

Annual Report 2011 - 2012

a partner in creating sustainable and liveable new communities in Melbourne's growth areas



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ANNUAL REPORT 2011 - 2012

MINISTER FOR PLANNING

The Growth Areas Authority (GAA) reports to the Minister for Planning, the Hon Matthew Guy MLC, in the Victorian Government and during the reporting period was a portfolio agency with the Department of Planning and Community Development. The GAA was established under the Planning and Environment (Growth Areas Authority) Act 2006.

The Hon. Matthew Guy MLC

Minister for Planning

August 2012



CHAIRMAN'S MESSAGE

Melbourne's growth areas have a significant role to play in the city's continued development.

During the 2011/12 financial year, the GAA continued to focus on planning progressive, liveable and vibrant communities. The GAA also focussed on high level, long term planning to ensure that Melbourne's new suburbs will have access to key infrastructure, local jobs and quality services.

The GAA has completed two high level planning projects during the past year. The unveiling of the Growth Corridor Plans and findings from the Logical Inclusions review were the culmination of 18 months of hard work and are major steps forward in planning for Melbourne.



Logical Inclusions give greater certainty to planning for the next upturn in demand, bringing an additional 5958 hectares into Melbourne's Urban Growth Boundary for commercial or residential development when required.

Completion of the Growth Corridor Plans was also a major achievement for the GAA, as these plans will guide the strategic management of Victoria's four Melbourne metropolitan growth corridors by setting out broad transport networks, housing, industrial and employment areas, and biodiversity areas as part of the development of our city's newest metropolitan suburbs.

The GAA has continued to make great strides in the master planning of new communities during the past 12 months. The Planning Minister approved 10 Precinct Structure Plans (PSPs), which were developed by the GAA with assistance from Councils, State agencies and the development industry. These PSPs will provide for an additional 60,000 residential lots and substantial land for commercial development.

This work will ensure Melbourne continues to be well ahead of the game when it comes to residential land supply as we endeavour to maintain the city's standing as one of the world's most affordable and attractive places to live, work and raise a family.

Chris Banks AM

Chair

August 2012

CHIEF EXECUTIVE OFFICER'S REPORT

The past 12 months have been a particularly busy period for the Growth Areas Authority.

During the 2011/12 financial year, the GAA has been involved in the completion of several key strategic projects and the opening up of land supply for 60,000 housing lots as part of our role in planning and preparing the development of Melbourne's growth areas in the municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham.



The Minister for Planning, the Hon Matthew Guy MLC, asked the GAA to complete a series of major strategic projects while also maintaining its focus on land supply to ensure Melbourne continued to keep pace with and plan for future population growth. These projects were completed during a period where Melbourne's property and construction industry experienced a small downturn, which was to be expected given the cyclical nature of the housing market.

Planning 20 to 30 years ahead is imperative to ensuring the delivery of key infrastructure such as transport, water and energy to support our growing population. Melbourne's population is increasing by approximately 1300 people each week, so thorough planning is paramount to keeping housing affordability in check, generating sustainable employment to support local residents, and delivering facilities to service new communities.

The GAA's planning focuses on delivering vital and high quality planning for infrastructure to these centres, which is why we work closely with the growth area Councils, State agencies and stakeholders within the planning and development industry.

This focus extends to high level planning activities geared towards maintaining adequate supplies of residential and commercial land and planning the use of land identified for urban development and the delivery of housing, jobs and key infrastructure. The recent completion of the Logical Inclusions review and Growth Corridor Plans will enable the GAA to continue to facilitate delivery of progressive new suburbs that provide opportunities for businesses, employment and those wishing to enter the housing market. In 2011/12, the GAA's commitment to providing suitably zoned land for residential and commercial development was highlighted by the approval of 10 new Precinct Structure Plans (PSPs) to provide 60,000 additional housing lots to improve housing affordability.

The GAA will continue to develop additional PSPs for residential, employment and mixed use precincts to allow the growth areas to satisfy future housing demand while also attracting business investment and providing jobs and services close to home.

Growth Corridor Plans

The Growth Corridor Plans were unveiled by the Minister at the GAA's Managing Melbourne's Growth Forum on 13 June 2012. Developed and completed over 18 months, the plans will help deliver sophisticated new suburbs with great town centres, attractive and affordable housing and jobs close to home. This overall plan sets the vision for people living in our new suburbs to have access to local jobs, town centres and the services they need to live a great lifestyle. The GAA will implement these plans in conjunction with councils and Government departments over the next 30 to 40 years.

Melbourne's four Growth Corridors identified in the plans will provide for housing, jobs, town centres, open space and key infrastructure across our city's new and future metropolitan suburbs. These plans set out broad transport networks, industrial and employment areas, and preserve areas of biodiversity value to give greater certainty and long term strategic planning for all of our new growth areas.

Melbourne's West Growth Corridor will offer a range of employment options while also continuing to play a vital role in meeting Victoria's industrial, freight and logistics needs over the long term. The plans make provision for a population of 377,000 or more people in the corridor and the capacity to accommodate at least 164,000 jobs.

A high quality transport network and diversity of housing and employment opportunities is at the forefront of planning for Melbourne's North Growth Corridor. The plans make provision for an estimated population of 260,000 and more than 83,000 jobs.



Melbourne's South-East Growth Corridor will be re-positioned as central to an emerging sub-regional economic triangle comprising Dandenong, the Casey-Cardinia employment area and the Port of Hastings. The plans make provision for a population of 230,000 or more and has capacity to sustain at least 86,000 jobs.

Finally, the Sunbury Growth Corridor is geared towards developing Sunbury and Diggers Rest as attractive regional cities with links to Melbourne's major centres. The plans make provision for a population of more than 71,000 and capacity to provide up to 15,000 jobs.

Logical Inclusions

An extra 5958 hectares of land has been included in Melbourne's Urban Growth Boundary (UGB) following the conclusion of the Logical Inclusions review, a process announced by the Minister for Planning in May 2011 to reconsider specific areas that were not included in the 2010 UGB shift.

