or amenities which directly support residential occupation. It can therefore be concluded that medium density development demand is generated once the establishment of such facilities is developed. Therefore, in assessing value, we have considered the highest and best use of the parent holding and site specific parcels proposed as residential uses are inglobo residential development land.

Land which is identified for employment uses and as indicated by the VPA is to be either *Industrial 1* zone, *Commercial 1* zone or *Commercial 2* zone which for the latter two zones would be for more commercially orientated uses. However the value of commercial land is influenced by the proposed industrial/employment catchment planned for the southern portion of the PSP. On this basis, we have adopted an underlying industrial land value rate for the land identified as future commercial use.

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## Easement and Buffer Areas

The PSP area has existing quarry buffers established to protect the operation of the state significant Deer Park Quarry. The quarry blast buffer extends 200 metres from the approved quarry works authority which is identified to place restrictions on use and development to those properties which are affected. The quarry sensitive use buffer extends 500 metres from the approved quarry works authority. The quarry sensitive use buffer to a lesser extent restricts use and development to those properties which are affected.

The PSP area also has high pressure gas transmission pipelines and associated easements which run parallel to Hopkins Road and Middle Road. In this regard, there is also a high pressure gas transmission 'pipeline measurement length' for each pipeline with measurement lengths of 571 metres. The utilities (gas easement) are identified to place restrictions on use and development whilst the gas measurement length ensures that sensitive uses are minimised.

Situated in Property 51, 55, 78 and 79 is proposed to be utilised as an Truganina Electrical Terminal Station and in this regard, there is an electrical transmission easement which runs in an east - west direction from the Tarneit Plains PSPs' eastern boundary connecting to the Terminal Station before running diagonally through Mt Atkinson PSP to its Hopkins Road Boundary.

Our assessments have reflected the extent of restrictions on use and development from the various buffers and easements affecting each property holding. Discussions with the VPA have confirmed the relevant restrictions and limitations on use and development with regards to the electrical transmission easements, the quarry blast buffer, the quarry sensitive use, the gas pipeline measurement length and the utility (gas transmission) easement.

- Electrical transmission easements are to be utilised in accordance to Table 6 Powerlines Easement Possible Use and Development in the Mt Atkinson and Tarneit Plains PSP report. Such uses include passive recreational uses, hardstand, plant/nurseries, local roads, car parking and storm water management. No built structures are permitted.
- No built structures are allowed on land within the quarry blast buffer. Discussions with the VPA have acknowledged passive uses including car parking, landscaping and local roads to being appropriate.
- Uses including Child care centre, Pre-school, Education centre, Hotel and Motel are prohibited on land within the quarry sensitive use buffer.
- Uses for a Cinema, Child care centre, Corrective institution, Education centre, Hospital, Place of assembly and Residential aged care facility require a Permit on land within the gas pipeline measurement length.
- The utility (gas transmission) easement is inherently within the quarry blast buffer and therefore no built structures are allowed.

## Valuation Rationale.

### Valuation - “Before” and “After”

We have valued the parent holdings subject to the partial acquisitions utilising the “before” and “after” methodology, reflecting the assumptions and qualifications detailed within this report and proposed underlying uses of the parent holdings.

In arriving at our assessment of value, we have assessed the individual parent holdings in the “before” scenario and a separate assessment “after” the acquisition, having regard to the sales evidence of development sites. In all instances, the “before” and “after” values have been assessed on the basis that the subject parcels are appropriately zoned for their respective urban purposes and on the basis that the land is capable of being utilised for its highest and best use. The “before” and “after” values have also reflected the extent of restrictions and limitations created by the easements and buffers affecting the developable area of the subject parcels. In addition, it is also formed on the basis that the land is at the development front for that category of property and that appropriate market demand exists.

The difference between the “before” and “after” value assessments is the indicated inglobo value attributable to the land identified for the proposed ICP item.

A summary of our assessment is as follows:

#### *Mt Atkinson - “Before” and “After”*

Parent Area (Ha.)	Before Area (Ha.)	Before Value	After Area (Ha.)	After Value	Difference
996.50	861.60	\$461,310,000	798.82	\$420,665,000	\$40,645,000

#### *Tarneit Plains - “Before” and “After”*

Parent Area (Ha.)	Before Area (Ha.)	Before Value	After Area (Ha.)	After Value	Difference
474.38	341.40	\$58,840,000	333.84	\$57,560,000	\$1,280,000

### Public Land Equalisation Approach

In accordance with the VPA instructions, we have also undertaken the “Public Land Equalisation” method of assessment. This relates to the valuation of those sites which have been identified as providing land for a public use. These properties have been assessed on a site specific basis. This assumes that the respective site is serviced, comprises an individual title and is capable of being sold in its own right.

The site specific assessment is applied to those public land contribution items which the VPA advises exceeds the average area of public land contribution for the respective Precinct Structure Plans.

