METROPOLITAN PLANNING AUTHORITY

2014 ANNUAL REPORT 2015

METROPOLITAN PLANNING AUTHORITY

partners in planning and infrastructure coordination

VICTORIA State Government

ISSN: 2205-6289

Contents

Mission and Values

Mission of the Metropolitan Planning Authority

To be an active partner in ensuring Melbourne's and Victoria's affordable, sustainable and liveable new communities are of the highest international standard.

Values and Behaviours of the Metropolitan Planning Authority

In all its work, the MPA demonstrates the following values and behaviours:

Value	Behaviours
Leadership	We provide clarity and certainty, develop new and innovative solutions to problems, provide authoritative advice and lead by example to get things done and make a positive difference.
Partnership	We work in collaboration with our stakeholders through genuine consultation, sharing of information, and harnessing their expertise and resources.
Professionalism	We act with honesty and openness, are accountable for our actions, are respected for our expertise and high quality and balanced advice.
Responsiveness	We are aware of the needs of our stakeholders and strive to provide a high level of service and advice at all times.

Minister for Planning

The Growth Areas Authority (GAA), known as the Metropolitan Planning Authority (MPA) since October 2013, reports to the Minister for Planning, the Hon. Richard Wynne MP (prior to 4 December 2014, the Hon. Matthew Guy MP) in the Victorian Government, and during the reporting period was a portfolio agency with the Department of Environment, Land, Water and Planning (previously the Department of Transport, Planning and Local Infrastructure). The GAA was established under the *Planning and Environment (Growth Areas Authority) Act 2006*.

The Hon. Richard Wynne MP
Minister for Planning
August 2015

Responsible Body Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Metropolitan Planning Authority's Annual Report for the year ended 30 June 2015.

Leonie Hemingway
Chair, Metropolitan Planning Authority
August 2015

Chair's Message

The Metropolitan Planning Authority has completed a productive year, working closely with its key stakeholders to improve housing affordability, generate growth of commercial centres to support business and jobs, moving into urban renewal planning and supporting regional councils with strategically important planning activities.

The role of the MPA is to lead the implementation of the Victorian Government's policy framework for Melbourne and Victoria's growth as set out under section 46AR of the *Planning and Environment Act 1987* and *Plan Melbourne* (2013).

While 2014-15 was the organisation's first full year as the MPA, the Authority actually enters its tenth year, having been established in 2006 as the Growth Areas Authority to improve housing affordability through the planning of new communities in Melbourne's growth areas.

Our program is guided by the metropolitan planning strategy *Plan Melbourne*, which is currently under review and we look forward to the forthcoming release of a revised strategy.

Housing affordability and quality remains at the core of our program, ranging from our ongoing commitment to the growth areas through greenfields planning, to now include work in peri-urban and regional centres and urban renewal opportunities across Melbourne. The MPA also has a clear focus on quality public spaces and open space, planning to mitigate the effects of climate change, energy consumption and setting out the delivery of infrastructure to new, developing and urban renewal sites.

This report outlines the MPA's achievements during the past 12 months as we broadened our focus from the important growth areas to embrace Melbourne and regional Victoria. I would like to take the opportunity to thank the local councils for their support and willingness to continue to improve their municipalities. It has been another busy and fulfilling year for the MPA and I want to express my appreciation to our staff, led by Peter Seamer, my fellow Authority members and in particular the Minister for Planning, the Hon. Richard Wynne MP for their hard work and support.

In conclusion, I thank Chris Banks AM, who retired as chairman earlier this year. Chris made a significant contribution to the MPA, from the authority's inception through to the expansion of the former Growth Areas Authority to become the Metropolitan Planning Authority.

Leonie Hemingway
Chair
August 2015

Members of the Authority

The MPA is overseen by a highly experienced Board that brings together a broad range of disciplines including planning, development, economics, financial management, education and housing. Seven Authority members were appointed by the Minister for Planning on 24 June 2014, and the Authority was chaired by Chris Banks AM until 30 April 2015, and for the remainder of the financial year by Leonie Hemingway. The Authority reports to the Minister for Planning, the Hon. Richard Wynne MP (prior to 4 December 2014, the Hon. Matthew Guy MLC).

Chris Banks AM Chairman (from 1 July 2014 to 30 April 2015)

Chris Banks AM brings more than four decades of commitment to the housing and urban development industry. Chris is widely acknowledged as a leader and innovator, he led both AV Jennings and Delfin to pre-eminent positions in their respective marketplaces and has been at the forefront of urban reforms since the mid-1980s. He served as Chairman of the Authority since its inception on 1 September 2006 until his retirement from the Board.

Leonie Hemingway Chair (from 1 May 2015) Deputy Chair (from 1 July 2014 to 30 April 2015)

Leonie Hemingway (formerly Leonie Burke) has dedicated her life to working within all three spheres of Australian government, and the people and businesses with which they interact. Recently, she has focused more on sharing her skills in legislation, good governance and business relations, as a Director/Member of both civic and government boards. Leonie Hemingway has been appointed as Chair of the Authority for the period 1 May 2015 to 31 October 2015.

Laurinda Gardner Deputy Chair (from 1 May 2015)

Laurinda Gardner is an organisational change consultant, board director and career coach. Laurinda has over 25 years senior executive experience and was formerly a Deputy Secretary with the Victorian Department of Treasury and Finance and a Director at the City of Melbourne. She has led large operational teams in diverse areas including: organisational reform, human resources, strategic and business planning, communications, town planning, stakeholder engagement, IT, finance and risk. Laurinda has performed the role of 'trusted adviser' to several CEOs and has extensive governance experience on not for profit boards. Laurinda Gardner has been appointed as Deputy Chair of the Authority for the period 1 May 2015 to 31 October 2015.

Bill Kusznirczuk

Bill Kusznirczuk brings extensive experience and knowledge in urban planning and building, and on how cities should look in the future. He is Managing Director of Clement-Stone Town Planners. He gives advice on urban planning issues across Australia. He is also a broadcaster on Fairfax radio 3AW. Bill is Chairman and Chief Commissioner of the Victorian Building Authority, an independent governing body responsible for setting and enforcing building industry regulation and practice in the State of Victoria.

Brian Haratsis

Brian Haratsis is MacroPlan Dimasi's founder and Executive Chairman. Brian is an economist and future strategist with over 30 years experience as an advisor to governments and major corporate clients throughout Australia.

Brian commands an unparalleled, on-the-ground knowledge of residential markets across Australia, having worked extensively and regularly in all capital cities and key regional markets.

Freya Marsden

Freya Marsden is Managing Director of the Acuity Group, which provides governance, strategy, policy and economic advice and is a former Director of the Business Council of Australia. Freya is a Non-Executive Director on several government and not-for-profit boards, and provides the MPA with increased governance and strategy skills. Freya brings policy and economic experience gained across industry and the Victorian and Australian governments, including the Victorian Premier's Department, the (former) Victorian Department of Infrastructure and the Commonwealth Treasury.

Theo Theophanous

Theo Theophanous is a former Victorian Government Minister. He held a number of senior portfolios including Industry, Energy, State Development and ICT. As Major Projects Minister, he steered the development of projects including the Recital Centre, AAMI Stadium and the Conference Centre and oversaw the Docklands development. He now works as a Specialist Industry Advisor and Consultant and serves on the Audit and Finance Committee of National ICT Australia (NICTA).

Risk and Audit Committee

The Risk and Audit Committee ensures that the MPA discharges its responsibilities as prescribed in the *Financial Management Act 1994* and *Audit Act 1994*, other relevant legislation and prescribed requirements.

The Committee comprises all members of the Authority and was chaired by Laurinda Gardner during the financial year. The Audit and Risk Committee members are all independent of the operations of the Authority.

Executive Remuneration Committee

This Committee oversees the development of executive remuneration policy and practices within the MPA, and approves individual executive remuneration packages. This Committee comprises all members of the Authority and was chaired by Bill Kusznirczuk during the financial year.

Chief Executive Officer's Report

Unlocking supply to create employment opportunities, business growth and the delivery of high quality, affordable homes and business locations in well serviced communities is at the heart of the MPA's activities.

During 2014-2015, the MPA worked closely with its key partners, principally local councils, government agencies and departments, to deliver a coordinated government approach to development and delivery of infrastructure and key services. This has resulted in the preparation, completion and implementation of flexible precinct plans that:

- deliver better places for living and working
- consider the needs of the community and business
- include local councils and residents in the process
- generate appropriate supply to drive affordability and quality.

Precinct planning was completed in line with the principles set out in the Victorian Government's metropolitan planning strategy, *Plan Melbourne*. Our key objectives when working to facilitate development and infrastructure delivery through integrated land use planning are:

- targeted growth in mixed use precincts
- more businesses and jobs where people live
- housing affordability
- high quality public realm
- efficient transport systems.

Urban Renewal Precincts

Urban renewal projects have the potential to create greater value from strategically important sites by unlocking under-utilised central city and inner suburban land for jobs, investment, and housing.

The metropolitan planning strategy recognises the importance of intensification of housing and employment in targeted areas of the city. This represents a combination of growth in defined locations of Melbourne close to facilities, jobs and public transport, including:

- urban renewal precincts within the expanded central city – such as Fishermans Bend and Arden
- Metropolitan Activity Centres
- employment clusters linked to health, education and other assets
- urban renewal precincts close to fixed rail.

Planning and development of key urban renewal sites will provide a foundation for sustainable employment and population growth.

A variety of urban renewal projects are underway and we are investigating areas to accommodate growth.

Places of strategic significance include the expanded central city, National Employment Clusters and Transport Gateways, as well as Industrial and Employment Precincts. There are six nominated National Employment Clusters (NECs) at Monash, Parkville and Dandenong South (established) and East Werribee, La Trobe and Sunshine (emerging).

Fishermans Bend Urban Renewal Area

Building on the work of Places Victoria, the MPA finalised a Strategic Framework Plan and interim design guidelines for the development of Fishermans Bend in July 2014.

In accordance with the Minister for Planning's announcement in April 2015, the Urban Renewal Area has been expanded from 250 hectares to 455 hectares to include an additional employment precinct and the MPA has been directed to plan the area as five distinct neighbourhoods in consultation with the community, City of Port Phillip and City of Melbourne. Community consultation will begin later in 2015 to support this process.

It is envisaged that Fishermans Bend will ultimately deliver homes for 80,000 residents and support a wide range of business uses within the recently announced 205 hectare employment hub on the doorstep to Melbourne's CBD. Planning for Fishermans Bend will focus on quality housing and open space, job creation and progressive transport solutions.

East Werribee Employment Precinct

East Werribee Employment Precinct is designated as one of Victoria's six National Employment Clusters, with completed precinct planning identifying capacity to support business activity to generate 58,000 jobs as well as the development of 7,000 homes.

On behalf of the Victorian Government, the MPA has managed a market process seeking expressions of interest from the industry to develop East Werribee's 400 hectare major development parcel. This market process is nearing completion and once completed, will enable development of East Werribee in line with the Government's vision.

Key infrastructure works have commenced within the precinct, including road infrastructure to unlock key sites for investment and business activity.

Regional Planning

Planning is part of the solution to unlocking a greater potential for the growth of Victoria's regional centres, which are expected to support up to 800,000 additional residents in the longer term. The MPA is involved in a number of regional locations and in 2014-15 completed structure plans to support future growth in Drouin and Warragul, unlocking capacity for 20,000 homes and $300 million worth of new infrastructure.

The MPA is also assisting Latrobe, Wodonga, Surf Coast and Shepparton councils with major planning projects.

Regional Growth Plans adopted by Local and State Government have identified towns and cities capable of accommodating growth and change. The Regional Growth Plans provide a framework for regional development across Victoria and identify where structure plans could be used to guide development outcomes.

The MPA's involvement in future regional work will be determined by the Victorian Government. The MPA will continue to provide general planning advice and support local government in the delivery of the objectives of regional planning policy as directed by the Minister for Planning.

Greenfields Planning

Over the next 40 years, new communities in Melbourne's growth areas will provide an additional 536,000 dwellings. These communities will also feature well designed town centres and commercial spaces, parks and recreation facilities, community facilities and key transport links.

Through its precinct structure planning program for new communities, the MPA plans for:

- improved design and liveability – quality new communities where people are proud to live
- housing diversity and affordability
- employment opportunities and provision of land for commercial and industrial purposes
- integrated land use and transport
- timely and coordinated development and provision of infrastructure, services and facilities
- sustainable development of land.

The MPA completed 11 Precinct Structure Plans (PSPs) in 2014-2015 and three significant Development Contributions Plans – Wyndham West, Wyndham North and Clyde – setting out developer contributions across several precincts to enable integrated infrastructure delivery, providing for the delivery of fully planned housing lots, infrastructure and community facilities to come onto the market in a structured sequence. As part of this process, approved and gazetted precinct plans from the past financial year will guide the development of the Ballan Road, Westbrook, Riverdale, Truganina and Tarneit North precincts in the Wyndham growth area; Thompsons Road, Casey Fields South, Clyde Creek and Berwick Waterways precincts in the Casey growth area; Toolern Park precinct in the Melton growth area; and the Woodlands precinct in the Hume growth area.

