

Cemetery land purchase process

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Department
of Health

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Minister's approval

The Minister for Health's approval is required for cemetery trusts to purchase land.

Under s. 30(4) of the *Cemeteries and Crematoria Act 2003*, the Minister for Health can approve the purchase of land if satisfied that the land is **necessary or desirable for cemetery purposes**.

To support the Minister's decision the trust must prepare a **business case** for the land purchase. This is sent directly to the department with a covering letter.

Victorian Government Land Monitor Approval

Cemetery trusts must also obtain the approval of the Victorian Government Land Monitor (VGLM) for land valued at **\$1 million** or more.

VGLM approval is completed after the Minister for Health's approval is given, however a trust should approach VGLM ahead of this to ensure compliance with the Victorian Government Land Transactions Policy and Guidelines.

VGLM approval is managed by the Department of Transport and Planning.

See [Victorian Government Land Monitor](#)

Criteria necessary for a cemetery land purchase

The following pages list 7 criteria necessary for a cemetery land purchase.

If criteria 1-2 are not met, do not proceed further.

Sufficient trust funds

Criteria 1: Does your trust have sufficient funds to purchase land without negatively impacting current cemetery operations and future perpetual maintenance?

Cemetery **land purchases** are **funded by cemetery trusts**. Funding is not available from the Victorian Government.

After purchasing and developing land, a trust will need enough remaining funds to continue to operate its cemetery/ies and meet its perpetual maintenance obligations.

Demand for cemetery services

Criteria 2: Is there **demand** for cemetery services in your area that **cannot be met by existing cemeteries**?

Information should be gathered regarding death rates in area, recent right of interment sales data or trends, demographic indicators such as being within a growth corridor.

Collecting this data will help the trust determine whether the purchase of land is necessary.

If the trust has sufficient funds and there is demand proceed to Criteria 3.

Suitability of land

Criteria 3: Has the trust determined that the proposed land is suitable for cemetery purposes via its **due diligence**?

Items to consider include:

- Is the soil suitable to dig and free of contamination?
- Is the topography of land appropriate for burials (for example, land is flat)?
- Does the land have planning overlays that will be restrictive (for example, native vegetation)?
- Is there suitable amenities such as utilities and access to the site (i.e. roads, public transport)?
- Is there an existing carpark or space for this purpose?
- Will the land be able to be rezoned for cemetery purposes (discuss with council)?
- Is the location suitable?

Complete due diligence

The *Victorian Government Land Transactions Policy and Guidelines* requires cemetery trusts to conduct appropriate due diligence to ensure they understand the status and attributes of the land before entering a transaction.

Trusts should use the Policy to complete due diligence checks determining that potential new land is suitable.

A trust can seek advice on the Policy from the Victorian Government Land Monitor via vglm.admin@delwp.vic.gov.au

The policy can be obtained via the [Victorian Government Land Monitor](#)

Prepare a Business Case

If the trust determines that **criteria 1-3 are met** the trust can commence preparation of a business case.

The business case supports the trust's request to obtain Ministerial approval for the land purchase.

Trusts should contact the department for clarification regarding the items to include in its business case.

The level of detail required will differ depending on the circumstances.

Business Case Headings

At a high level, headings to include are:

- executive summary
- existing cemetery capacity
- financial capacity of trust
- demand analysis
- land suitability and due diligence
- valuation of land
- financial viability of project
- actuarial analysis
- community consultation/local approvals
- consideration of alternative sites

Valuation from Valuer General Victoria

A cemetery trust must not purchase land at a price which is greater than the **current market value** of the land.

An exemption may be possible in special circumstances. The Victorian Government Land Monitor may provide an exemption where the purchase is strategically important to an agency (for example, adjacent land).

Current market value must be obtained from a **Valuer General Victoria valuation**. A trust can obtain this valuation via the department. The **trust pays** for this valuation.

A valuation is only **valid for 3 months**. A trust will need to pay for an update if a valuation expires prior to obtaining necessary approvals.

Financial Viability of Project

Criteria 4: Is the project financially viable?