The modifications to the UGB will help to ensure adequate long term land supply to ensure planning and identification of required infrastructure is completed well ahead of time. The most significant inclusion is the land up to and including Wallan in the Shire of Mitchell. This will allow integrated planning for the North Growth Corridor to now fully integrate this township into aspects such as transport planning. Major inclusions were: 2705 hectares into the UGB at Wallan; 1100 hectares west of Werribee, 450 hectares at Point Cook, 590 hectares east of Pakenham, 393 hectares at Mickleham, 341 hectares on Melton's western edge and 231 hectares at Bulmans Road in Melton.

All inclusions were among those that were proposed by their respective growth area Councils.

Precinct Structure Planning

Approval of 10 Precinct Structure Plans has allowed the GAA to meet the Minister for Planning's target for the zoning of land for residential and commercial development. The recent approval of six PSPs completes planning for the delivery of 60,000 housing lots in the growth areas since January 2011 and will ensure a continued strong level of supply and choice for new home buyers.

The majority of these PSPs were completed within months of public exhibition, continuing the GAA's push to reduce average timelines for the creation and completion of PSPs from six years to less than two years.

During 2011/12, the Minister for Planning approved PSPs for Clyde North, Cranbourne North (Stage 2), Diggers Rest, Lockerbie, Lockerbie North, Manor Lakes, Merrifield West, Officer, Pound Road and Rockbank North.

There are 32 completed PSPs to date from the GAA's PSP program, with a further four on exhibition, seven under preparation and six at the pre-planning stage. The GAA is also preparing to unveil its next tranche of PSPs to be prepared.

The Growth Areas Infrastructure Contribution

The Growth Areas Infrastructure Contribution (GAIC) system was passed by Parliament in 2010. GAIC contributes approximately 15 per cent of the cost of vital infrastructure needed in the development of Melbourne's growth areas.

GAIC legislation continues to evolve, particularly through key reforms such as the introduction of GAIC Work in Kind agreements.

GAIC Work in Kind agreements can lead to early infrastructure delivery by allowing landowners to pay their Growth Area Infrastructure Contribution (GAIC) through the provision of land, infrastructure or building works. These agreements can include critical infrastructure projects such as road bridges, rail stations and land transfers for State infrastructure.

New communities and landowners benefit as critical infrastructure can be provided years in advance of when it would be otherwise be available, while the Government benefits as the monies can be invested years before it would be available. There are strict requirements on these to ensure that there is a clear benefit for the State and the communities involved, and while projects can be built by private enterprise, their supervision, estimates and approvals will have to be made by Government entities.

Streamlining the Planning Process

Smaller projects, which also assist in the streamlining of planning for Melbourne's growth areas, included completion of our new Growth Area Model Planning Permit Conditions, and continued development of the Small Lot Housing Code and policy relating to bushfire ratings in the growth areas.

The Growth Area Model Planning Permit Conditions will assist growth area municipalities issuing planning permits for residential subdivision in approved Precinct Structure Plan locations. The implementation manual covers subdivision matters; landscaping and tree protection; construction and management plans; site contamination issues; infrastructure development and guides for provision of public space; drainage, stormwater and utilities; permit expiries; referrals, and; biodiversity planning.

Roll out of the Small Lot Housing Code in the growth areas will eliminate costly approval processes by removing the need for planning permits for single dwellings on lots less than 300m2, where a set of standards are met. This move will facilitate and encourage a broader range of housing that better meets the housing needs of residents moving into Melbourne's growth areas. The GAA is working with Councils to retrofit this code to completed PSPs.

Work continues on the development of bushfire ratings in the growth areas, while the GAA is continuing to work with Councils on Development Contribution Plans.

Employment Focus

Job creation is at the forefront of planning new suburbs and therefore, one of the more important plans under preparation is for the East Werribee Employment Precinct. The Government has asked the GAA to prepare a precinct plan for the East Werribee Employment Precinct and work on the plan has begun. Plans will be released for public consultation later this year. The redeveloped East Werribee Employment Precinct is set to accommodate more than 40,000 jobs, up from 2000 jobs at present, and become one of Melbourne's most significant business and residential areas.

Lockerbie town centre at Donnybrook, which was approved by the Minister for Planning as part of the PSP process, will also become a major employment hub. The principal town centre will service not only the Lockerbie community but a wider regional catchment becoming a major employment and mixed use business centre in Melbourne's north. In addition the Lockerbie Principal Town Centre will provide a range of shopping, leisure, entertainment and civic facilities, located in close proximity to the proposed rail station.

Providing a mix of industrial and professional employment options throughout the growth areas will ease the squeeze on our resources, time and traffic. The GAA is also working with developers, Councils and Government agencies to deliver key infrastructure at the earliest possible stages of development.

Delivery of progressive new suburbs with jobs close to home throughout Melbourne's growth areas will reduce travel demand and help promote more efficient use of road and rail infrastructure.

Conclusion

The 2011/12 financial year has been productive and the GAA has achieved a host of objectives in its planning for Melbourne's growth areas. Our commitment to maintaining a strong supply of land for urban development remains, as does our focus on creating progressive new suburbs that provide attractive and affordable places for people to live, work and play.

The GAA faces a range of challenges and opportunities during the next 12 months, ranging from financial issues to possible changes to the PSP process to include more Panel based decisions, as well as work to implement the changes effected by the completion of major planning projects such as the Growth Corridor Plans and Logical Inclusions review.

Peter Seamer

Chief Executive Officer

August 2012

THE 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
- Wyndham

Melbourne is expecting population growth from 4 million in 2011 to 5.41 million by 2031, an increase of over 35% across the 20 year period. This represents growth in Melbourne's population of in excess of 1350 people per week.

A significant part of this population increase will continue to be located in Melbourne's growth areas, and in excess of 12,000 new dwellings are forecast as being required each year in the growth areas.