There are a further 50 precincts to be planned as part of the MPA's greenfields program, which bring the available land up to around 30 years supply inside Melbourne's urban growth boundary.

Recently completed PSPs will facilitate even better outcomes for new communities, such as more innovative intersection treatments, dedicated pedestrian paths and networks of separated off road trails within road reserves and waterway/open space corridors, open space provision of around 20 per cent of the net developable area, early delivery of community centres and early identification of schools.

Developer contributions

Legislation to enact a reformed development contributions framework, known as the Infrastructure Contributions Plan, was introduced to Victorian Parliament in June 2015. The new framework will provide a standard approach to funding of community infrastructure with a focus on early delivery of basic and essential infrastructure.

MPA Board

There has been a key change to the composition of the MPA Board following the retirement of our inaugural chairman Chris Banks AM on 30 April 2015.

Deputy Chair Leonie Hemingway assumed the position of Chair on 1 May 2015, with Laurinda Gardner appointed Deputy Chair.

The MPA expresses its thanks to Chris Banks, who was instrumental in the formation and operation of our organisation over the past nine years.

Conclusion

The 2014-2015 financial year has been productive, with the MPA expanding its scope to support planning and development activity across regional Victoria and Melbourne's inner and middle ring suburbs while continuing our active greenfields planning program.

I would like to thank the Minister for Planning, the MPA's Authority Members, state and local government partners and industry partners for their support and guidance in our work.

We look forward to working with you in 2015-2016.

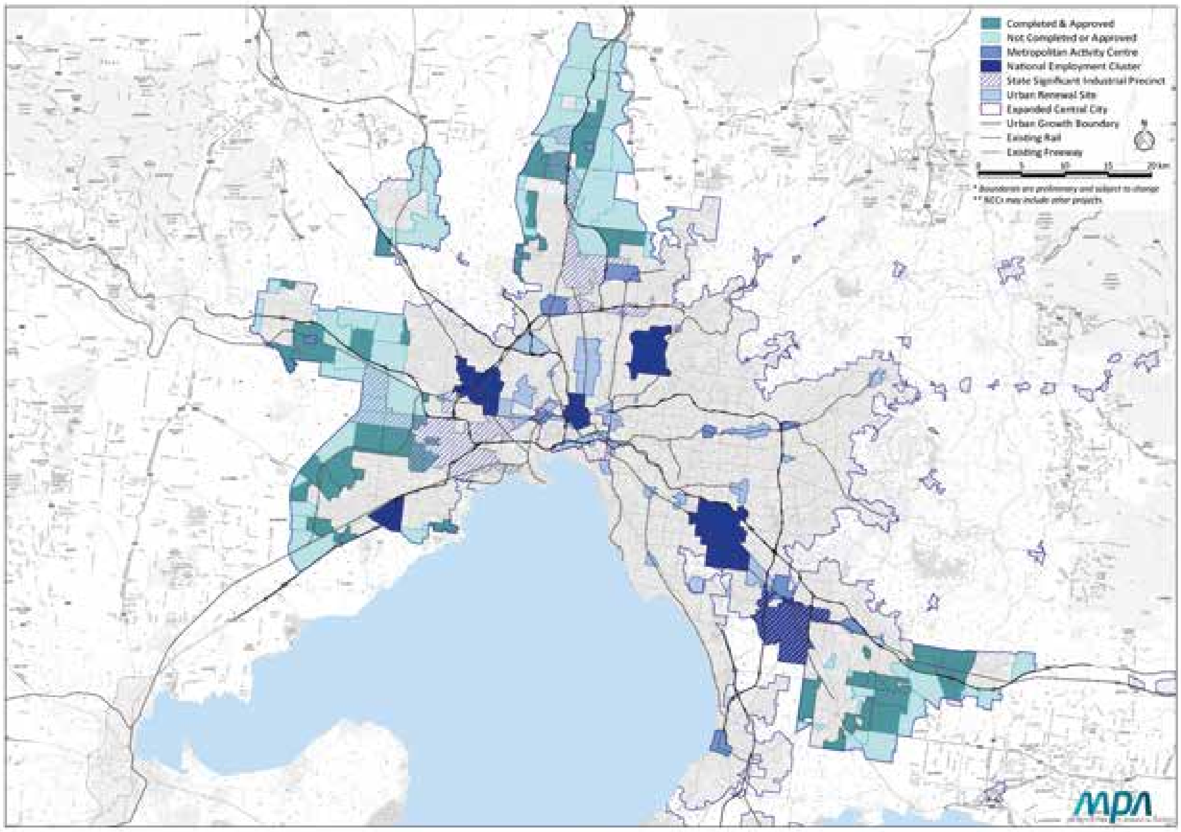
Peter Seamer
Chief Executive Officer
August 2015

Melbourne's Growth Areas

The MPA conducts its activities in a range of different areas of growth. This includes the significant development areas within metropolitan Melbourne as designated by *Plan Melbourne*, the declared greenfield growth areas of Melbourne, and other key areas of Victoria, as directed by the Minister for Planning.

The *Planning and Environment Amendment (Growth Areas Authority and Miscellaneous) Act 2013* enables the Minister for Planning to declare a growth area outside the existing seven greenfield growth area municipalities via a notice in the Government Gazette. This also allows regional councils and other Melbourne metropolitan councils to make requests to the Minister for Planning to be provided access to the MPA's skills and experience.

The map below sets out the key areas of Melbourne where the MPA will be focusing its efforts over the coming years.



Melbourne's Greenfield Growth Areas

Under the *Planning and Environment Act 1987* as amended, the growth areas have been designated by the Minister for Planning pursuant to clause 46AQ. They include land in the seven municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham.

Plan Melbourne Designated Areas

Plan Melbourne expanded the areas in which the MPA can be expected to operate, along with identifying a number of itemised responsibilities for the MPA. These areas include National Employment Clusters, Metropolitan Activity Centres, state-significant industrial areas, and urban renewal sites. More detail on these areas can be ascertained from *Plan Melbourne* which can be viewed on the DELWP's website **www.planmelbourne.vic.gov.au**.

The Minister for Planning has reconvened the Ministerial Advisory Committee to conduct a limited review of *Plan Melbourne*. This review is anticipated to be completed in the 2015-16 financial year, and it can be expected to result in some of the areas and projects in which the MPA is to have an involvement being altered.

Regional Victorian Cities

The Minister for Planning may direct the MPA to provide support to other councils, including regional councils. Over the past year the MPA has held discussions on various matters with Latrobe City Council, the City of Wodonga and Greater Shepparton City Council.

The Metropolitan Planning Authority

The MPA was launched in October 2013 to plan for jobs, housing and investment, and to manage Melbourne's growth. This includes working with councils, State Government departments and agencies.

Having been formed from the Growth Areas Authority (GAA), the MPA's expanded role includes high-level planning and infrastructure coordination to promote housing affordability and create jobs across Melbourne and in regional centres.

The GAA (the commonly used name of the Authority until October 2013) was established in 2006. The Authority was formally established by amendments made to the *Planning and Environment Act 1987* on 1 September 2006 through the *Planning and Environment (Growth Areas Authority) Act 2006*.

Objectives

The *Planning and Environment Act 1987* was further amended in April 2013 by the *Planning and Environment Amendment (Growth Areas Authority and Miscellaneous) Act 2013* to marginally expand the remit of the Authority, and the Authority is to achieve the following objectives (under section 46AR of the *Planning and Environment Act 1987*):

- 46AR(a) to ensure that development in growth areas occurs in a coordinated and timely manner
- 46AR(aa) to integrate land use and transport to enable the coordinated provision of a sustainable transport system for the benefit of the community
- 46AR(b) to ensure that infrastructure, services and facilities are provided in the growth areas in a coordinated and timely manner
- 46AR(c) to promote sustainable development of land in growth areas
- 46AR(d) to promote housing diversity and affordability in growth areas
- 46AR(e) to promote employment opportunities in growth areas
- 46AR(f) to ensure that land is provided for commercial and industrial purposes in growth areas in a coordinated and timely manner
- 46AR(g) to foster the development of communities in growth areas
- 46AR(h) to ensure advice provided is consistent with the objectives of planning in Victoria.

Functions and powers

The MPA provides advice to the Minister for Planning on development and planning issues in Melbourne and Victoria's growth areas and monitors, advises and partners with key stakeholders on a range of planning issues.

The MPA's functions and powers are set out in Sections 46AS and 46AT of the *Planning and Environment Act*. On 22 July 2013, the *Planning and Environment Amendment (Growth Areas Authority and Miscellaneous) Act 2013* came into force. This legislation expanded the geographic range of the activities of the MPA when directed to do so by the Minister for Planning and also amended some of the Authority's objectives and functions.

The MPA's key functions are to:

- make recommendations and report to the Minister on:
  - the planning, use, development and protection of land in growth areas
  - the use and expenditure of levies collected in the growth areas under development contribution plans
  - if requested by the Minister, any matter relating to the functions and powers of the Authority
  - the Minister's functions and powers under the Act in relation to growth areas
  - to carry out any function conferred to the Authority in relation to the Growth Areas Infrastructure Contribution (GAIC)
- carry out any other function conferred on the Authority under the Act.

Nature and range of services provided

The role of the MPA was amended in October 2013 with the then Minister's announcement that the Authority would be known as the Metropolitan Planning Authority and would have carriage of a number of responsibilities through *Plan Melbourne*. These responsibilities are in addition to the greenfield growth area responsibilities that the Authority previously had, and still retains. The Minister for Planning has recently implemented a review of *Plan Melbourne*, and it can be expected that the role and extent of the MPA's operations may be further modified as an outcome of that review.

The MPA continues to work in Melbourne's greenfield growth areas, whilst shifting our main focus on the areas for urban development identified in *Plan Melbourne*. The Minister for Planning is also able to declare a growth area outside of the existing growth area municipalities via a notice in the Government Gazette.

Melbourne is already a very large city, with a population of approximately 4.2 million. Victoria's latest projections indicate that the city's population could increase to 7.8 million by 2051, which requires significant early urban planning in order to shape how our city's infrastructure, housing stock and employment opportunities will evolve. The MPA, on the direction of the Minister, is examining opportunities to unlock land capacity to identify strategic urban renewal, infill and greenfields sites.

Up to 1.4 million new dwellings will be required between 2015 and 2050 to house Melbourne's growing population. Additional housing will be required in regional centres. It is important that we start planning now for this growth to ensure we can accommodate increased demand, while maintaining housing quality and Melbourne's status as the world's most liveable city. This approach includes planning for diversity of housing stock, making use of the Government's new residential zoning across all of Melbourne and providing jobs and services close to home.

Along with the relevant municipal Council, the MPA is actively involved in significant planning activities for the following areas:

- Arden Urban Renewal Precinct
- Berwick Health and Education Precinct
- Broadmeadows Major Activity Centre
- Caulfield Station Precinct
- East Werribee Employment Precinct
- Expanded Central City
- Fishermans Bend Urban Renewal Precinct
- La Trobe Employment Cluster
- Monash Employment Cluster
- Sunshine Employment Cluster
- 24 greenfield precincts
- 5 regional city precincts.

The MPA is also carrying out support activities in a number of other areas identified within *Plan Melbourne*.

Planning reform

A key activity of the MPA is the review and reform of the planning provisions and processes as they relate to the growth areas and growth area development. The MPA also has a major role to play in coordinating State and council infrastructure for the growth areas. The MPA is currently working with its key stakeholders in a review and streamlining of the existing Precinct Structure Plan Guidelines. This document provides a comprehensive template for the preparation of the key strategic urban planning tool, the Precinct Structure Plan. It is anticipated that a new document will be available for release in the 2015-16 financial year.

Infrastructure planning

The MPA works closely with State Government departments, a range of State Government agencies such as Public Transport Victoria, VicRoads, Parks Victoria, the Environment Protection Authority and Melbourne Water, and local councils in planning the future infrastructure requirements for Melbourne and its environs.

Coordination and liaison

The MPA plays a key role in co-ordinating the activities and efforts of various government bodies, local authorities and landowners and developers in areas of urban development.

The MPA also works with peak organisations such as the Planning Institute of Australia, the Property Council of Australia, the Municipal Association of Victoria, the Urban Development Institute of Australia, the Victorian Planning and Environmental Law Association and the Victorian Local Governance Association.

Authority Performance

Since the establishment of the Authority in September 2006, significant progress has been made in meeting its legislative objectives. The table below summarises the progress made against the MPA's 2014-2015 strategic priorities as set out in its adopted Business Plan, and aligned with its legislative objectives under section 46AR of the *Planning and Environment Act 1987*.

