

CAULFIELD RACECOURSE RESERVE

29 April 2014

The Hon Ryan Smith MP
Minister for Environment & Climate Change
Level 17
8 Nicholson Street
Melbourne VIC 3002

Dear Minister Smith

Caulfield Racecourse Reserve

Thank you for your letter dated 14 April 2014.

The Trust has moved to act in accordance with your advice. A new short term 3 month lease, based upon the terms of the old lease, has been prepared and we understand the document is currently being executed by the Melbourne Racing Club.

We had already written to the Valuer General - Victoria (VG-V) on 3 April 2004 requesting an independent review of the valuation prepared for the Trustee by Charter Keck Cramer. We did this concurrently with seeking your approval to a short term lease on the conditions we set out in our correspondence in our letter of 25 March 2014.

We have subsequently been in contact with the VG-V's office to advise that the process will now be an independent determination with the MRC participation in the process.

Meetings have also been arranged with the MRC to seek agreement around an overall governance framework and the use of those portions of the Crown Land not proposed to be leased by the MRC.

From our discussions with your advisor, Mr Matthew Berry on 8 April 2014 we understand that there are divergent views around the applicability of current Government policy on leasing Crown Land to racing clubs. We were also given to understand that the Racing Minister has indicated an interest in this matter.

At this meeting we discussed the process to be used and whilst we understand that you will make the final determination on the rental applicable to the MRC on the advice of the VG-V, we agreed on a process that would give both the Trustee and the MRC the opportunity to address the issues at each stage as follows

1. The Trustee and the MRC would make submissions to the Valuer General - Victoria including any valuations they have obtained

2. The VG-V would determine the appropriate rental consistent with current Government policy and advise the Trustee, MRC and Minister of the determination and reasons for;
3. Both the Trustee and the MRC would then be able to make additional submissions to the Minister; &
4. The Minister would then make a final determination.

Thank you for your assistance in what has been a difficult and prolonged set of negotiations.

Yours sincerely

A handwritten signature in black ink, appearing to read "Greg Sword", followed by a period.

Greg Sword AM
Chairman
Caulfield Racecourse Reserve

cc
Minister for Racing; Melbourne Racing Club; DEPI, Office of Valuer General - Victoria