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### **Critical Issues**

Our valuation has been completed on the basis:

- The property relates to a total of 80 property holdings within the Mt Atkinson and Tarneit Plains PSP which have been identified as land for future development, 43 of which have been identified for ICP projects.
- Areas have been derived from the Mt Atkinson and Tarneit Plains PSP Property Specific Land Use Budget and advice from the VPA.
- The parcels are considered to have future development potential in accordance with the PSP, with existing improvements considered to be of no added value and have not been incorporated within our assessment.
- Our assessments have reflected the restrictions and limitations on use and development from buffers and easements affecting the developable area of each subject holding. The nature of these restrictions has been derived following discussions with the VPA.
- The extent of developable area affected by easements and buffers has been based on areas provided by the VPA.
- The extent of developable area affected by easements and buffers on a site specific basis for affected areas has been based on approximate areas assumed by Charter Keck Cramer.
- The impact on value from the buffers and easements has been derived by a percentage discount pursuant to the nature of the buffers, easements’ restrictions and limitations on use and development. Should the affected area or their utility change then this will impact upon assessment.
- Property 52, 56, 78 and 79 has not been assessed in our broad hectare assessments due to its proposed use as the Truganina Terminal Station.
- Our valuation excludes any development works carried out on this parent holding to date and represent the physical known circumstances of the holding and configuration as at the inception of the Mt Atkinson and Tarneit Plains PSP, prepared by the VPA (formerly Growth Area Authority) dated April 2016.
- Land within the Mt Atkinson and Tarneit Plains PSPs is unaffected by unsupervised fill, soil or groundwater contamination.
- The land within the Mt Atkinson and Tarneit Plains PSPs is unaffected by Aboriginal or archaeological artefacts of significance.
- Our valuation is provided on the basis that there is no cost and/or adverse implications identified within the current and/or future Cultural Heritage Management Plans (CHMP’s).
- Our valuation is provided on the basis that the land is unaffected by flora and fauna issues.
- The current highest and best use for the holdings within the Mt Atkinson and Tarneit Plains PSP has been adopted as inglobo residential development land and inglobo industrial development land.
- The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding.
- Services and facilities are available to the Mt Atkinson and Tarneit Plains PSP including water, gas, electricity, and telephone and mains sewer. However, costs associated with augmentation of services to the individual parcels are not known. The costs associated with extending services to the land are not reflected in our assessment of value.
- Our assessment has been concluded on the basis that the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.
- The “before” and “after” scenarios would provide that the land is zoned appropriately and issued appropriate Town Planning approval.
- Our assessment of value has been concluded on the basis that infrastructure (road network and services) is extended to each parcel, having occurred in accordance with the Mt Atkinson and Tarneit Plains PSP and such infrastructure and services are reticulated within the Mt Atkinson and Tarneit Plains PSP area and can be augmented to service the proposed underlying uses.



- Our valuation is based on the assumption that the acquired parcels are separately titled.
  - Our assessments reflect that the Growth Areas Infrastructure Contribution (GAIC) will be paid at development.
  - Our assessments are exclusive of Goods and Services Tax (GST).
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## Valuation & Valuation Compliance Statement.

### Valuation

To indicate value of the acquired land for ICP projects, we have assessed value in the “before” scenario and a separate assessment reflecting the holding after the acquisition. The difference between the “before” and “after” value assessments is the indicated value attributable to the land identified for ICP projects. A summary of our assessment is as follows:

#### Atkinson - “Before” and “After”

Parent Area (Ha.)	Before Area (Ha.)	Before Value	After Area (Ha.)	After Value	Difference
996.50	861.60	\$461,310,000	798.82	\$420,665,000	\$40,645,000

#### Tarneit Plains - “Before” and “After”

Parent Area (Ha.)	Before Area (Ha.)	Before Value	After Area (Ha.)	After Value	Difference
474.38	341.40	\$58,840,000	333.84	\$57,560,000	\$1,280,000

### Prepared by

Thomson Maloney & Partners Pty Ltd  
T/A Charter Keck Cramer



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Certified Practising Valuer  
API Member No 62402  
Executive Director  
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National Executive Director

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Date of Issue of the Valuation Report - 31 March 2017

Liability limited by a scheme approved under Professional Standards Legislation.

### Valuation Compliance Statement

Charter Keck Cramer confirms that:

- The statements of fact presented in the report are correct to the best of the Valuer’s knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer’s fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer has made a personal inspection of the property.
- No one, except those specified in this report, has provided professional assistance in preparing the report.

We confirm that neither Charter Keck Cramer nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this property.

Refer to Assumptions / Qualifications - Third Party Disclaimer

## Assumptions / Qualifications.

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### Legend

square metres	sq.m.
hectares	ha.
per annum	p.a.
per hectare	p.ha.
per square metre	p.s.m.

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### Date of Valuation

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

We draw attention to the provisions of our professional indemnity insurance that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for clients' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion are advised that since the date of valuation the subject property has not been re-inspected and that no further investigation or analysis has been undertaken as to any changes since that date.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report that would impact on the value of the subject property.