Relevant Objective under section 46AR of the *Planning and Environment Act 1987**	Key Priority	Performance Measurement
46 AR (a) & 46AR(aa)	Completion of the 50,000 residential lot supply target in the Precinct Structure Plan (PSP) program in Melbourne's growth areas	Precinct Structure Plans which included a further 62,897 residential lots during 2014-2015 year have been approved, and the zoning for another 109,000 residential lots are currently being progressed (via 24 PSPs) over the coming two financial years.
46AR(e)	Continue to progress the zoning of employment land	The completed Westbrook PSP contained 67 hectares of employment land. In addition, 5 further PSPs are underway that are expected to yield around 1,200 hectares of land zoned for employment purposes.
46AR(c) & 46AR(d)	Continuing ongoing PSP program	The following eleven greenfield Precinct Structure Plans were approved during the 2014-2015 financial year: • Ballan Road • Berwick Waterways • Clyde Creek • Clyde Creek Extension • Greenvale Extension • Riverdale • Tarneit North • Thompsons Road • Toolern Park • Truganina • Westbrook.
46AR(g)	Managing the development of the Fishermans Bend Urban Renewal Area, in particular through taking Responsible Authority status in October 2014	The MPA took over the Responsible Authority role for the Fishermans Bend Urban Renewal Area in October 2014. The Minister for Planning assumed this role in April 2015. The Authority is now providing support to the Minister in relation the Fishermans Bend area, and is preparing the strategic plans for the 5 sub-precincts.
46AR(f)	Progressing important urban renewal precincts as identified in *Plan Melbourne*	The MPA worked closely with a number of municipal councils over the year to progress the important urban renewal precincts identified in *Plan Melbourne*, including the cities of Melbourne, Yarra, Port Phillip, Monash, Darebin, Brimbank and Banyule, and the role of the MPA in these projects is being defined.
n/a	Continue the MPA's prudent financial management	The MPA has achieved its performance measure by ensuring that its operating deficit of $709,644, for the financial year ended 30 June 2015, was significantly less than its budgeted deficit of $3.4 million. The MPA is currently operating at a deficit as it progressively expends third party project funding received in previous financial years.
46AR(g)	Continue to deliver appropriate service to key MPA stakeholders.	The MPA has a partnership agreement with the Municipal Association of Victoria, and consults with this organisation to ascertain whether the MPA's key municipal stakeholders continue to be satisfied with the way the Authority conducts its activities.
46AR(b)	Continuing the development of the East Werribee Employment Precinct	The MPA was has been working closely with the Government over the past year to obtain a good result from the Major Development Parcel of the East Werribee Employment Precinct. This is continuing to progress in line with expectations.

Relevant Objective under section 46AR of the *Planning and Environment Act 1987**	Key Priority	Performance Measurement
46AR(h)	Developing *Plan Melbourne* initiatives including the Open Space Strategy, and streamlined planning provisions for health precincts	The MPA has been progressing *Plan Melbourne* initiatives over the 2014-15 financial year. The MPA has worked closely with metropolitan councils in conducting a review of open space, and strategic planning for the Berwick Health and Education Precinct is proceeding well.
46AR(a) & 46AR(e)	Working with identified regional councils in conducting strategic growth area planning	Over the year, the Authority has provided planning support to the Latrobe, Wodonga and Greater Shepparton municipalities.

*The Objectives under section 46AR of the *Planning and Environment Act 1987* are set out on page 10.

Authority Meetings

Name of meeting	Chair	Meeting frequency	Number of meetings	Membership
Authority (Board)	Chris Banks/Leonie Hemingway	Bi-Monthly or as required	9	All members
Risk and Audit Committee	Laurinda Gardner	Half yearly or as required	6	All members
Executive Remuneration Committee	Bill Kusznirczuk	As required	4	All members

Authority Meeting Attendance

Authority Member	Authority Meeting attendance	Risk and Audit Committee attendance	Executive Remuneration Committee attendance
Chris Banks	8 out of 8	5 out of 5	3 out of 3
Leonie Hemingway	9 out of 9	6 out of 6	4 out of 4
Laurinda Gardner	9 out of 9	6 out of 6	4 out of 4
Brian Haratsis	8 out of 9	5 out of 6	4 out of 4
Bill Kusznirczuk	9 out of 9	6 out of 6	4 out of 4
Freya Marsden	8 out of 9	6 out of 6	4 out of 4
Theo Theophanous	7 out of 9	4 out of 6	2 out of 4

Major changes or factors affecting performance

The 2014-2015 financial year has been a year of consolidation, as well as one of re-orientation, for the new Authority. The Authority has continued with its approved program to roll-out the PSPs for Melbourne's greenfield growth areas. The Authority was able to complete 11 greenfield PSPs for the year, which indicates a high level of activity, and a further 24 PSPs are progressing well.

In addition, the Authority has been working with Metropolitan and Regional Councils and other Government agencies to develop its key role in the implementation of *Plan Melbourne* in Melbourne and other parts of Victoria. This implementation is still at an early stage, and may well be further amended with the recently announced review of *Plan Melbourne*. Due to MPA's expanded role, the Authority restructured its work force and recruited additional staff which resulted in significantly increased staff remuneration costs for the 2014-15 financial year.

Now that the MPA has certainty over future funding, and once its medium term direction arising from *Plan Melbourne* is confirmed during 2015-16, then the future work program of the Authority will be able to be finalised.

Growth Areas Infrastructure Contribution

The *Planning and Environment (Growth Areas Infrastructure Contribution) Act 2010* (the Act) came into effect on 1 July 2010. Information in relation to the Growth Areas Infrastructure Contribution (GAIC) is located on the MPA website **www.mpa.vic.gov.au**.

There have been two additional legislative amendments relating to GAIC: one being the P*lanning and Environment Amendment (Growth Areas Infrastructure Contribution) Act 2011*, and the other the *Planning and Environment Amendment (Schools) Act 2012*. The MPA's website **www.mpa.vic.gov.au** contains information sheets outlining details in relation to these two matters.

The MPA is responsible under the Act to notify the State Revenue Office (SRO) and the Registrar of Titles of the properties that fall within the GAIC Area.

The SRO retains a record of those properties that are liable for GAIC, and is responsible for determining and collecting any GAIC liability.

The Registrar of Titles is responsible for placing a GAIC notice on each affected property and will not allow any land dealings, in relation to those properties, without receipt of an appropriate GAIC certificate and notice, as issued by the SRO. The MPA also progresses stage payment enquiries and applications from landowners conducting subdivisions in Melbourne's growth areas.

In February 2014, the Minister for Planning released the Guidelines for GAIC Works-in-Kind applications, and two sets of model agreements. These can viewed via the MPA's website **www.mpa.vic.gov.au**. The MPA is able to respond to any GAIC Works-in-Kind enquiries, and to assist in the progress of any applications.

In addition, the MPA provides secretarial support to the GAIC Hardship Relief Board (the Board). The Board meets when required to consider applications for hardship relief. Information about the Board is found on the MPA website **www.mpa.vic.gov.au**. During the year ended 30 June 2015 the Board made no decisions on hardship applications (30 June 2014 – nil). As at 30 June 2015, there were no active applications before the Board (as at 30 June 2014 – nil).

Under section 45 of the *Financial Management Act 1994* and section 201VC of the Act the MPA and Department of Environment, Land, Water and Planning are required to report annually on the operation of the GAIC.

GAIC rates per hectare of Contribution Area

Land Type	Year Ended 30 June 2015	Year Ended 30 June 2014
Type A	$88,770	$86,580
Type B1, B2 & C	$105,420	$102,810

The amount of GAIC triggered and received in the financial year ended 30 June 2015 is shown below.

Summary of GAIC transactions for the year ended 30 June 2015

	Number of transactions for the year ended 30 June 2015	Transaction value for the year ended 30 June 2015	Number of transactions for the year ended 30 June 2014	Transaction value for the year ended 30 June 2014	Note
GAIC Receipts	78	$40,370,936	57	$18,872,282	1
GAIC Refunds	0	-	0	-	2
GAIC Deferred	23	$13,305,381	23	$65,991,661	3
Staged Payment Arrangements agreed	21	$64,212,166	8	$22,688,629	4
Net Staged Payments Outstanding	57	$74,621,911	25	$39,560,885	5

Notes to Summary of GAIC transactions for the year ended 30 June 2015

1. The GAIC receipts by the SRO of $40,370,936 (year ended 30 June 2014 – $18,872,282) includes interest received and refunds made, and has been paid into the Consolidated Fund as per section 201SZJ of the *Planning and Environment (Growth Areas Infrastructure Contribution) Act 2010*.
2. There were no GAIC refunds for the financial year ended 30 June 2015.
3. Deferrals arise from purchase transactions whereby the liable party elects to defer all, or part of their GAIC liability until the next GAIC event. Should the liable party elect to defer part of the liability then a payment of the non-deferred portion of the total liability is due. The reported Total GAIC Deferred for the year is the total amount elected to have been deferred during the financial year. Some of those amounts may have subsequently been paid, or have been converted into Staged Payment arrangements.
4. The Minister for Planning, or the Chief Executive Officer of the MPA under delegated authority, approves staged payment arrangements. The SRO processed approved staged payment arrangements in relation to twenty one (21) GAIC events during the year ended 30 June 2015 (30 June 2014 – 8). The value of the staged payment arrangements processed for the year ended 30 June 2015 was $64,212,166 (30 June 2014 – $22,688,629).
5. The outstanding amounts in relation to approved staged payments arrangements are to be progressively reduced in accordance with the agreed payment arrangements. The total outstanding staged payments that had been approved by 30 June 2015, and were due for payment after 30 June 2015 amount to $74,621,911 (30 June 2014 – $39,560,885). Fifty seven (57) staged payment arrangements were still current as at 30 June 2015 (30 June 2014 – 25).

GAIC receipts made in each Growth Area

Growth Area	GAIC receipts to 1 July 2014 $	GAIC receipts for year ended 30 June 2015 $	Total GAIC receipts for each Growth Area as at 30 June 2015 $	Total paid out of contributions received for each Growth Area as at 30 June 2015 $	Proportion paid out of contributions received for each Growth Area* %
Casey**	24,796,304	14,299,955	39,096,259	1,801,067	4.6
Cardinia**	-	-	-	-	
Hume	19,151,283	9,388,671	28,539,954	1,933,060	6.8
Melton	20,370,590	8,531,792	28,902,382	1,125,969	3.9
Mitchell	626,704	-	626,704	21,075	3.4
Whittlesea	-	-	-	-	
Wyndham	3,356,822	8,150,517	11,507,339	1,070,498	9.3
TOTAL	**$68,301,703**	**$40,370,935**	**$108,672,638**	**$5,951,669**	**5.5%**

* Reported under section 201VC(b) of the Act

** The Casey-Cardinia Growth Area proportion of funds paid or accrued is 4.6% (30 June 2014 – 2.4%)

GAIC Funds

The amounts received by the SRO are paid into the Consolidated Fund in accordance with section 201SZJ of the Act and then paid equally into two GAIC funds - the Building New Communities Fund, and the Growth Areas Public Transport Fund. These Funds are held and also financially reported on, by the Department of Environment, Land, Water and Planning.

The amounts collected for the 30 June 2015 financial year are reported above. The reporting under section 201VC of the Act in relation to the two GAIC funds is set out below.

Periodically the GAIC revenue that has been collected and paid into the Consolidated Fund are transferred to the two GAIC Funds, net of any GAIC refunds made. In the 30 June 2015 year no refunds were made (30 June 2014 – nil). For the financial year ended 30 June 2015, an amount of $12,521,213 (30 June 2014 – $7,500,000) has been transferred to each of the Building New Communities Fund and the Growth Areas Public Transport Fund (a combined total of $25,042,426 (30 June 2014 – $15,000,000)) in accordance with section 201V(2) of the Act.

The amount that has been paid out of the GAIC Funds for the year ending 30 June 2015 is $1,932,428 out of the Building New Communities Fund (30 June 2014 – $656,212), and $596,715 out of the Growth Areas Public Transport Fund (30 June 2014 – $798,302). This comprises a total of $2,529,143 for the year ending 30 June 2015 ($1,454,514 for the year ending 30 June 2014).

It will be noted that once the amounts received are split between the two Funds and reported by growth area municipality, that the quantity available for allocation to each growth area from each Fund is of a lesser magnitude.