Some of the following population and housing trends facing Melbourne will impact upon the growth areas over the coming years:

- Up to an additional 765,000 people with an associated estimated 275,000 new dwellings required in the growth areas over the next 20 years
- The population growth will be characterised by a mix of older persons, overseas migrants, younger families and an increasing number of single person households
- While average household sizes are continuing to decrease over time across Melbourne, the change is not expected to be as great in the growth areas dropping from an average of 2.91 people per household in 2011 to a forecast average of 2.78 in 2031
- · A continuing decline in the average lot sizes and an associated increase in average densities
- The nature of employment is shifting significantly from manufacturing to retail and service industries, although industry will continue to be a major employer. The GAA is placing strong emphasis on the development of white collar employment throughout the growth areas.

THE GROWTH AREAS AUTHORITY

The GAA was established in 2006.

The organisation 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 to achieve the following objectives:

- Ensure that development in growth areas occurs in a coordinated and timely manner
- Ensure that infrastructure, services and facilities are provided in the growth areas in a coordinated and timely manner
- Promote sustainable development of land in growth areas
- Promote housing diversity and affordability in growth areas
- Promote employment opportunities in growth areas
- Ensure that land is provided for commercial and industrial purposes in growth areas in a coordinated and timely manner
- Foster the development of communities in growth areas.

An additional objective was legislated through the Transport Integration Act 2010 effective on 1 July 2011:

• Integrate land use and transport to enable the coordinated provision of a sustainable transport system for the benefit of the community.

Government support for the resources to continue the pursuit of achievement of these objectives is being actively sought.

FUNCTIONS AND POWERS

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

The GAA's functions and powers are set out in Sections 46AS and 46AT of the Planning and Environment Act 1987.

Our 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 GAA in relation to the Growth Areas Infrastructure Contribution.
- Carry out any other function conferred on the Authority under the Act.

NATURE AND RANGE OF SERVICES PROVIDED



The GAA aims to work in partnership with State and Local Government as well as with the development industry to achieve its objectives and to carry out its functions. The GAA works closely with Cardinia Shire Council, Casey City Council, Hume City Council, the Shire of Melton, the Shire of Mitchell, Whittlesea City Council and Wyndham City Council.

A key activity of the GAA is the review and reform of the planning provisions and processes as they relate to the growth areas and growth area development. The GAA also has a major role to play in coordinating State and Council infrastructure for the growth areas. The GAA has prepared the Growth Corridor Plans, undertaken the review of Logical Inclusions to the Urban Growth Boundary and has worked with the Department of Planning and Community Development in the review of development contributions.

The GAA fast tracked the completion of PSPs within the growth areas as a priority. In order to achieve this outcome, the GAA worked with a range of growth area stakeholders to facilitate planning issues arising within the individual PSP areas.

The GAA works closely with State Government departments, including the Departments of Business and Innovation, Education and Early Childhood Development, Planning and Community Development, Human Services, Primary Industries, Transport, Sustainability and Environment, Premier and Cabinet, and Treasury and Finance.

The GAA also operates in conjunction with a range of State Government agencies such as Public Transport Victoria, VicRoads, Parks Victoria, the Environment Protection Authority and Melbourne Water.

The GAA 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.

MEMBERS OF THE AUTHORITY

The GAA is overseen by a highly experienced board that brings a broad range of disciplines, including planning, development, economics, financial management, education and housing. Chaired by Chris Banks AM, five Authority members were appointed by the Minister on 1 September 2008, and Di Fleming was reappointed in October 2009. The Authority reports to the Minister for Planning, The Hon. Matthew Guy MI C.

A profile of each board member is below.



CHRIS BANKS AM (CHAIRMAN)

Chris Banks AM brings more than four decades of commitment to the housing and urban development industry culminating as Chief Executive Officer of AV Jennings for 11 years and Managing Director of Delfin for 9 years.



FRANK KING (DEPUTY CHAIR)

Frank King is a former Deputy Secretary of the Department of Treasury and Finance. He is President of the Emergency Services Superannuation Board and was the Chairman of the Centre for Adult Education until December 2011. He brings to the GAA board an appreciation of the processes of government and governance.



FELIX BLATT

Felix Blatt, formerly Chief Advisor Project Management for Rio Tinto, is a Project Management consultant and has extensive experience in infrastructure development and managing major engineering projects. (ceased appointment on 31 August 2011)



DI FLEMING

Di Fleming brings experience across education, greenfield development and digital design. Di is Director of Accelerated Knowledge Technologies Pty Ltd, Vice President of Africa Australia Business Council (Vic) and was a founding director of Digital Harbour Pty Ltd with associate professorships at RMIT and Melbourne Universities. Di is a past recipient of the Telstra Business Woman of the Year Award (Vic).



ANN KEDDIE

Ann Keddie is an architect and urban designer with extensive experience within the industry, particularly in the area of infrastructure and housing. She is a sessional member of both the Victorian Civil and Administrative Tribunal and Planning Panels Victoria, and a former member of the Priority Development Panel and the City Link Authority.



IAN MUNRO PSM

lan Munro brings to the Board expertise in aligning government and business to achieve investment and jobs growth. Ian has a detailed understanding of the critical role of land supply and planning in economic development. Ian is a council member of the Victorian Environment Assessment Council and former Deputy Secretary/CEO of Invest Assist (former Dept of Innovation, Industry and Regional Development). Ian is currently a consultant to the Department of Business and Innovation and to Regional Development Victoria.





The Risk and Audit Committee ensures that the GAA discharges its responsibilities as prescribed in the Financial Management Act 1994 and Audit Act 1998, as well as other relevant legislation and prescribed requirements.

The Committee comprises all members of the Authority and is chaired by Frank King.

The Audit and Risk Committee members are all independent from the operations of the Authority.

EXECUTIVE REMUNERATION COMMITTEE

This Committee oversees the development of executive remuneration policy and practices within the GAA, and approves individual executive remuneration packages. This Committee comprises all members of the Authority and is chaired by Frank King (previously Felix Blatt until August 2011).