Our report is concluded in the context of current Federal and State Legislation, Regulations and Policies as at the date of this report and does not anticipate or reflect possible changes in these matters that may impact upon the fundamentals of the project or property, its target market, cost structure, profitability or value. Adverse changes in such Legislation, Regulations and Policies (such as fiscal, taxation, FIRB, migration, international affairs and security), among others, are outside the control of the Valuer, and may result in material adverse impact on the valuation advice provided. Charter Keck Cramer and its affiliates do not accept any liability arising with respect to these matters.

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### Instructing Party / Terms of Reference

Our report has been prepared in accordance with the January 2012 edition of the *Australia and New Zealand Valuation and Property Standards*, being the third joint publication of the standards by the Australian Property Institute (API) and the Property Institute of New Zealand (PINZ).

Any intending third party wishing to rely upon the contents of this valuation and its recommendations should note that in accordance with the provisions of our company's professional indemnity insurance policy, they must, in written form, seek our approval in response to which we will consider the authorisation of this report for their use. Otherwise, no responsibility is accepted for any third party which may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to and known by the parties to whom it is authorised.

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### Definition of Market Value

This valuation has been prepared in accordance with the following API definition of market value:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

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### Encumbrances

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the **Certificate of Title / Certificates of Title** attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

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### Zoning

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of Planning and Community Development (DPCD). Our assessment is completed subject to the planning information obtained being current and correct.

Please note that a Planning Certificate has not been provided or obtained. In the event that a Planning Certificate is obtained and the information thereon is materially different to that provided to Charter Keck Cramer via the approved internet based version, then we reserve the right to review our assessment and amend this report (as necessary).

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### Native Title

Pursuant to the *Native Title Act (Clth)* 1993, and as amended 30 September 1998, land with the exception of an "Exclusive Possession Grant", may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnoecological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Clth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification that the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify that the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis that the property is not affected by co-existing Native Title interests. Should subsequent investigation show that the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

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### GST Implications

Transactions of commercial properties are subject to GST from 1 July 2000, at an amount equivalent to one eleventh (1/11th) of the sale price, for which it is the responsibility of the vendor to remit same to the Government. Accordingly, the vendor/notional vendor can only pass on the GST through a specific condition in the sale contract. Most contracts now include a clause that requires the purchaser to pay any GST on the basis that the purchaser is a registered business and entitled to a full input tax credit. This results in GST being a cash flow issue for the vendor only. With regard to commercial property which is sold subject to commercial leases or which is viewed as a "going concern" under legislation, the supply can be GST free if:

- The supply is for consideration.
- The purchaser is registered (or required to be).
- The vendor and purchaser agree that the supply is to be the supply of a going concern.

Supply of a going concern is an agreement in which:

- The vendor gives the purchaser all things necessary for the continued operation of the enterprise.
- The vendor continues to carry on the enterprise to the date on which possession changes.

In accordance with the final ruling on "going concerns" as contained within GSTR 2001/5 and 2002/5 issued by the Australian Taxation Office, the use and definition of a "going concern" has been clarified, and therefore the majority of commercial buildings can be classified as "going concerns" and be GST - Free. Under the Rulings "Marketing Test", the GST - Free Rule applies to:

- Fully tenanted buildings.
- Partially tenanted buildings, being marketed for lease.
- New buildings being marketed for lease where at least one tenant has been secured.

Accordingly, the treatment of GST can be handled in a number of ways with respect to the subject property. A vendor/notional vendor may require a purchaser/notional purchaser to pay GST in addition to the purchase price, with such purchaser able to claim back this payment as an "input tax credit". Alternatively, the vendor and purchaser (or notional vendor and purchaser) may elect to adopt the margin scheme, with the purchaser paying GST on the margin or difference in value of the property between the current date and 1 July 2000.

Our valuation is expressed exclusive of GST.

This valuation is based on the assumptions relating to GST set out above. If any of these assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to the Certified Practising Valuer for comment and, in appropriate cases, amendment.

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### Third Party Disclaimer

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures. It should be noted that any subsequent amendments or changes in any form to the valuation and report would only be notified to and known by the parties to whom it is addressed. This report is a valuation report and is not intended as a structural survey. Charter Keck Cramer prohibit publication of this report in whole or in part, or any reference thereto, or to the valuation assessments contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.

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### Advisory

Corporate Property Strategy  
Project Feasibility  
Transaction Structuring &  
Divestment Management  
Acquisition Advisory  
Strategic Asset Management  
Accommodation Solutions

### Research

Market Analysis  
Project Benchmarking Analysis  
National Apartment Database  
National Land Survey Program  
Urban Economics & Policy  
Briefings & Workshops

### Valuations

Mortgage Valuation  
Construction Valuation  
Pre-Purchase & Pre-Sale Advice  
Financial Reporting Valuation  
Compensation Valuation  
Legal & Litigation Valuation  
Business Valuation  
Rental Assessment  
Statutory Valuation

### Projects

Development Strategy  
Project Management  
Quantity Surveying  
Land Surveying  
Civil Engineering

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**CHARTER.**  
KECK CRAMER