Building New Communities Fund by Growth Area for the year ended 30 June 2015

Growth Area	Opening Fund Balance as at 1 July 2014 $	Interest Earned for the Year $	Amount Paid into the Fund for the Year $	Amount Paid from the Fund for the Year $	Balance of the Fund as at 30 June 2015 $
Casey*	11,502,562	131,090	4,531,864	1,000,000	15,165,516
Cardinia*	-				
Hume	8,072,343	91,998	2,877,223		11,041,564
Melton	9,049,478	103,133	2,818,664	32,428	11,938,847
Mitchell	271,658	3,096	28,923		303,677
Whittlesea	-				
Wyndham	1,675,301	19,093	2,264,539	900,000	3,058,933
TOTAL	**$30,571,342**	**$348,410**	**$12,521,213**	**$1,932,428**	**$41,508,537**

* Combined Casey-Cardinia Growth Area

Casey-Cardinia	11,502,562	131,090	4,531,864	1,100,000	15,165,516

Allocations and payments made out of Building New Communities Fund for the year ended 30 June 2015

Allocated to	Growth Area	Purpose	Original Amount Allocated* $	Amount Paid to 30 June 2014 $	Amount Paid in Year Ended 30 June 2015 $	Amount Not Yet Paid as at 30 June 2015** $
Public Transport Victoria	Casey	Berwick Station Park and Ride Upgrade	1,100,000	100,000	1,000,000	-
Roads Corporation of Victoria	Casey	Upgrade of intersection South Gippsland Highway and Craig Road	1,000,000			1,000,000
Hume City Council	Hume	Upgrade of intersection Mickleham Road, Greenvale Gardens and Dellamore Boulevard	1,400,000	1,400,000		-
Hume City Council	Hume	Car parking and public open space at Hume Regional Tennis and Community Centre	1,000,000			1,000,000
Roads Corporation of Victoria	Melton	Traffic signals at Ferris Road interchange intersection	1,500,000	556,212	32,428	911,360
Wyndham City Council	Wyndham	Upgrade to bus facilities, car parking and public space of Events, Aquatic and Leisure Centre	900,000		900,000	-
Roads Corporation of Victoria	Mitchell	Lithgow Street Interchange	100,000			100,000
TOTAL			**$7,000,000**	**$2,056,212**	**$1,932,428**	**$3,011,360**

* These payments are made net of GST.

** The net amount of allocations made out of the Building New Communities Fund not yet paid as at 30 June 2015 is $3,011,360 (30 June 2014 - $4,843,788). Therefore, the Building New Communities Fund balance on hand at 30 June 2015 of $41,508,537 (30 June 2014 – $30,571,342) has a commitment against it of $3,011,360 (30 June 2014 – $4,843,788), reducing the balance available for allocation to $38,497,177 (30 June 2014 – $25,727,554).

Growth Areas Public Transport Fund by Growth Area for the year ended 30 June 2015

Growth Area	Opening Fund Balance as at 1 July 2014 $	Interest Earned for the Year $	Amount Paid into the Fund for the Year $	Amount Paid from the Fund for the Year $	Balance of the Fund as at 30 June 2015 $
Casey*	11,099,143	120,522	4,531,864	211,527	15,540,002
Cardinia*	-				
Hume	9,082,684	98,627	2,877,223	138,772	11,919,762
Melton	9,181,410	99,699	2,818,664	125,945	11,973,828
Mitchell	250,167	2,717	28,923		281,807
Whittlesea	-				
Wyndham	1,622,728	17,621	2,264,539	120,471	3,784,417
TOTAL	**$31,236,132**	**$339,186**	**$12,521,213**	**$596,715**	**$43,499,816**

*Combined Casey-Cardinia Growth Area

Casey-Cardinia	11,099,143	120,522	4,531,864	211,527	15,540,002

Allocations and payments made out of the Growth Area Public Transport Fund for the year ended 30 June 2015

Allocated to	Growth Area	Purpose	Original Amount Allocated* $	Amount Paid to 30 June 2014 $	Amount Paid in Year Ended 30 June 2015 $	Amount Not Yet Paid as at 30 June 2015** $
Public Transport Victoria	Hume	Craigieburn Railway Station Bus interchange and Park and Ride	4,200,000			4,200,000
Public Transport Victoria	Mitchell	Wallan Station Parkiteer Bike Cage	100,000			100,000
Public Transport Victoria	Whittlesea	South Morang Park and Ride	3,000,000			3,000,000
TOTAL ALLOCATIONS			**$7,300,000**	**$0**	**$0**	**$7,300,000**
Payment to State Revenue Office			$1,963,029	$1,366,314	$596,715	-
TOTAL EXPENDITURE			**$9,263,029**	**$1,366,314**	**$596,715**	**$7,300,000**

* These payments are made net of GST.

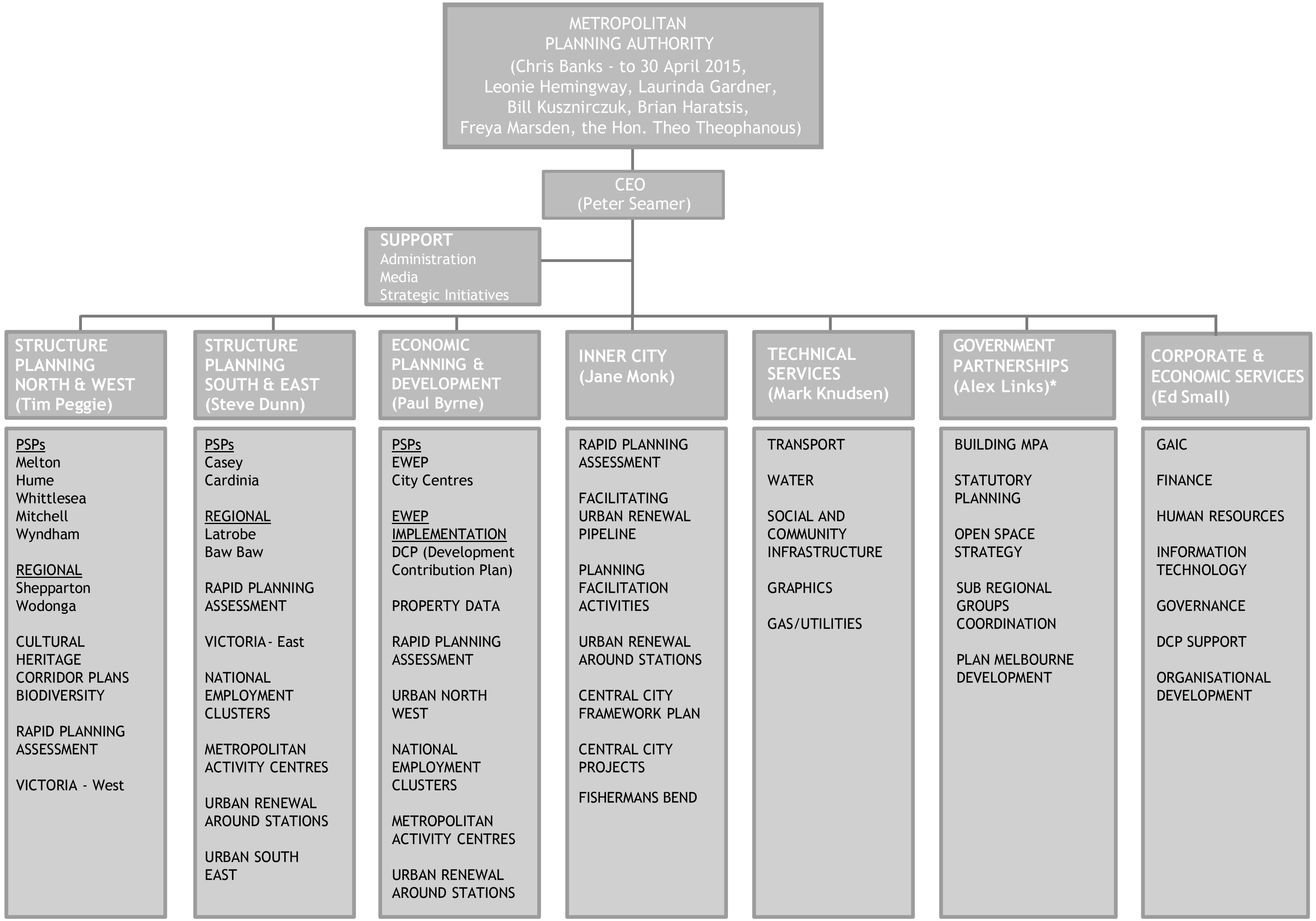
** The net amount of allocations made out of the Growth Areas Public Transport Fund not yet paid as at 30 June 2015 is $7,300,000 (30 June 2014 - $0). Therefore the Growth Areas Public Transport Fund balance on hand at 30 June 2015 of $43,499,816 (30 June 2014 – $31,236,132) has a commitment against it of $7,300,000 (30 June 2014 – $0) reducing any balance available for allocation to $36,199,816 (30 June 2014 – $31,236,132).

GAIC Works-In-Kind

The GAIC Works-in-Kind legislative amendments were gazetted on 29 June 2011. The GAIC Works-In-Kind Guidelines and Model Agreements were released in February 2014 to be available for progressing GAIC Works-In-Kind applications. These documents are comprehensive and links to them can be found on the Authority's website **www.mpa.vic.gov.au**.

No GAIC Works-in-Kind arrangements were in place as at 30 June 2015 (as at 30 June 2014 – nil). The MPA is to maintain a Register of GAIC Works-in-Kind arrangements that have been entered into on its website.

MPA Organisation and Staff



** Alex Links - on external secondment from 30 March 2015*

The organisational structure of the MPA reflects the key strategic areas of its work.

The support activities of streamlining reform and media report directly to the Chief Executive Officer.

The **Structure Planning** teams are responsible for planning activity in the outer suburbs of metropolitan Melbourne and regional Victoria. This includes urban renewal planning (notably the Monash National Employment Cluster), supporting planning projects in regional areas and completing the PSP program for the declared growth areas. As at the end of June 2015, 50 PSPs of the MPA's PSP program for the growth areas have been completed.

The **Economic Performance and Development** team is responsible for planning activity in the inner north and west of Melbourne - those parts of northern and western Melbourne located between the declared growth areas and the central city sub-region. The team is producing framework plans to deliver significant growth to the La Trobe and Sunshine National Employment Clusters, Epping, Broadmeadows and Sunshine Metropolitan Activity Centres, and Essendon Technology Precinct. The team is also responsible for the roll-out of the development of the East Werribee Employment Precinct.

The **Inner City** team is responsible for unlocking urban renewal precincts in the Central Melbourne sub-region, comprising the cities of Melbourne, Maribyrnong, Stonnington, Port Phillip and Yarra. Working closely with the councils and government agencies, the Inner City team is preparing framework plans and public realm guidance capable of supporting the significant growth envisaged for the sub-region.

Key projects for 2014-15 include Fishermans Bend Urban Renewal Area (Australia's largest urban renewal project), preparing an Inner City Framework and giving effect to the Swan Street, Cremorne Structure Plan.

The **Technical Services** team support planners and the MPA more generally through the provision of specialist technical advice on issues such as transport, health or education facilities, utilities and engineering. A key role involves maintaining strong technical relationships with councils and key agencies on these matters. The team also provides mapping, graphics and publication production services.

The **Government Partnerships** team has the key role of managing and coordinating the interaction with all government authorities, the subregional groups and the organisation's statutory planning activities.

The **Corporate and Economic Services** team supports the operations of the MPA through the provision of finance, governance, information technology management and human resource functions. This team also has carriage for the MPA's involvement in the GAIC initiative.

People at the MPA

People Management Strategy

The MPA has a small core of staff to meet its operational needs and to provide expert assistance in key areas.

The MPA has invested major effort in the recruitment of experienced professional staff in the areas of statutory and strategic urban planning, policy development and corporate support. The MPA has comprehensive policies and systems to ensure the ongoing development of its overall capability.

Occupational Health and Safety

The MPA has a clear commitment to OH&S compliance as well as general staff health and well-being, set out in its A Healthy, Safe and Supportive Workplace Policy.

The MPA maintains an Occupational Health and Safety Committee which meets regularly during the year.

The MPA's OHS performance target is to have zero OHS incidents for the year. The results are:

	2014-15	2013-14	2012-13
Reported Incidents	2	0	0
Claims with Lost Time	2	0	0
Days Lost	4	0	0
Average Cost per Claim	**$1,296**	**$0**	**$0**

During the reporting year the Authority had:

- 41 staff receive influenza vaccinations
- 2 incidents relating to our premises reported to WorkSafe
- 2 comprehensive internally conducted workplace inspections
- appointed 1 new trained fire warden
- appointed 1 new OHS Committee employee representative member
- 31 staff received ergonomic work station assessments.

Managing and Valuing Diversity and Merit

The MPA promotes equal employment opportunity through diversity in its policies and practices. A flexible and supportive workplace is provided through flexible working hours and leave arrangements.

MPA policies and programs consider issues relating to women, youth, and people from indigenous, culturally and linguistically diverse backgrounds. Activities relating to diversity included staff holding 'A Taste of Harmony' lunch during Harmony Week in March 2015.

The MPA is progressing a Disability Action Plan for approval in the year ending 30 June 2016.

The Chief Executive Officer made 2 internal appointments and 28 external appointments based on merit during the period.

Number of MPA Staff (headcount) as at 30 June 2015

Category	Staff 2015	Staff 2014
VPS 1-7 Staff		
Male	34	31
Female	42	30
Executive Staff*		
Male	6	6
Female	2	2
Total Staff	**84**	**69**

Category	Staff 2015	Staff 2014
All Staff		
Male	40	37
Female	44	32
Total	**84**	**69**

* Only 7 Executives were reported included in the GSERP survey due to a secondment being in place at 30 June 2015.