MEETING PERFORMANCE

NAME OF MEETING	CHAIR	MEETING FREQUENCY	NUMBER OF MEETINGS	MEMBERSHP
Authority (Board)	Chris Banks	Bi-Monthly or as required	9	All members
Risk and Audit Committee	Frank King	Quarterly or as required	5	All members
Executive Remuneration Committee	Frank King	As required	5	All members

MEETING ATTENDANCE

AUTHORITY MEMBER	AUTHORITY MEETING ATTENDANCE	RISK AND AUDIT COMMITTEE ATTENDANCE	EXECUTIVE REMUNERATION COMMITTEE ATTENDANCE
Chris Banks	8 of 9	5 of 5	4 of 5
Felix Blatt	1 of 2	-	-
Di Fleming	7 of 9	4 of 5	4 of 5
Frank King	9 of 9	5 of 5	5 of 5
Ann Keddie	7 of 9	5 of 5	3 of 5
lan Munro	9 of 9	4 of 5	5 of 5

GROWTH AREAS AUTHORITY PERFORMANCE

Since the establishment of the GAA in September 2006, significant progress has been made in the GAA progressing its legislative objectives. The table below summarises the progress made against the GAA's 2011/2012 strategic priorities.

STRATEGIC PRIORITY	PERFORMANCE MEASURE
Ensure that development in growth areas occurs in a coordinated and	The initial Growth Corridor Plan assessment for new Growth Areas was completed within the year and announced by the Minister for Planning on 13 June 2012.
timely manner	The GAA has completed the initial Logical Inclusions assessment. The Minister for Planning announced the outcomes of the review on 13 June 2012.
	The Minister announced or approved the following 10 Precinct Structure Plans (PSPs) during 2011/12:
	Cranbourne North Stage 2
	Clyde North
	Pound Road
	• Officer
	Merrifield West
	Diggers Rest
	Rockbank North
	Lockerbie North
	Lockerbie
	Manor Lakes
	The GAA completed its PSP work for zoning 60,000 residential lots for the 2012 financial year.
Ensure that infrastructure, services and facilities are	The GAA held consultation on the proposed draft Guidelines and Model Agreement for the GAIC Work in Kind Agreements with industry representatives. This consultation is still continuing.
provided in growth areas in a coordinated and timely manner	The GAA has provided input to the Department of Treasury and Finance led process for infrastructure investment planning for the growth areas.
	The GAA has been working with the Department of Planning and Community Development to develop the processes to enable funding to be allocated from the Building New Communities Fund and the Growth Areas Public Transport Fund.
	The GAA has been part of the Steering Group organised through the Department of Planning and Community Development to develop a new process for local government Development Contribution Plans.
	The GAA is ensuring that new PSPs incorporate the new Growth Areas Engineering Standards.



STRATEGIC PRIORITY	PERFORMANCE MEASURE
Promote sustainable development of land in growth areas	The Growth Areas Authority has worked closely with other arms of government to deliver the Growth Corridor Plans, which strategically identify land for environmental conservation that will also complement and integrate with adjoining future development.
	PSPs approved throughout the previous year all have regard to preserving high value areas for environmental and cultural heritage conservation. In particular, the GAA completed the third stage of detailed native vegetation and fauna surveys program by June 2012 and is also ensuring that Aboriginal Cultural Heritage Assessments are prepared for all new PSPs.
	The strategic priority of planning for and embedding employment within growth areas is also a key contributor to sustainable development. The GAA further progressed this matter at the Minister for Planning's Growth Corridor Plans launch of 13 June 2012 by announcing the focus on contra-traffic flow and jobs closer to home in the growth areas.
Promote housing diversity and affordability in growth areas	The GAA is enabling smaller dwellings within the growth areas to be constructed without planning permits through incorporation of the Small Lot Housing Code in all new PSPs.
	The GAA promoted the need for the option of the provision of smaller dwellings in the growth areas through the Housing and Development Industry Forum held on 14 July 2011.
	The GAA has called for expressions of interest for demonstration projects in the growth areas and is progressing discussions with interested parties.
	PSPs are accommodating smaller housing options and encouraging a variety of building types.
Promote employment opportunities in growth areas	The GAA made a funding application through the Suburban Jobs initiative to accelerate the planning for the facilitation of business activity in the growth areas.
growth areas	The GAA is continuing to facilitate employment in the growth areas by proposing appropriately located employment land within the Growth Corridor Plans and the PSPs.
	The GAA is continuing to complete the planning for several major and principal town centres in the growth areas.
Ensure that land is provided for commercial	Through the Growth Corridor Planning process, the GAA identified and proposed the land to be zoned for future industrial areas for Melbourne.
and industrial purposes in growth areas in a co-ordinated and timely manner	The GAA facilitated Agency/Council strategic and development planning to enable agreement on scope, priority and justification for Council and Agency infrastructure projects through the Growth Corridor Planning process.
Foster the development of communities in growth areas	The GAA continued to implement the Precinct Structure Planning Guidelines by producing and disseminating Precinct Structure Planning Guideline Notes on specific topics which will enhance the liveability of Melbourne's newest suburbs and completed the Non-Government Schools PSP Note.
	The Logical Inclusions review was completed and announced.
	The GAA worked closely with the Department of Planning and Community Development on a range of tasks related to strengthening communities in the new suburbs.

STRATEGIC PRIORITY	PERFORMANCE MEASURE
Integrate land use and transport to enable the coordinated provision of	The GAA ensures that the process for PSP preparation clearly links into co-ordinated transport planning.
a sustainable transport system for the benefit of the community	The GAA works with VicRoads and the Department of Transport to refine co- operative land use and multi-modal transport planning processes and a key output of this was the launch of the Growth Corridor Plans.
To ensure all financial and governance responsibilities of	The annual report for 30 June 2011 was adopted and presented to the Minister by 30 September 2011 with no audit qualifications.
the Authority are appropriately discharged	GAIC enquiries and requests have been processed in a timely manner in conjunction with the State Revenue Office and the Department of Planning and Community Development
	9 Authority meetings were held on:
	• 27 July 2011
	• 31 August 2011
	• 26 October 2011
	• 14 December 2011
	• 1 February 2012
	• 14 March 2012
	• 20 April 2012
	• 16 May 2012
	• 13 June 2012
	The outcomes of the GAA Environment Strategy actions are reported in the Annual Report.
	The Risk Management Attestation for the financial year ended 30 June 2011 was contained in the adopted 2010/11 annual report.