The trust will need to document the **return on investment** of the project considering:

- Cost of proposed land (valuation)
- Land preparation and rehabilitation costs (for example, ground leveling, landscaping, soil decontamination)
- Infrastructure costs (for example, fences, utility connections, car park, access or internal roads, buildings, paths)
- Projected revenue from cemetery services

Note: Sites with existing infrastructure, including road access, water and electricity connections and irrigation are likely to be preferable. Consideration should be given to land that is adjacent to an existing cemetery if available for sale.

Actuarial Analysis

An independent actuarial analysis is required if the land purchase will be **\$1 million** or more.

The actuarial analysis will provide a Net Present Value (NPV) and a sensitivity analysis. This provides an indication of the overall profitability of the project even if circumstances vary such as demand.

A trust may consider using an actuary for reassurance where a land purchase is less than \$1 million.

Community consultation/local approvals

Criteria 5: Is there **community and council support** for a cemetery at the proposed location?

Community consultation is a necessary component of a trust's business case.

Consultation with the local council and the community **provides assurance to the Minister for Health** that there are unlikely to be objections to the proposed use of the land.

A trust's consultation approach should be discussed and agreed with the department after identification of suitable land.

Trusts should obtain **written in-principle support** from the local council for future re-zoning of the land to **Public Use Zone 5 - Cemeteries and Crematoria** or for a planning permit to use the land as a cemetery.

Consideration of alternative sites

Criteria 6: Is the proposed land the **best option** amongst land available for sale?

List other land options if available, with estimated cost-benefit analysis of each and discuss why the proposed land is the most desirable.

If the proposed land is adjacent to the existing cemetery, listing alternative sites is not required.

Trust endorsement of expenditure and business case

Criteria 7: Has the trust endorsed the expenditure for the proposed land purchase and the business case?

The business case can be submitted to cemeteries@health.vic.gov.au

The business case must be accompanied by:

- Covering letter from the trust chairperson formally requesting approval from the Minister for Health for the purchase of the land at the valuation price
- Current valuation from VGV

The unit reviews all documentation and may have follow-up questions for the trust. The Minister may also request **additional information**.

In time, the trust will be advised if the Minister has supported or rejected the request. It may then be necessary for the trust to obtain VGLM approval (\$1 million or more).

Settlement

Once the necessary approvals are obtained (Minister for Health and if required, VGLM), the contract of sale can be executed with the trust as the purchaser. Two transfers are required.

- Transfer from current owner to cemetery trust; then
- Transfer from trust to His Majesty, King Charles the Third (KCIII), quoting s. 34 of the *Cemeteries and Crematoria Act 2003* regarding permanent reservation for cemeteries and crematoria purposes (this **surrenders the land to the Crown**)

The **trust's solicitor** will generally undertake these transfers (using PEXA, the digital land settlement system).

GIC Orders

Once a Crown Allotment number has been issued for the land the department will arrange for a Governor in Council Order to either

- include the land within an existing cemetery or
- establish a new cemetery, with the trust appointed as the land manager.

Rezoning or planning permit

After settlement, the trust must ensure that the land has the correct zoning **Public Use Zone 5 - Cemeteries and Crematoria** or obtain a planning permit **prior to any burials**.

The trust will need to formally apply to the local council to rezone the land/obtain planning permit **OR**

The Government Land Planning Service may assist with the rezoning process. Trusts can apply for assistance by email glp.service@delwp.vic.gov.au.

Please note that both options are likely to involve **trust costs** (for example, consultants).

The Department of Health is not involved in the rezoning/planning permit process as this is a local government matter.

Staging cemetery development/masterplan

It is recommended that trusts consider 'staging' cemetery development so that the trust is receiving income from one section to fund the development of later sections.

Please undertake community consultation on draft cemetery masterplans so that the community can provide its feedback on cemetery aesthetics, product mix, facilities, landscaping etc.

Consider landscaping that is drought resistant and requires minimal maintenance.

Consider ongoing costs of infrastructure (for example, asphalt roads vs gravel).

Contact us



cemeteries@health.vic.gov.au



1800 034 280



<https://www.health.vic.gov.au/cemeteries-and-crematoria/>

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