Employees have been correctly classified in workforce data collections.

The MPA is currently operating under the GAA Enterprise Agreement 2012 which has a nominal expiry date of 31 December 2015.

Upholding Public Sector Conduct

The MPA is responsible for promoting high standards of integrity and conduct in the public sector. Staff observe, and are fully informed about, the Code of Conduct for the Victorian Public Sector and the *Public Administration Act 2004* regarding "Upholding public sector conduct".

The *Public Administration Act 2004* provides the following employment and conduct principles:

Employers must ensure:	Employees must:
Decisions are made on merit	Act with impartiality
Employees are treated fairly and reasonably	Display integrity, including avoiding real or apparent conflicts of interest
Equal employment opportunity is provided	Show accountability for actions
Reasonable avenues of redress exist against unfair and unreasonable treatment	Provide responsive service

New staff are required to undertake online training in regard to conflicts of interest, privacy and ethical behavior, and existing staff also have access to this online training to update their knowledge in these areas. Staff were also provided with an annual refresher training in June 2015 on code of conduct, protected disclosures (whistleblowers), probity, conflict of interest, record keeping, privacy, freedom of information, bullying and harassment, equal opportunity and human rights.

Additional Information

Environment Strategy

The MPA is committed to working towards environmental sustainability in both its operations and in the planning of new communities. It will do this by:

1. Striving to be an environmentally responsible organisation in its own operations.
2. Working towards improving the liveability and sustainability of the natural and built environment within new communities.

The 2014-15 Business Plan includes the promotion of the sustainable development of land and the integration of land use and transport to enable the coordinated provision of a sustainable transport system as key objectives of the MPA. Results against the Business Plan measures are reported in the Authority Performance segment of the Annual Report.

Office Based Targets and Initiatives

The MPA reports annually against a number of indicators. The measures for 2014-2015 are set out in the table below:

INDICATOR	2014-2015 Actual	Estimated Carbon Equivalent (Tonnes)	2013-2014 Actual	Estimated Carbon Equivalent (Tonnes)	Net % Change of Tonnes	Notes
ELECTRICITY						
Greenhouse emissions offset	25%		25%			1
Total electricity used (kWh)	84,103	73.17	61,274	66.0	11%	
PAPER						
Daily paper ream use per employee	0.048	5.54	0.027	1.67	232%	2
TRANSPORT						
Annual total Hybrid Pool Vehicle travel (km)	24,487	3.27	19,942	1.78	84%	
New staff taking up public transport options for travel	100%	Data N/A	100%	Data N/A	0%	3
Other transport per employee per year (Km)	279	5.32	173	2.36	126%	4
Number of flights taken - national	2	2.14	1	0.54	275%	
Number of flights taken - international	0	0	1	5.93	-100%	
WATER						
Total water used (kL)	Data N/A		Data N/A			5
TOTAL EMISSIONS (Carbon Equivalent Tonnes)	**61.81**		**78.28**	**-21%**		

Notes to Office Based Targets and Initiatives

1. Greenhouse emissions offset – The Authority participates in the GreenPower program with Origin Energy whereby 25% of the electricity consumption is offset with electricity from GreenPower accredited renewable sources.
2. Printing controls – 'Pull Printing' continued to ensure that excess printing is reduced by requiring the manual print off of colour prints. While daily paper ream use per employee has only increased marginally, total carbon equivalent tonnes has increased significantly as employee numbers have increased.
3. Public transport – Of new staff for the 2014-2015 year, 85% make use of the myki commuter club program through the MPA, while the remainder either use their own existing myki or cycle to work. This results in 100% of new staff not driving to work.
4. The implementation of new projects particularly in regional Victoria and including the Metropolitan Open Space Strategy has resulted in an increase in staff numbers as well as the increased requirement of employee travel for meeting attendance
5. Water consumption – Water consumption is centrally managed by AMP building management. The information was not available on a tenancy basis.

Waste Management

The Authority continues to participate in enhanced waste management programs and recycling initiatives to dispose of redundant electronic equipment, through Collins Place Management. The enhanced waste management program incorporates:

- expanded co-mingled recycling, including recycling boxes at all staff desks
- removal of rubbish bins from all staff desks
- introduction of separate bin and collection for organic waste.

Freedom of Information

Victoria's *Freedom of Information Act 1982* (FOI Act) gives members of the public the right to apply for access to documents held by an agency, including the MPA. Documents include, but are not limited to: paper and electronic documents, maps, tapes and graphs. The two main categories of information normally requested under the FOI Act include individuals asking for their personal documents, and requests for documents relating to the activities of government.

The MPA officer responsible for receiving and initially actioning requests made under the FOI Act is Ed Small, who can be contacted on 03 9651 9600 or **info@mpa.vic.gov.au**. As from 1 July 2015, there is a fee of $27.20 payable for each FOI application (to 30 June 2015 – $26.50).

The Department of Justice also provides general information on its website, FOI online, about making FOI requests. A copy of the FOI Act is available at **www.foi.vic.gov.au**.

During the year ended 30 June 2015 four new requests were received by the MPA (to 30 June 2014 – two were received). All requests related to activities of government. Two requests were from legal firms, one was from a Member of Parliament, and one was from a residents' group. For all four requests, documents were released in part. There were no appeals to VCAT by FOI applicants.

Other information required to be available in accordance with FRD22D and Freedom of Information Act 1982

The following information, where it relates to the MPA and is relevant to the financial year ended 30 June 2015, is available to the Minister for Planning, Members of Parliament and the public on request:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- changes in fees, charges, rates or levies charged
- details of publications produced by the entity, about the entity, and the places where the publications can be obtained
- details of any major research and development activities undertaken by the entity
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and the services it provides
- details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the Report of Operations
- a general statement on industrial relations within the entity and details of time lost through industrial action and disputes
- a list of major committees sponsored by the entity, the purposes of each committee, and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
  - consultants/contractors engaged
  - services provided
  - expenditure committed to for each engagement.

The following information is not relevant to the MPA for the reasons set out below:

- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary (no shares have ever been issued in the MPA)
- details of any major external reviews carried out on the entity (no external reviews were carried out on the MPA)
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit (no overseas visits were undertaken as part of MPA business).

Protected Disclosures Act 2012

The P*rotected Disclosures Act 2012* (PD Act) forms part of the integrity system for Victoria. The PD Act aims to provide a system for people to disclose improper conduct by public officers and public bodies as well as protection from detrimental action.

The MPA encourages the reporting of known or suspected incidences of improper conduct or detrimental actions to the Independent Broad-based Anti-corruption Commission (IBAC). The contact at the MPA is Ed Small, on (03) 9651 9600. Alternatively, IBAC contacts are via **www.ibac.vic.gov.au**, or 1300 735 135.

During the year ended 30 June 2015 there were no disclosures or investigations of improper conduct or detrimental actions made to the MPA or any referred to IBAC (30 June 2014 – nil).

The MPA has adopted a Protected Disclosures Policy and Procedures.

Improving Accessibility

The MPA is committed to providing access to information to all members of the community. In relation to access to material on the MPA's website, the MPA provides detailed information on how to access and read MPA documents, and provides a contact facility for resolving any queries, by way of the e-mail address of **accessibility@mpa.vic.gov.au**.

Extent and compliance with the Building Act 1993

The MPA complies with the building and maintenance provisions of the *Building Act 1993* in its capacity as an occupant of leased premises.

Victorian Industry Participation Policy (VIPP) and disclosure of major contracts

During the reporting period, the MPA did not commence or conclude any contracts to which VIPP applied.

National Competition Policy

As a portfolio agency, the MPA's information on compliance is included in the DELWP Annual Report.

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience simply as a result of government ownership, should be neutralised. The MPA continues to implement and apply this principle to its business undertakings where applicable.

Contracts and Consultancies

During the financial year, there were 55 consultancy engagements (30 June 2014 – 105) for which services were provided and/ or were effective or operational during the reporting period that were individually valued at $10,000 or greater (exclusive of GST). Details of these consultancy engagements have been made on the MPA's website at **www.mpa.vic.gov.au**.

In addition to contracts valued at over $10,000, there were 50 contracts for consultancies that were individually valued at less than $10,000 (exclusive of GST) (30 June 2014 – 31). Total expenditure relating to these contracts amounted to $183,181 for the financial year (30 June 2014 – $143,529).

The MPA did not award any major contracts (valued at $10 million or more) during 2014-15.

Government Advertising Expenditure

MPA's expenditure on government advertising did not exceed $150,000 during the 30 June 2015 reporting period.

Risk Management

The MPA has a Risk Management Plan and Risk Register in place prepared in accordance with the Australian Standard AS/NZS ISO 31000:2009. The Risk Register was prepared from risks identified through workshops with MPA staff members and the contribution of Authority Members. The Risk and Audit Committee regularly monitor the risk management and risk mitigation progress. The MPA has ensured that the risk profile has been reviewed regularly, both internally and externally.

These processes have enabled the Risk and Audit Committee at its meeting of 24 June 2015 to endorse the MPA's Chair, as the attester of risk management processes contained in this annual report.

Attestation by Chair in relation to Risk Management at the MPA

I, Leonie Hemingway, certify that the Growth Areas Authority (known as the Metropolitan Planning Authority) has complied with the Ministerial Standing Direction 4.5.5 - Risk Management Framework and Processes. The Risk and Audit Committee of the Metropolitan Planning Authority verifies this assurance.

Leonie Hemingway
Chair
5 August 2015

Summary of the Financial Results

	Year ended 30 June 2015	Year ended 30 June 2014 $	Year ended 30 June 2013 $	Year ended 30 June 2012 $	Year ended 30 June 2011 $
Income					
Government Contributions	12,709,083	6,200,000	4,630,000	10,958,000	11,760,000
Other Revenue	1,960,091	7,771,252	3,159,079	2,176,752	591,450
Total Revenue	14,669,175	13,971,252	7,789,079	13,134,752	12,351,450
Expenses					
Operating Expenditure	4,016,022	3,477,623	2,691,125	2,980,565	3,245,480
Project Expenditure	11,362,796	8,657,178	6,303,427	8,676,424	8,787,242
Total Expenditure	15,378,819	12,134,801	8,994,552	11,656,989	12,032,722
Net Result	(709,644)	1,836,451	(1,205,473)	1,477,763	318,728
Assets					
Current Assets	14,999,818	14,903,716	12,169,291	13,773,125	12,031,830
Non-Current Assets	1,015,494	37,460	104,343	201,290	286,407
Gross Assets	16,015,312	14,941,176	12,273,634	13,974,415	12,318,237
Liabilities					
Current Liabilties	2,650,918	2,302,985	1,572,256	1,997,319	1,831,154
Non-Current Liabilities	1,671,740	235,893	135,531	205,776	193,527
Gross Liabilities	4,322,658	2,538,878	1,707,787	2,203,095	2,024,681
Net Equity	11,692,654	12,402,298	10,565,847	11,771,320	10,293,556

Changes in Financial Position

During the 2014-15 financial year, the financial position of the Authority improved significantly. The Government increased the appropriation to the MPA for the 2014-15 financial year to $9.5 million, up from the previous year's allocation of $6.2 million. This new increased allocation is budgeted to continue into future years to enable the MPA to undertake its new responsibilities, including those outlined in *Plan Melbourne*. This increased funding has correspondingly related to the MPA expanding its activities, and increasing its expenditure.

In addition to the increase in output appropriations, the MPA also received a large amount of funding for specific purposes. The Authority received funding of $3.2 million for the East Werribee Employment Precinct project (EWEP) from the Government during 2014-15. These funds are anticipated to be expended over the coming years.

The MPA currently has $5 million of unspent third party funding contributions which have been committed to specific projects in the coming financial years. Third party funding is received in stages, prior to the MPA completing the proposed work, and is therefore held for a period of time before complete disbursement. Upon completion of specified projects, a full reconciliation of project expenditure and income is prepared, and any unspent funds are refunded to the third party. This revenue received, but not yet disbursed, has resulted in the cash and investment holdings increasing to $14 million at the end of the financial year (this also includes EWEP project funding). In accordance with prudent financial management, $10 million of these funds are now held in longer term deposits, and are therefore classified as investments, rather than as cash and deposits (as in previous years). These funds are to be expended in the coming financial years on the specified individual projects for which the funds have been raised.

Expenditure has also increased when compared with the previous financial year, as the Authority has raised its activity level, and increased its staff complement to the level set out in its 2014-15 Business Plan.

Assets and liabilities, overall, have also increased as a result of the requirements associated with the accounting entries to appropriately recognize the lease incentive received in changing office locations in accordance with the relevant accounting standards.

Liabilities, overall, have also increased which is directly attributable to an increase in employee provisions from the increase in staff numbers.

The MPA concluded the financial year with an operating deficit of $0.7 million, which is a favourable result against the budgeted operating shortfall. In future years, the MPA is expecting to further reduce the funds on hand, as it completes the projects for which the specific funding has been raised.