MAJOR CHANGES OR FACTORS AFFECTING PERFORMANCE

The GAA has continued with its major role in co-ordinating the completion of Precinct Structure Plans for land which was brought within the growth areas after 2005. To date, 32 PSPs from the program have been completed and a further 32 PSPs are underway. The remaining 29 PSPs from the existing program have not yet been scheduled for implementation.

With the expansion of the UGB and Melbourne's declared growth areas in July 2010, the GAA was allocated \$5m over each of the 2010/11 and 2011/12 financial years. The funding for the PSP program has now lapsed, and the continuation of the PSP program in the medium term (beyond the current 32 PSPs underway) will continue within available resources.

The GAA intends to implement a number of initiatives which will reduce its cost base, and also reduce the breadth and scope of some of the activities that it has been performing over recent years. These changes will flow through to the GAA's operations in the 2012/13 and subsequent financial years.

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 GAIC may be located on the GAA website www.gaa.vic. gov.au.

There have been two additional legislative amendments relating to GAIC. These were the Planning and Environment Amendment (Growth Areas Infrastructure Contribution) Act 2011, and the Planning and Environment Amendment (Schools) Act 2012. The GAA's website www.gaa.vic.gov.au contains Information Sheets outlining details in relation to these two matters.

The GAA is responsible under the Act to notify the State Revenue Office and the Registrar of Titles of the properties that fall within the GAIC Contribution Area.

The State Revenue Office retains a record of those properties that are liable for GAIC, and 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 State Revenue Office.

The GAA also investigates any planning and zoning anomalies that may be raised as they relate to GAIC, and in progressing staged payment enquiries and applications from landowners conducting subdivisions in Melbourne's Growth Areas.

In addition the GAA provides secretarial support to the GAIC Hardship Relief Board (the Board). The Board meets periodically to consider applications for hardship relief. Information about the Board may be found on the GAA website www.gaa.vic.gov.au. During the 2011/12 year the Board made decisions on five hardship applications (2010/11 – nil). As at 30 June 2012 there were four active applications before the Board.

Under section 45 of the Financial Management Act 1994 and section 201VC of the Act the GAA and the Department of Planning and Community Development (DPCD) are required to report annually on the operation of the GAIC.

The amount of GAIC triggered and received in the 2011/12 financial year is shown below. The amounts received by the State Revenue Office are paid into the Consolidated Fund in accordance with 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 by, and financially reported on by, the DPCD.

GAIC rates per hectare of Contribution Area

LAND TYPE	YEAR ENDED 30 JUNE 2012	YEAR ENDED 30 JUNE 2011
Type A	\$82,550	\$80,000
Type B1, B2 & C	\$98,030	\$95,000

Summary of GAIC transactions for the year ended 30 June 2012

	NUMBER OF TRANSACTIONS FOR THE YEAR ENDED 30 JUNE 2012	TRANSACTION VALUE FOR THE YEAR ENDED 30 JUNE 2012	NUMBER OF TRANSACTIONS FOR THE YEAR ENDED 30 JUNE 2011	TRANSACTION VALUE FOR THE YEAR ENDED 30 JUNE 2011	NOTES
GAIC Receipts	38	\$16,137,697	24	\$17,245,835	1
GAIC Refunds	2	\$1,752,171	0	-	2
GAIC Deferred	20	\$43,660,319	20	\$42,464,057	3
Staged Payments	9	\$33,270,691	6	\$8,899,483	4
Net Staged Payments Outstanding	11	\$23,903,196	6	\$6,750,256	5

Notes to Summary of GAIC transactions for the year ended 30 June 2012

- 1. The GAIC receipts by State Revenue Office of \$16,137,697 (2010/11- \$17,245,835) includes interest received and refunds made, and has been paid into the Consolidated Fund as per section 2015ZJ of the Planning and Environment (Growth Areas Infrastructure Contribution) Act 2010.
- 2. The recognition of the two GAIC refunds of payments already made amounting to \$1,752,171 is included in the reported GAIC receipts of \$16,137,697 for the year ended 30 June 2012.
- 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. \$33,270,691 is the value of the Staged Payments entered into for the year ended 30 June 2012.
- 5. To date, the Minister for Planning has approved staged payment arrangements in relation to 15 GAIC events. The outstanding amounts are to be progressively reduced in accordance with the agreed payment arrangements. Four staged payment arrangements have been revoked, leaving a balance of 11 active staged payments. The total outstanding staged payments amounts approved and due for payment in the future at 30 June 2012 amounts to \$23,903,196 (2010/11 \$6,750,256).





GROWTH AREA	GAIC RECEIPTS FOR YEAR ENDED 30 JUNE 2012 \$	GAIC RECEIPTS FOR YEAR ENDED 30 JUNE 2011 \$	TOTAL GAIC RECEIPTS FOR EACH GROWTH AREA \$	TOTAL PAID OUT OF CONTRIBUTIONS RECEIVED FOR EACH GROWTH AREA \$	PROPORTION PAID OUT OF CONTRIBUTIONS RECEIVED FOR EACH GROWTH AREA* %
Casey**	5,339,844	4,009,794	9,349,638	345,401	3.7
Cardinia**	-	-	-	-	-
Hume	5,238,078	7,683,281	12,921,359	479,302	3.7
Melton	5,559,774	3,504,272	9,064,046	322,966	3.6
Mitchell	-	233,130	233,130	9,565	4.1
Whittlesea	-	-	-	-	-
Wyndham	-	1,815,359	1,815,359	66,780	3.7
TOTAL	\$16,137,696	\$17,245,836	\$33,383,532	\$1,224,014	3.7%

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

GAIC FUNDS

The reporting under section 201VC of the Act in relation to the two GAIC funds is set out below.

The amounts collected by the State Revenue Office are paid into the Consolidated Fund (in accordance with section 201SZJ of the Act. The amounts collected for the 2011/12 financial year are reported above.

Periodically the GAIC revenue that has been collected and paid into the Consolidated Fund is transferred to the two GAIC Funds, net of any GAIC refunds made. In 2011/12 two refunds amounting to \$1,752,171 were made (2010/11 -nil). As at 30 June 2012, an amount of \$8,985,268 has been transferred to each of the Building New Communities Fund and the Growth Areas Public Transport Fund (totalling \$17,970,536; 2010/11 - \$15,800,000) for the 2011/12 financial year in accordance with section 201V(2) of the Act.

Other than the amounts due to the State Revenue Office for administering the collection of the GAIC, no amounts have been paid out of the GAIC Funds to 30 June 2012. It will be noted that when the amounts received are split between the two Funds and reported by growth area municipality, that the quantity available from each jurisdiction is reasonably small. Currently, fund allocation criteria is being developed and finalised.

^{**} The Casey-Cardinia Growth Area proportion is 3.7%

Building New Communities Fund by Growth Area for the year ended 30 June 2012

GROWTH AREA	OPENING FUND BALANCE AS AT 1 JULY 2011 \$	INTEREST EARNED FOR THE YEAR \$	AMOUNT PAID INTO THE FUND FOR THE YEAR \$	AMOUNT PAID OUT OF THE FUND FOR THE YEAR \$	BALANCE OF THE FUND AS AT 30 JUNE 2012 \$
Casey*	1,719,019	90,235	3,172,524	-	4,981,778
Cardinia*	-	-	-	-	-
Hume	3,841,640	201,656	2,595,816	-	6,639,112
Melton	1,752,136	91,973	2,779,888	-	4,623,997
Mitchell	116,565	6,119	-	-	122,684
Whittlesea	-	-	-	-	-
Wyndham	470,640	24,705	437,040	-	932,385
TOTAL	\$7,900,000	\$414,688	\$8,985,268	-	\$17,299,956

^{*}Combined Casey-Cardinia Growth Area

Casey-Cardinia	1,719,019	90,235	3,172,524	-	4,981,778

Growth Areas Public Transport Fund by Growth Area for the year ended 30 June 2012

GROWTH AREA	OPENING FUND BALANCE AS AT 1 JULY 2011 \$	INTEREST EARNED FOR THE YEAR \$	AMOUNT PAID INTO THE FUND FOR THE YEAR \$	AMOUNT PAID OUT OF THE FUND FOR THE YEAR \$	BALANCE OF THE FUND AS AT 30 JUNE 2012 \$
Casey*	1,580,644	89,157	3,172,524	207,026	4,635,299
Cardinia*	-	-	-	-	-
Hume	3,531,730	199,208	2,595,816	169,392	6,157,362
Melton	1,610,572	90,844	2,779,888	181,402	4,299,902
Mitchell	107,000	6,036	-	-	113,036
Whittlesea	-	-	-	-	-
Wyndham	432,380	24,389	437,040	28,520	865,289
TOTAL	\$7,262,326	\$409,634	\$8,985,268	\$586,340**	\$16,070,888

^{*}Combined Casey-Cardinia Growth Area

Casey-Cardinia	1,580,644	89,157	3,172,524	207,026	4,635,299

^{**}This amount of \$586,340 net of GST (represents a gross payment of \$644,974 including GST, less the refundable portion of \$58,634) (2010/11; Gross amount of \$701,442 less GST of \$63,767, and a net payment of \$637,674) has been accrued and is to be paid to the State Revenue Office in accordance with section 201VA(c) of the Act.

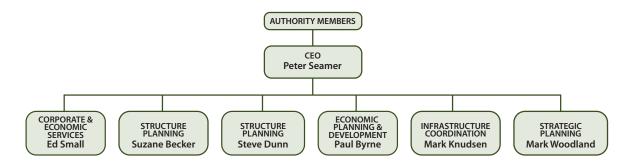
GAIC WORKS-IN-KIND

The GAIC Works-in-Kind legislative amendments were gazetted on 29 June 2011. There were no GAIC Works-in-Kind Agreements in place as at 30 June 2012. The GAIC Works-In-Kind Guidelines and Model Agreement are currently being prepared and are anticipated to be released in the 2012 calendar year to be available for progressing GAIC Works-In-Kind applications.

ORGANISATIONAL STRUCTURE



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



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

The Infrastructure Co-ordination Team is responsible for working with other Government agencies to co-ordinate the planning of the provision of Government infrastructure and services in the growth areas.

The two Structure Planning Teams are responsible for completing the PSP program for the growth areas. Thirty-two PSPs from the GAA's PSP program had been completed by the end of June 2012.

The Strategic Planning Team is responsible for conducting the GAA's role in the preparation of the Growth Corridor Plans for the new areas brought within the UGB and in biodiversity and cultural heritage planning.

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

PEOPLE AT THE GAA

People management strategy

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

The GAA 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 areas. The GAA is developing the policies and systems to ensure the ongoing development of its overall capability.

Occupational health and safety

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

During the reporting year the Authority had:

- 31 staff receive influenza vaccinations
- 0 incidents relating to our premises reported to and noted by WorkSafe
- · 2 comprehensive internally conducted workplace inspections
- · the OHS Committee Charter reviewed

MANAGING AND VALUING DIVERSITY AND MERIT

The GAA promotes equal employment opportunity through diversity in its policies and practices. In light of the small number of employees, a flexible and supportive workplace is provided through flexible working hours and leave arrangements.

GAA policies and programs consider issues relating to women, youth, and people from indigenous, culturally and linguistically diverse backgrounds. Activities relating to diversity included staff by holding "A Taste of Harmony" lunch during Harmony Week in March 2012. Staff also participated in raising funds for the Cancer Council with a 'Australia's Biggest Morning Tea' function during May 2012.

Staff also attended two events facilitated by representatives of the Wurundjeri Tribe: a staff briefing on cultural heritage in March 2012, and 10 people attended a cross cultural training day in June 2012 facilitated by an archaeologist and an Elder. These sessions provided a greater understanding of cross cultural issues, particularly in regard to Cultural Heritage Management Plans.

The Chief Executive Officer made eight appointments based on merit during the period.