Disclosure Index

The 2014-2015 Annual Report of the Metropolitan Planning Authority is prepared in accordance with all relevant Victorian legislation and the requirements of Financial Reporting Direction 30B. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements, including Financial Reporting Directions (FRD) and Standing Directions (SD).

Financial statements required under Part 7 of the Financial Management Act 1994

SD 4.2(f) Model Financial Report

SD 4.2(b) Operating Statement

SD 4.2(b) Balance Sheet

SD 4.2(a) Statement of Changes in Equity

SD 4.2(b) Cash flow Statement

SD 4.2(c) Accountable Officer's declaration

SD 4.2(c) Compliance with Australian Accounting Standards and other authoritative Pronouncements

SD 4.2(c) Compliance with Ministerial Directions

SD 4.2(d) Rounding of amounts

Other disclosures in notes to the financial statements

FRD 9A	Departmental disclosure of administered assets and liabilities
FRD 11	Disclosure of ex-gratia payments
FRD 21B	Responsible Person and Executive Officer disclosures
FRD 120I	Accounting and Reporting Pronouncements applicable to the 2014-2015 reporting period
FRD 13	Disclosure of Parliamentary appropriations

Legislation

Building Act 1993

Financial Management Act 1994

Freedom of Information Act 1982

Multicultural Victoria Act 2004

Planning and Environment Act 1987

Protected Disclosures Act 2012

Public Administration Act 2004

Victorian Industry Participation Policy Act 2003

Annual Financial Statements – 30 June 2015

Contents

Comprehensive Operating Statement

For the year ended 30 June 2015

	Note	2015	2014
Continuing Operations		**$**	**$**
Income from transactions			
Grants from State Government	2	9,500,000	6,200,000
Other Grants	2	3,334,083	4,581,113
Interest	2	352,852	285,239
Contributions	2	1,422,249	2,890,068
Other Income	2	59,991	14,832
Total Income from transactions		**14,669,175**	**13,971,252**
Expenses from transactions			
Employee benefits	3	9,822,538	7,128,010
Depreciation	3, 6	75,906	107,953
Interest expense	3	1,337	1,851
Other operating expenses	3	5,479,038	4,896,987
Total Expenses from transactions		**15,378,819**	**12,134,801**
Net result from transactions for the year		**(709,644)**	**1,836,451**
Comprehensive Result		**(709,644)**	**1,836,451**

The Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements.

Balance Sheet

As at 30 June 2015

	Note	2015	2014
Assets		**$**	**$**
Financial Assets			
Cash and deposits	16	4,012,113	12,933,693
Receivables	4	566,173	1,897,896
Investments	5	10,000,000	-
Total Financial Assets		**14,578,286**	**14,831,589**
Non-Financial Assets			
Prepayments		421,529	72,124
Property, plant and equipment	6	1,015,497	37,463
Total Non-Financial Assets		**1,437,026**	**109,587**
Total Assets		**16,015,312**	**14,941,176**
Liabilities			
Payables	7	2,406,993	982,607
Borrowings	8	16,998	22,679
Provisions	9	1,898,667	1,533,592
Total Liabilities		**4,322,658**	**2,538,878**
Net Assets		**11,692,654**	**12,402,298**
Equity			
Accumulated surplus		11,692,654	12,402,298
Total Equity		**11,692,654**	**12,402,298**
Commitments for expenditure	12		
Commitments for contributions	13		
Contingent assets and contingent liabilities	14		

The Balance Sheet should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2015

	Accumulated Surplus $
Balance as at 1 July 2013	10,565,847
Comprehensive Result	1,836,451
Balance as at 30 June 2014	**12,402,298**
Balance as at 1 July 2014	12,402,298
Comprehensive Result	(709,644)
Balance at 30 June 2015	**11,692,654**

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 30 June 2015

	Note	2015	2014
Cash flows from operating activities		**$**	**$**
Receipts			
Receipts from Government and other entities		15,648,046	13,688,473
Receipts from the ATO		604,691	86,522
Interest received		352,852	285,902
Total receipts		**16,605,589**	**14,060,897**
Payments			
Payments to suppliers and employees		(14,061,015)	(12,123,496)
Payments to the ATO		(405,196)	(37,169)
Interest paid		(1,337)	(1,851)
Other		-	(5,735)
Total payments		**(14,467,548)**	**(12,168,251)**
Net cash flows from/(used in) operating activities	16	**2,138,041**	**1,892,646**
Cash flows from investing activities			
Payments for plant and equipment		(1,053,940)	(12,650)
Purchase of investments		(10,000,000)	-
Net cash flows from/(used in) investing activities		**(11,053,940)**	**(12,650)**
Cash flows from financing activities			
Repayment of finance lease		(5,681)	(5,317)
Net cash flows from/(used in) financing activities		**(5,681)**	**(5,317)**
Net increase /(decrease) in cash and cash equivalents		**(8,921,580)**	**1,874,679**
Cash and cash equivalents at the beginning of the financial year		12,933,693	11,059,442
Cash and cash equivalents at the end of the financial year	16	**4,012,113**	**12,933,693**

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2015

Note 1. Summary of significant accounting policies

These annual financial statements include all controlled activities of the Growth Areas Authority, trading as the Metropolitan Planning Authority (the Authority). The Authority was proclaimed on 1 September 2006 and this report is for the year from 1 July 2014 to 30 June 2015. The purpose of the report is to provide users with information about the Authority's stewardship of resources entrusted to it.

(a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), Financial Reporting Directions (FRD) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Board of the Authority on 5 August 2015.

(b) Basis of Accounting

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values for assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate occurs and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effect on the financial statements and estimates relate to:

- the fair value of plant and equipment,
- superannuation expense (refer to Note 1(g)), and
- assumptions for employee benefit provision based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(l)).

These financial statements are presented in Australian dollars, the functional and presentation currency of the Authority, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at balance date, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made when required to ensure that their carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 *Fair Value Measurement*, the Authority determines the policies and procedures for both recurring fair value measurement such as property, equipment and vehicles and financial instruments in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Authority has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Authority determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Reporting entity

The financial statements cover the Authority, as an individual reporting entity.

The Authority is a portfolio agency of the Department of Land, Water, Environment and Planning in the State of Victoria, established under the *Planning and Environment Act (Growth Areas Authority) Act 2006.*

Its principal address is:

Metropolitan Planning Authority
Level 25, 35 Collins Street
Melbourne VIC 3000

The financial statements include all the activities of the Authority, and the Authority does not have any controlled entities.

A description of the nature of the Authority's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Administered items

Certain resources are administered by the Authority on behalf of the State. While the Authority is accountable for the transactions involving administered items, specifically Growth Areas Infrastructure Contribution (GAIC), it does not have discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances relating to administered items are not recognised as income, expenses, assets or liabilities in the body of the financial statements.

(d) Scope and presentation of financial statements

Comprehensive Operating Statement

The net result and comprehensive result is equivalent to profit or loss derived in accordance with AASs.

Balance Sheet

Assets and liabilities are presented in liquidity order with the assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provision of employee benefits, which is classified as current liabilities if the Authority does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner balance at the beginning of the reporting period to the balance at the end of the reporting period. It also separately shows changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating, investing activities or financing activities. The classification is consistent with requirements of AASB 107 *Statement of Cash Flows.*

Rounding

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statements may not equate due to rounding.

(e) Changes in accounting policies

Subsequent to the 2013/14 reporting period, the following new and revised Standards have been adopted for the first time in the current period.

AASB 10 Consolidated Financial Statements

AASB 10 provides a new approach to determine whether the Authority has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

a) the investor has power over the investee,
b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and
c) the investor has the ability to use its power over the investee to affect the amount of investor's returns.

The Authority does not have any entities that need to be included in the consolidated financial statements.

AASB 11 Joint Arrangements

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

The Authority does not have any contractual arrangements that result in a joint arrangement.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

The Authority does not have any interests in associates or joint ventures and has not identified any unconsolidated structured entities.

(f) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Grants from State Government

The Authority is funded by Parliamentary process for the provision of outcomes through the Department of Environment, Land, Water and Planning. Income is recognised when the Authority obtains control over the grant and outcomes are provided to the Government, growth area councils, developers and other relevant entities.

Other Grants including Government funding

Other grants are Government (State and Commonwealth) allocations for a specific purpose. These grants are recognised when the Authority obtains control over the funds.

Interest

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Contributions

Contributions received from third parties (including councils or developers) relates to funding received for specific projects or tasks. These funds are recognised as income when the Authority obtains control over the contribution, refer to Note 13.

Other Income

Other income relates to prescribed fees and any income not defined above. These funds are recognised when billed.

(g) Expenses from transactions

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

Employee benefits

This expense includes all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums, refer to Note 1 (l).

Superannuation

The amount recognised as an expense is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Defined contribution (accumulation) plans receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% (9.25% - 2013/14) required under Superannuation Guarantee legislation).

The Authority does not use defined benefit accounting for its defined benefit obligations. The Department of Treasury and Finance (DTF) in their annual financial statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans.

Depreciation

All non-financial physical assets that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

The useful lives for the financial period are:	2015	2014
• Computer software and hardware	3 years	3 years
• Leasehold improvements	10 years	10 years
• Furniture and equipment	5 years	5 years
• Motor vehicles	3 years	3 years

Where assets have separately identifiable components, those components are assigned useful lives distinct from the item of plant and equipment to which they relate and are depreciated accordingly.

Interest expense

Interest expense represents costs incurred in connection with borrowings. Interest expense is recognised in the period in which it is incurred.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and services

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

Refer to Note 1(j).

(h) Other economic flows included in the net result

Other economic flows are changes in the volume or value of an asset or liability that does not result from transactions.

Impairment of non-financial assets

All assets are assessed annually for indication of impairment, except for financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an expense except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset. The recoverable amount for most assets is measured at their higher of depreciated replacement cost and fair value less costs to sell.

There are no instances of this during the 2014/15 financial year (2013/14: nil).

Refer to Note 1(k) in relation to the recognition and measurement of non-financial assets.

(i) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Receivables

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any attributable transaction costs. The receivables category includes cash and term deposits, trade and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Authority's contractual payables and interest bearing arrangements.

(j) Financial assets

Cash and deposits

Cash and cash deposits comprise cash on hand, or cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings.

Receivables

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables (refer to Note 1(m)), and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits receivable.

Contractual receivables are classified as financial instruments and categorised as receivables (refer to Note 1(i) for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(i).

Impairment of financial assets

At the end of each reporting period, the Authority assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets are subject to an annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off are classified as a transaction expense.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

(k) Non-financial assets

Plant, equipment and vehicles

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Individual items of $5,000 or more are capitalised. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(m)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

For the accounting policy on impairment of non-financial physical assets, refer to the impairment of non-financial assets under Note 1(h).

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 6.

Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(l) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority becomes obliged to make future payments in respect of the purchase of those goods and services, and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(i)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

All interest bearing liabilities are initially recognised at the fair value of the consideration received; less directly attributable transaction costs, refer to Note 1(m).

Provisions

Provisions are recognised when the Authority has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate on the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date.

(i) **Wages and salaries and annual leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are recognised in the provision for employee benefits as 'current liabilities', because the Authority does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wage and salaries and annual leave are measured at:

- nominal value - if the Authority expects to wholly settle within 12 months, or
- present value - if the Authority does not expect to wholly settle within 12 months.

(ii) **Long Service Leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value - if the Authority expects to wholly settle within 12 months, and
- present value - if the Authority does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability because there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Employee benefits on-costs

Employee benefits such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(m) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Authority as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset. If there is certainty that the Authority will obtain ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease, and charged as an expense.

Operating leases

Authority as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense of the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 12) at their nominal value and inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note (refer to Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(p) Accounting for the goods and services tax

Income, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In this case, the GST payable is recognised as part of the cost of the acquisition of an asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which is recoverable from, or payable to the ATO, are presented as operating cash flow.

Commitment (refer to Note 1 (n)) and contingent assets and liabilities (refer to Note 1 (o)) are also stated inclusive of GST.

(q) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Authority and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

(r) Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AASs) have been published that are not mandatory for the 30 June 2015 reporting period. The Department of Treasury and Finance (DTF) assesses the impact of these new standards and advises the Authority of their applicability and early adoption where appropriate.

The table below outlines the accounting standards that have been issued that are not effective for 2014-15, which may result in potential impacts for the Authority's reporting for future reporting periods.

Standard/Interpretation	***Summary***	***Applicable for annual reporting periods beginning on:***	***Impact on public sector entity financial statements***
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2017 (Exposure Draft 263 - potential deferral to 1 January 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.

AASB 2014-1 *Amendments to Australian Accounting Standards* [Part E *Financial Instruments*]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation* [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2015-6 *Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

In addition to the new standards and amendments, the AASB has issued a list of other amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impact on public sector reporting:

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments*
- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]*
- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*
- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

(s) Australian Accounting Standards early adoption

As at 30 June 2015, the following standards and interpretations have been issued and the Authority has elected to apply them before their mandatory application date. They were not mandatory for the reporting period 30 June 2015. The impact of the early adoption resulted in reduced disclosures relating to quantitative information of 'significant unobservable inputs' and the 'sensitivity analysis' in Note 6 (Table 6.5).