NUMBER OF STAFF AT GROWTH AREAS AUTHORITY (HEADCOUNT) AS AT 30 JUNE 2012

CATEGORY	STAFF 2012	STAFF 2011
VPS 1-6 Staff		
Male	29	28
Female	21	26
Executive Staff		
Male	5	5
Female	1	1
Total Staff		
Male	34	33
Female	22	27
TOTAL	56	60

The GAA Enterprise Agreement 2009 had a nominal expiry date of 30 June 2011. The GAA held various discussions with its staff and their relevant representatives in order to progress the good faith bargaining of a nexus enterprise agreement in line with Victorian Public Services Agreement. The VPS Agreement is now subject to a determination by Fair Work Australia and when that process is complete, further negotiation and finalisation will occur for a fresh GAA agreement.

UPHOLDING PUBLIC SECTOR CONDUCT

The GAA 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 and ethical behaviour and existing staff also had access to this online training to update their knowledge in these areas. Staff were also provided with annual refresher training courses in September 2011 on code of conduct, whistleblower's protection, probity, conflict of interest, record keeping, privacy, freedom of information, bullying and harassment, equal opportunity and human rights.

ADDITIONAL INFORMATION

ENVIRONMENT STRATEGY

The GAA 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 2011/12 Business Plan includes the promotion of sustainable development as one of the GAA's objectives, and environmental sustainability aspects are included in the Creating Liveable New Communities strategic priorities of the Business Plan. Results against the Business Plan measures are reported in the Growth Areas Performance segment of the Annual Report.

OFFICE BASED TARGETS AND INITIATIVES

New Initiatives:

The GAA participates in an enhanced waste management program, which was introduced by the 35 Collins Street building management in 2011/2012. This incorporates:

- · Expanded co-mingled recycling, including recycling boxes added to all staff desks
- Removal of rubbish bins from all staff desks
- Introduction of separate bin and collection for organic waste.
- Waste Management Monitoring a Waste Audit was conducted in July 2012 for the floor in which the GAA's offices are situated (which will be able to be repeated in future years for comparative purposes). The initial audit revealed that 82.9% of waste was destined for land fill. The waste and recycling audit reported recycling of 17.1%, however a further 10% of the landfill waste stream was made up of materials that may have been able to be recycled (see graph below).



ONGOING INITIATIVES

INDICATOR	2011/2012 ACTUAL	2011\2012 ESTIMATED CARBON EQUIVALENT (T)	2010/2011 ACTUAL	2010\2011 ESTIMATED CARBON EQUIVALENT (T)	NET % EMISSIONS CHANGE	NOTES
ELECTRICITY						
Greenhouse emissions offset	25%		20%			2
Total electricity used (kWh)	66.960	90.76	67.174	101.54*	-11%	
PAPER						
Daily paper ream use per FTE employee	0.084	4.84	0.059	3.27	48%	1
TRANSPORT						
Annual total Hybrid Pool Vehicle travel (km)	14,404	1.86	15,489	2.00	-7%	
New staff taking public transport options for travel	67%	Data N/A	55%	Data N/A		3
Other transport per FTE employee per year (km)	120	1.64	88*	1.57*	4%	
Number of flights taken – national	2	0.64	7	3.99	-84%	
Number of flights taken – international	0	0.00	0	0.00		
WATER						
Total water used (kL)	Data N/A		Data N/A			4
TOTAL		99.74		112.37	-11%	
OFFSETS						
Green electricity purchased		17.84		20.31		
Other carbon offsets		46.00		51.00		2
Total offsets		63.84		71.31	-10%	
Net emissions used		35.90		41.06	-13%	

^{*}Restated figure from prior year

- Printing Controls 'Pull Printing' continued to ensure that any surplus printing is eliminated by requiring manual print off of colour printouts. The increase in paper usage is directly attributable to increased project completion.
- Carbon Offset Arrangements As per agreement with IT contractors, 46 tonnes of Co2 was offset during the 2011/2012 year (51 tonnes in 2010/2011) in renewal and sustainable projects through the purchase of Voluntary Carbon Units (VCU).
- Public Transport Public transport ticket deduction has shown an acceptance of more than 67% for new, eligible, Growth Areas Authority staff for the 2011/2012 year.
- Water Consumption Water consumption is centrally managed by AMP building management. The information was not available on a tenancy basis.

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 GAA. 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 GAA 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@gaa.vic.gov.au. As from 1 July 2012 there is a fee of \$25.10 payable for each FOI application (2011/2012 \$24.40).

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

During 2011/2012, four new requests were received by the GAA (2010/11- one). All requests related to activities of Government.

OTHER INFORMATION REQUIRED TO BE AVAILABLE IN ACCORDANCE WITH FRD22A AND FREEDOM OF INFORMATION ACT 1982.

The following information, where it relates to the GAA and is relevant to the financial year 2011-2012, 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 shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- Details of publications produced by the entity, about the entity, and the places where the publications can be obtained
- · Details of any major external reviews carried out on the entity
- · Details of any major research and development activities undertaken by the entity
- Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit.
- 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.

WHISTLEBLOWERS PROTECTION ACT 2001

The Whistleblowers Protection Act 2001 aims to encourage officers to disclose improper conduct by departments or public entities by giving clear contacts for making disclosures and making it an offence to expose the name of a whistleblower or subject them to any punitive action.

The GAA encourages the reporting of known or suspected incidences of improper conduct or detrimental actions. Any matters raised are properly investigated and dealt with and persons making disclosures are protected from reprisals. The contact at the GAA is Ed Small, on (03) 9651 9600 or ed.small@gaa.vic. gov.au. Alternatively, the Ombudsman may be contacted on www.ombudsman.vic.gov.au, ombudvic@ ombudsman.vic.gov.au or 1800 806 314.

During 2011/2012, there were no disclosures or investigations of improper conduct or detrimental actions made to the GAA by staff or any referred to the organisation by the Ombudsman or other persons (2010/2011 – nil).

The GAA has adopted a Whistleblowers Policy and Procedure.

IMPROVING ACCESSIBILITY

Further to a complaint made via the Victorian Equal Opportunity and Human Rights Commission in relation to the access to material on the GAA's website, the GAA has been progressively putting solutions in place to improve access. This includes providing more detailed information on the website on how to access and read GAA documents, and the provision of an additional contact facility for resolving any queries, by way of the new e-mail address of accessibility@gaa.vic.gov.au.