- AASB 2015-7 *Fair Value Disclosures of Not-for-Profit Public Sector Entities*

Note 2. Income from transactions

	2015	2014
	$	$
Grants from State Government	9,500,000	6,200,000
Other Grants	3,334,083	4,581,113
Interest	352,852	285,239
Contributions	1,422,249	2,890,068
Other Income	59,991	14,832
Total Income from transactions	**14,669,175**	**13,971,252**

Note 3. Expenses from transactions

	2015	2014
	$	$
(a) Employee benefits		
Postemployment benefits		
Defined contribution superannuation expense	715,208	516,100
Defined benefit superannuation expense	11,127	4,776
Salaries and wages	7,573,107	5,429,414
Annual leave and long service leave expense	1,128,078	851,622
Other employee on-costs	395,018	326,098
Total employee benefits	**9,822,538**	**7,128,010**
(b) Depreciation		
Plant, equipment and vehicles	75,906	107,953
Total depreciation	**75,906**	**107,953**
(c) Interest expense		
Interest on finance leases	1,337	1,851
Total interest expense	**1,337**	**1,851**
(d) Other operating expenses		
Consultants	3,174,063	2,909,441
General expenses	1,336,104	1,426,578
Operating lease rental expenses	968,871	560,968
Total other operating expenses	**5,479,038**	**4,896,987**
Total Expenses from transactions	**15,378,819**	**12,134,801**

Note 4. Receivables

	2015	2014
	$	$
Current receivables		
Contractual		
Accrued Investment Income	34,128	14,273
Contributions	365,385	1,759,083
Other receivables	55,653	32,428
	455,166	**1,805,784**
Statutory		
GST Input tax credit recoverable	111,007	92,112
	111,007	**92,112**
Total current receivables	**566,173**	**1,897,896**
Total receivables	**566,173**	**1,897,896**

(a) Ageing analysis of contractual receivables

Please refer to Table 15.5 in Note 15 for the ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from contractual receivables

Please refer to Note 15 for the nature and extent of risks arising from contractual receivables.

Note 5. Investments

	2015	2014
	$	$
Current investments		
Term deposits:		
Australian dollar term deposits > three months	10,000,000	-
Total current investments	**10,000,000**	**-**
Total investments	**10,000,000**	**-**

(a) Ageing analysis of investments

Please refer to Table 15.5 in Note 15 for the ageing analysis of investments.

(b) Nature and extent of risk arising from investments

Please refer to Note 15 for the nature and extent of risks arising from investments.

Note 6. Property, plant and equipment

Table 6.1: Gross carrying amount and accumulated deprecitiation

	2015	2014
	$	$
At fair value	1,700,101	646,161
Less accumulated depreciation	(684,604)	(608,698)
Total property, plant and equipment	**1,015,497**	**37,463**

Table 6.2: Movements in carrying amounts

	Opening WDV at 1 July 2014	Additions	Depreciation	Closing WDV at 30 June 2015
	$	$	$	$
Leasehold Improvements	-	906,953	30,232	876,721
Computer hardware	-	79,957	18,206	61,751
Computer software	11,244	59,221	18,109	52,356
Furniture and Equipment	3,925	7,809	3,702	8,032
Motor Vehicle	22,294	-	5,657	16,637
Totals	**37,463**	**1,053,940**	**75,906**	**1,015,497**

	Opening WDV at 1 July 2013	Additions	Depreciation	Closing WDV at 30 June 2014
	$	$	$	$
Leasehold Improvements	6	-	6	-
Computer hardware	29,590	-	29,590	-
Computer software	66,542	12,650	67,948	11,244
Furniture and Equipment	8,206	-	4,281	3,925
Motor Vehicle	28,423	-	6,129	22,294
Totals	**132,767**	**12,650**	**107,953**	**37,463**

Table 6.3: Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$	$	$	$
Property, plant, equipment and vehicles at fair value				
Leasehold Improvements	876,721	-	-	876,721
Vehicles	16,637	-	-	16,637
Plant and equipment	122,139	-	-	122,139
Total of property, plant and equipment	**1,015,497**	-	-	**1,015,497**

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$	$	$	$
Property, plant, equipment and vehicles at fair value				
Vehicles	22,294	-	-	22,294
Plant and equipment	15,169	-	-	15,169
Total of property, plant and equipment	**37,463**	-	-	**37,463**

Table 6.4: Reconciliation of Level 3 fair value

2015	Leasehold Improvements $	Plant and equipment $	Vehicles $
Opening balance	-	15,169	22,294
Purchases (sales)	906,953	146,987	-
Depreciation	(30,232)	(40,017)	(5,657)
Impairement loss		-	-
Closing balance	**876,721**	**122,139**	**16,637**

2014	Leasehold Improvements $	Plant and equipment $	Vehicles $
Opening balance	-	104,343	28,423
Purchases (sales)	-	12,650	-
Depreciation	-	(101,824)	(6,129)
Impairement loss	-	-	-
Closing balance	**-**	**15,169**	**22,294**

Table 6.5: Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	*Significant unobservable inputs*
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Vehicles	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

Note 7. Payables

	2015 $	2014 $
Current payables		
Contractual		
Supplies and services	466,720	522,092
Amounts payable to government agencies	1,064	44,950
Other payables	1,895,445	289,882
	2,363,229	**856,924**
Statutory		
Payable to the ATO	43,764	125,683
	43,764	**125,683**
Total current payables	**2,406,993**	**982,607**
Total payables	**2,406,993**	**982,607**

(a) Maturity analysis of payables

Please refer to Table 15.6 in Note 15 for the maturity analysis of payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 15 for the nature and extent of risks arising from contractual payables.

Note 8. Borrowings

	2015	2014
	$	$
Current borrowings		
Finance lease liabilities (i)	16,998	5,680
Total current borrowings	**16,998**	**5,680**
Non-current borrowings		
Finance lease liabilities (i)	-	16,998
Total non-current borrowings	**-**	**16,998**
Total borrowings	**16,998**	**22,678**

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of a default.

(a) Maturity analysis of borrowings

Please refer to Table 15.6 in Note 15 for the maturing analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 15 for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches

During the current and prior year, there were no defaults and breaches on the borrowings.

Note 9. Provisions

	2015 $	2014 $
Current provisions		
Employee benefits		
Annual leave		
Unconditional and expected to settle within 12 months	284,562	247,970
Unconditional and expected to settle after 12 months	225,927	185,190
Long service leave		
Unconditional and expected to settle within 12 months	36,962	29,821
Unconditional and expected to settle after 12 months	853,759	684,508
	1,401,210	1,147,489
Provisions for on-costs		
Unconditional and expected to settle within 12 months	47,043	41,125
Unconditional and expected to settle after 12 months	161,907	131,763
	208,950	172,888
Total current provisions	**1,610,160**	**1,320,377**
Non-current provisions		
Long service leave	250,646	184,989
On-costs	37,862	28,226
Total non current provisions	**288,508**	**213,215**
Total provisions	**1,898,668**	**1,533,592**

(a) Employee benefits and on-costs

	2015 $	2014 $
Current employee benefits		
Annual Leave	510,489	433,160
Long Service Leave	890,721	714,329
	1,401,210	**1,147,489**
Non-current employee benefits		
Long Service Leave	250,646	184,989
Total employee benefits	**1,651,856**	**1,332,478**
Current on-costs	208,950	172,888
Non-current on-cost	37,862	28,226
Total on-costs	**246,812**	**201,114**
Total employee benefits and on-costs	**1,898,668**	**1,533,592**

(b) Movement in provisions

	On-costs 2015 $	Employee Benefits 2015 $	Total 2015 $
Opening balance	201,114	1,332,478	1,533,592
Additional provisions recognised	120,191	803,939	924,130
Reductions arising from payments/other sacrifices of future economic benefits	(90,449)	(605,007)	(695,456)
Unwind of discount and effect of changes in the discount rate	15,956	120,446	136,402
Closing Balance	**246,812**	**1,651,856**	**1,898,668**
Current	208,950	1,401,210	1,610,160
Non-current	37,862	250,646	288,508
	246,812	**1,651,856**	**1,898,668**

Note 10. Superannuation

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to both defined benefit and defined contribution superannuation plans. The defined benefit plan provides benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Authority.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Authority are as follows:

	Paid contribution for the year		*Contribution outstanding*	
	2015 $	2014 $	2015 $	2014 $
Defined benefit plan:				
State Superannuation Fund	11,127	4,776	-	-
Defined contribution plans:				
VicSuper	379,828	243,542	-	-
Vision Super	160,867	130,776	-	-
Other	174,513	141,782	-	1,473
Total Contributions to all funds	**726,335**	**520,876**	**-**	**1,473**

Note 11. Leases

(a) Disclosure for lessees - finance lease liabilities

The Authority has one finance lease being for a pool car. This is a three year lease which was entered into on 29 May 2013 and will end on 28 May 2016.

	Minimum future lease payments		Present value of minimum future lease payments	
	2015 $	2014 $	2015 $	2014 $
Lease Liabilities Payable				
Not longer than one year	17,878	7,011	16,998	5,680
Longer than one year but not longer than five years	-	17,878	-	16,998
Minimum future lease payments	**17,878**	**24,889**	**16,998**	**22,678**
Less future finance charges	(880)	(2,211)	-	-
Present value of minimum lease payments	**16,998**	**22,678**	**16,998**	**22,678**

Note 12. Commitments for expenditure

During the 2014/15 financial year, the Authority entered into a new operating lease with AMP Capital. The previous lease was concluded on 31 March 2015, with the new lease commencing on 1 March 2015.

At 30 June 2015, the Authority had the following operating lease commitments for accommodation until 31 October 2025.

The disclosed payments include payments for non-lease elements in the arrangement, being for cleaning charges based upon a percentage of total lettable area.

Nominal values	2015 $	2014 $
Operating and lease commitments payable		
Lease of Premises:		
Less than 1 year	708,524	565,590
Longer than 1 year and not longer than 5 years	3,356,757	189,008
Longer than 5 years and not longer than 10 years	3,889,308	-
Total operating and lease commitments	**7,954,589**	**754,599**

Note 13. Commitments for contributions

In addition to operating lease commitments, the Authority will refund any unspent contributions collected through third party funding agreements. Third parties contribute a set amount of funds to assist the Authority to complete scheduled projects. The Authority expects to expend all of these funds in its normal course of operations over the coming years and will refund any unexpended funds at the completion of each project. Currently the Authority has $5.287 million of unexpended third party funds. These funds are recognised as income when the Authority obtains control over the contribution as outlined in AASB 1004 *Contributions*.

Nominal values	2015 $
Commitments for contributions payable	
Third Party Funding:	
Less than 1 year	3,845,825
Longer than 1 year and not longer than 5 years	1,441,262
Total operating and lease commitments	**5,287,087**

Table 13.2: Movement in third party funding balance

	2015 $
Opening balance	5,160,942
Additional third party funding recognised	981,562
Third party funding expenditure	(855,417)
Closing Balance	**5,287,087**

Note 14. Contingent assets and liabilities

There are no contingent assets or liabilities at 30 June 2015 ($0 - 2013/14).

Note 15. Financial instruments

(a) Financial risk management objectives and policies

The Authority's principal financial instruments are outlined in Table 15.1. Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability below are disclosed in Note 1 to the financial statements.

The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these financial risks in accordance with its financial risk management policy.

Table 15.1: Principal financial instruments

Recognised Financial Instruments	Accounting Policy	Category
	Financial Assets	
Cash assets	Cash and cash equivalents comprise cash on hand, cash at bank, deposits at call and liquid investments. These are recorded at nominal amounts.	Contractual Financial Assets - Receivables
Investments	Refers to term deposits. These are recorded at nominal amounts.	Contractual Financial Assets - Receivables
Receivables (excluding statutory receivables)	Trade receivables are carried at nominal amounts due. Instalments as agreed but normally 30 day terms.	Contractual Financial Assets - Receivables
	Financial Liabilities	
Payables (excluding statutory payables)	Liabilities are recognised for amounts to be paid in the future. Trade liabilities are normally settled on 30 day terms.	Contractual Financial Liabilities at amortised cost
Borrowings	Refers to finance lease payables.	Contractual Financial Liabilities at amortised cost

Table 15.2: Categorisation of financial instruments

	Contractual financial assets - Receivables		Contractual financial liabilities at amortised cost	
	2015	2014	2015	2014
	$	$	$	$
Contractual financial assets				
Cash and cash equivalents	4,012,113	12,933,693	-	-
Investments	10,000,000	-		
Receivables (excluding statutory receivables)	421,038	1,791,511	-	-
Accrued Investment Income	34,128	14,273	-	-
Total contractual financial assets	**14,467,279**	**14,739,477**	**-**	**-**
Contractual financial liabilities				
Payables (excluding statutory payables)	-	-	2,363,229	856,924
Finance lease liabilities	-	-	16,998	22,678
Total contractual financial liabilities	**-**	**-**	**2,380,227**	**879,602**

Table 15.3: Net holding gain/(loss) on financial instruments by category

	Total interest income/(expense) $
2015	
Financial assets - Receivables	352,852
Total Contractual financial assets	**352,852**
Financial liabilities at amortised cost	(1,337)
Total Contractual financial liabilities	**(1,337)**
2014	
Financial assets - Receivables	285,239
Total Contractual financial assets	**285,239**
Financial liabilities at amortised cost	(1,851)
Total Contractual financial liabilities	**(1,851)**

(b) Credit risk

Credit risk arises from the contractual financial assets of the Authority, which comprise cash and deposits, investments and non-statutory receivables. The Authority's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

Provision for impairment for contractual financial assets is recognised when there is objective evidence that the Authority will not be able to collect a receivable.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Table 15.4: Credit quality of contractual financial assets that are neither past due nor impaired

	Financial institutions (triple-A credit rating) $	Government agencies (triple-A credit rating) $	Other $
2015			
Cash and deposits	-	3,725,000	287,113
Investments	-	10,000,000	-
Receivables	-	34,128	421,038
Total	**-**	**13,759,128**	**708,151**
2014			
Cash and deposits	133,693	12,800,000	-
Receivables	-	14,273	1,791,511
Total	**133,693**	**12,814,273**	**1,791,511**

Table 15.5: Ageing analysis of contractual financial assets

			Past due but not impaired			
	Carrying amount $	Not past due and not impaired $	Less than 1 month $	1-3 months $	3 months - 1 year $	1-5 years $
2015						
Accrued Investment Income	34,128	34,128	-	-	-	-
Other receivables	421,038	327,547	-	-	73,104	20,387
Investments	10,000,000	10,000,000	-	-	-	-
Total	**10,455,166**	**10,361,675**	**-**	**-**	**73,104**	**20,387**
2014						
Accrued Investment Income	14,273	14,273	-	-	-	-
Other receivables	1,791,511	1,520,989	262,699	-	-	7,823
Term deposits	-	-	-	-	-	-
Total	**1,805,784**	**1,535,262**	**262,699**	**-**	**-**	**7,823**

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Authority does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Authority would be unable to meet its financial obligations as and when they fall due. The Authority operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Authority's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Authority manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations,
- holding investments and other contractual financial assets that are readily tradeable in the financial markets, and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, represents the Authority's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis of the Authority's financial liabilities. Note that for finance lease liabilities the nominal amount refers to the minimum lease payment.

Table 15.6: Maturity analysis of contractual financial liabilities

			Maturity Dates				
	Carrying amount $	Nominal amount $	Less than 1 month $	1-3 months $	3 months - 1 year $	1-5 years $	5+ years $
2015							
Payables	2,363,229	2,363,229	885,176	32,931	110,532	773,343	561,247
Finance lease liabilities	16,998	17,878	584	1,169	16,125	-	-
Total	**2,380,227**	**2,381,107**	**885,760**	**34,100**	**126,657**	**773,343**	**561,247**
2014							
Payables	856,924	856,924	856,924	-	-	-	-
Finance lease liabilities	22,678	24,889	584	1,169	5,258	17,878	-
Total	**879,602**	**881,813**	**857,508**	**1,169**	**5,258**	**17,878**	**-**

(d) **Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Authority does not hold interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Authority has exposure to cash flow interest rate risks through its cash and cash equivalents that are exposed to floating rates. This exposure is addressed in Table 15.7.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 15.7. In addition, the Authority's sensitivity to interest rate risk is set out in Table 15.8.

Table 15.7: Interest rate exposure of financial instruments

			Interest rate exposure		
	Weighted average interest rate % $	Carrying amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $
2015					
Financial assets					
Cash and cash equivalents	2.63%	4,012,113	-	4,012,113	-
Investments	2.63%	10,000,000	10,000,000	-	-
Accrued investment income		34,128	-	-	34,128
Other receivables		421,038	-	-	421,038
Total financial assets		**14,467,279**	**10,000,000**	**4,012,113**	**455,166**
Financial liabilities					
Payables		2,363,229	-	-	2,363,229
Finance lease liabilities	6.62%	16,998	16,988	-	-
Total financial liabilities		**2,380,227**	**16,988**	**-**	**2,363,229**
2014					
Financial assets					
Cash and cash equivalents	2.58%	12,933,693	-	12,933,693	-
Accrued investment income		14,273	-	-	14,273
Other receivables		1,791,511	-	-	1,791,511
Total financial assets		**14,739,477**	**-**	**12,933,693**	**1,805,784**
Financial liabilities					
Payables		856,924	-	-	856,924
Finance lease liabilities	6.62%	22,678	22,678	-	-
Total financial liabilities		**879,602**	**22,678**	**-**	**856,924**

Sensitivity disclosure analysis and assumptions

The Authority's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Authority expects that a movement of 1% up and down in market interest rates is 'reasonably possible' over the next 12 months:

Table 15.8: Interest rate risk sensitivity

		Interest rate	
		-1%	1%
	Carrying amount **$**	**Net result** **$**	**Net result** **$**
2015			
Contractual financial assets			
Cash and cash equivalents	4,012,113	(40,121)	40,121
Investments	10,000,000	(100,000)	100,000
Other contractual financial assets	455,166	(4,552)	4,552
Total impact	**14,467,279**	**(144,673)**	**144,673**
2014		-2%	2%
Contractual financial assets			
Cash and cash equivalents	12,933,693	(258,674)	258,674
Other contractual financial assets	1,805,784	(36,116)	36,116
Total impact	**14,739,477**	**(294,790)**	**294,790**

(e) Other market risks

The Authority is not subject to any other significant market risks.

(f) Fair value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices,
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly, and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value due to their short-term nature.

Table 15.9: Fair value of financial instruments measured at amortised cost

	2015		2014	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Contractual financial assets				
Cash and cash equivalents	4,012,113	4,012,113	12,933,693	12,933,693
Investments	10,000,000	10,000,000	-	-
Receivables (excluding statutory receivables)	421,038	421,038	1,791,511	1,791,511
Accrued Investment Income	34,128	34,128	14,273	14,273
Total contractual financial assets	**14,467,279**	**14,467,279**	**14,739,477**	**14,739,477**
Contractual financial liabilities				
Payables (excluding statutory payables)	2,363,229	2,363,229	856,924	856,924
Finance lease liabilities	16,998	16,998	22,678	22,678
Total contractual financial liabilities	**2,380,227**	**2,380,227**	**879,602**	**879,602**

Table 15.10: Financial assets measured at fair value

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$	$	$	$
Contractual financial assets				
Investments	10,000,000	10,000,000	-	-
Receivables (excluding statutory receivables)	421,038	-	-	421,038
Accrued Investment Income	34,128	-	-	34,128
Total contractual financial assets	**10,455,166**	**10,000,000**	**-**	**455,166**

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	$	$	$	$
Contractual financial assets				
Receivables (excluding statutory receivables)	1,791,511	-	-	1,791,511
Accrued Investment Income	14,273	-	-	14,273
Total contractual financial assets	**1,805,784**	**-**	**-**	**1,805,784**

Note 16. Cash Flow Information

(a) Reconciliation of cash and cash equivalents

	For the financial year ended 2015 $	For the financial year ended 2014 $
Cash and cash equivalents	4,012,113	12,933,693
Balances per Cash Flow Statement	**4,012,113**	**12,933,693**

(b) Reconciliation of net result for the year with net cash flows from operations

	2015 $	2014 $
Net result for the year	(709,644)	1,836,451
Non-cash movements:		
Depreciation and amortisation expense	75,906	103,693
Movements in assets and liabilities:		
(Increase) in prepayments	(349,405)	(6,580)
Decrease/(Increase) in receivables	1,331,723	(853,591)
Increase in payables	1,506,305	284,469
Increase in provisions	365,075	528,204
(Decrease) in current tax payable	(81,919)	-
Net cash flows from/(used in) operating activities	**2,138,041**	**1,892,646**

Note 17. Responsible persons

In accordance with the Ministerial Directions issued by the Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Minister

The Hon. Matthew Guy MLC	*Minister for Planning*	1 July 2014 to 3 December 2014
The Hon. Richard Wynne	*Minister for Planning*	4 December 2014 to 30 June 2015

Governing Board

Christopher Banks AM	*Chairman*	1 July 2014 to 30 April 2015
Leonie Hemingway	*Chairman*	1 May 2015 to 30 June 2015
Leonie Hemingway	*Deputy Chair*	1 July 2014 to 30 April 2015
Laurinda Gardner	*Deputy Chair*	1 May 2015 to 30 June 2015

Board Members

Bill Kusznirczuk		1 July 2014 to 30 June 2015
Brian Haratsis		1 July 2014 to 30 June 2015
Theo Theophanous		1 July 2014 to 30 June 2015
Freya Marsden		1 July 2014 to 30 June 2015
Laurinda Gardner		1 July 2014 to 30 April 2015

Chief Executive Officer & Accountable Officer

Peter Seamer	*Chief Executive Officer*	1 July 2014 to 30 June 2015

Remuneration of responsible persons

The number of responsible persons and their total remuneration during the reporting period are shown below in their relevant income bands. The number of responsible persons has increased from the 2013/14 financial year.

Table 17.1: Remuneration of responsible persons

Income band	2015 - Total Remuneration No.	2014 - Total Remuneration No.
$0 - 10 000		
$10 000 - 19 999	5	4
$20 000 - 29 999	1	
$60 000 - 69 999	1	
$70 000 - 79 999		1
$280 000 - 289 999		
$320 000 - 329 999		1
$380 000 - 389 999	1	
Total	**8**	**6**

Remuneration received or receivable by the accountable officer in connection with the management of the Authority during the reporting period was in the range of $380 000 - $389 999 ($320 000 - $329 999 in 2013/14). There were no related party transactions.

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet.

Note 18. Remuneration of executives

(a) Remuneration of executives

The number of executive officers, other than the ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Several factors affected total remuneration payable to executives over the year. This financial year all executives received bonus payments, while Alex Links was on leave without pay from 1 April 2015.

Executive Officers

Edward Small	*Director, Corporate Services*	1 July 2014 to 30 June 2015
Stephen Dunn	*Director, Structure Planning*	1 July 2014 to 30 June 2015
Mark Knudsen	*Director, Technical Services*	1 July 2014 to 30 June 2015
Paul Byrne	*Director, Economic Planning and Development*	1 July 2014 to 30 June 2015
Tim Peggie	*Director, Structure Planning*	1 July 2014 to 30 June 2015
Alex Links	*Director, Intergovernmental Coordination*	1 July 2014 to 30 June 2015
Jane Monk	*Director, Inner City*	1 July 2014 to 30 June 2015

Table 18.1: Remuneration of executives

	Total Remuneration		Base Remuneration	
Income band	2015 No.	2014 No.	2015 No.	2014 No.
$0 - 99 999		3		3
$140 000 - 149 999			1	
$150 000 - 159 999	1			
$160 000 - 169 999		1		1
$180 000 - 189 999	1	1	2	1
$190 000 - 199 999	1			
$210 000 - 219 999		1		1
$220 000 - 229 999		1		1
$230 000 - 239 999	4		4	
Total number of executives	**7**	**7**	**7**	**7**
Total annualised employee equivalents	**6.33**	**6.33**	**6.33**	**6.33**
Total amount	**$ 1,478,150**	**$ 1,051,490**	**$ 1,423,419**	**$ 1,051,490**

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

There have been no payments made to contractors with significant management responsibilities.

Note 19. Remuneration of auditors

	For the financial year ended 2015	For the financial year ended 2014
	$	$
Victorian Auditor-General's Office		
Audit or review of the financial statements	15,300	15,000
	15,300	**15,000**

Note 20. Ex gratia expenses

There are no ex gratia expenses to report (2013/14: nil).

Note 21. Subsequent events

There were no subsequent events to report.

Metropolitan Planning Authority Statutory Certification

We certify that the attached financial statements for the Growth Areas Authority (trading as the Metropolitan Planning Authority) have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 199*4, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of the Authority at 30 June 2015.

At the time of signing we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 5 August 2015.

Peter Seamer	Leonie Hemingway	Edward Small
Chief Executive Officer	**Chair**	**Chief Financial Officer**
Melbourne	Melbourne	Melbourne
August 2015	August 2015	August 2015

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Authority Members, Metropolitan Planning Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Metropolitan Planning Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Metropolitan Planning Authority Statutory Certification by the Chief Executive Officer, Chair and Chief Financial Officer has been audited.

The Authority Members' Responsibility for the Financial Report

The Members of the Metropolitan Planning Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Authority Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Authority Members as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Metropolitan Planning Authority as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994.*

MELBOURNE
11 August 2015

John Doyle
Auditor-General

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