EXTENT AND COMPLIANCE WITH THE BUILDING ACT 1993

The GAA 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 GAA did not commence or conclude any contracts to which VIPP applied.

NATIONAL COMPETITION POLICY

As a portfolio agency, the GAA's information on compliance is included in the Department of Planning and Community Development's 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 GAA continues to implement and apply this principle to its business undertakings where applicable.





During the financial year, the GAA engaged 43 consultants (2010/2011 - 47) where the total fees per contract payable to the consultant during the financial year was less than \$100,000 at a total cost of \$2,242,018 (2010/2011 - \$2,675,317).

There were six consultancies in place during the 2011/12 financial year where the anticipated total expenditure is over \$100,000 (2010/2011 - 5). Two of these consultancies were entered into in 2011/12, the others in prior years. These six projects were for a total anticipated expenditure of \$1,721,827 (2010/2011 - \$1,440,906).

Contracts for assessment and mapping in areas such as biodiversity and cultural heritage, which are largely based upon agreed rates, are shown below only where the anticipated completion of such assessment and mapping is expected to exceed \$100,000 in total value.

CONTRACTOR	AMOUNT OF CONTRACT (EX GST) \$	REASON FOR CONTRACT	AMOUNT EXPENDED IN 2011-12 (EX GST) \$	OUTSTANDING COMMITMENTS AS AT 30 JUNE 2012 \$
Biosis Research Pty Ltd	789,000	Assessment and Mapping of Native Vegetation and Fauna	132,163	221,026
Ecology Partners	112,515	Biodiversity Mapping Services 2010/2011	37,423	75,092
Tract Consultants Pty Ltd	220,000	Major Activity Centre Urban Design Framework	91,840	2,450
SMEC Australia Pty Ltd	196,585	Assessment and Mapping of Native Vegetation and Fauna	51,240	34,227
NEW PROJECTS (2011/2012)				
WSP Environment and Energy Pty Ltd	187,000	Biodiversity Mapping Services	67,214	119,786
Ecology Partners	216,727	Biodiversity Mapping Services (2010 UGB areas)	156,196	60,531

RISK MANAGEMENT

The GAA 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 GAA staff members and the contribution of Authority Members. The Risk and Audit Committee regularly monitors the risk management and risk mitigation progress. These processes have enabled the Risk and Audit Committee at its meeting of 15 August 2012 to endorse the GAA's Chair as the attestor of risk management processes contained in this annual report.

Attestation by Chair in relation to Risk Management at the GAA

I, Chris Banks, certify that the Growth Areas Authority has risk management processes in place consistent with the Australian Risk Management Standard AS/NZS ISO 31000:2009 and an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Risk and Audit Committee of the Growth Areas Authority verifies this assurance and that the risk profile of the Growth Areas Authority has been critically reviewed in the last 12 months.

Chris Banks Chair

August 2012

SUMMARY OF FINANCIAL RESULTS

	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2010	Year ended 30 June 2009	Year ended 30 June 2008
INCOME	\$	\$	\$	\$	\$
Government Contributions	10,958,000	11,760,000	11,988,000	12,352,000	5,430,000
Other revenue	2,176,752	591,450	971,087	1,022,499	1,124,148
TOTAL REVENUE	13,134,752	12,351,450	12,959,087	13,374,499	6,554,148
EXPENSES					
Operating Expenditure	2,980,565	*3,245,480	*3,012,748	5,033,469	3,345,744
Project Expenditure	8,676,424	*8,787,242	*8,774,761	2,440,536	1,625,119
TOTAL EXPENDITURE	11,656,989	12,032,722	11,787,509	7,474,005	4,970,863
NET RESULT	1,477,763	318,728	1,171,578	5,900,494	1,583,285
ASSETS					
Current Assets	13,773,125	12,031,830	11,997,234	10,407,723	3,487,162
Non-Current Assets	201,290	286,407	152,604	75,983	160,597
GROSS ASSETS	13,974,415	12,318,237	12,149,838	10,483,706	3,647,759
LIABILITIES					
Current Liabilities	1,997,319	1,831,154	2,114,645	1,576,339	673,989
Non-Current Liabilities	205,776	193,527	60,365	104,117	71,014
GROSS LIABILITIES	2,203,095	2,024,681	2,175,010	1,680,456	745,003
NET EQUITY	11,771,320	10,293,556	9,974,828	8,803,250	2,902,756

^{*}Note: The Operating expenditure and Project expenditure for the periods ending 2011 and 2010 have been restated to reflect correctly the split between the categories of expenditure which is comparable to the reported figures in 2012.

CHANGES IN FINANCIAL POSITION

The 2011/12 financial year was the second and final year for the GAA to be in receipt of an additional funding allocation of \$5 million from the Victorian Government to undertake the preliminary strategic planning activities for that land brought within the UGB in 2010. A proportion of this additional funding received has been used to engage more planning staff on a short term basis, and to increase the usage of consultants and contractors to complete essential strategic planning work for Melbourne's growth areas, including the preparatory work for the Growth Corridor Plans and the Logical Inclusions review. This is reflected in the reported increases in Corporate and Project Expenditure in the table above. Also note that significant expenditure on streamlining and statutory planning initiatives have been included in the Corporate Expenditure amount above.

The GAA also received a greater level of contributions from third parties to assist in funding the background studies required to be undertaken to support the strategic plans. These are not contributions towards the general operations of the GAA.

The income received over the previous years plus prudent expenditure control has resulted in the GAA having good cash reserves at 30 June 2012. These funds have been provided for the agreed purposes of strategic planning and are largely forecast to be expended over the 2012/13 and 2013/14 financial years in order to continue the Precinct Structure Plan program in accordance with the GAA's announced timetable.

DISCLOSURE INDEX

The 2011/12 Annual Report of the Growth Areas Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authorities' compliance with statutory disclosure requirements.



FRD	DISCLOSURE	PAGE
22C	Manner of establishment and the relevant Ministers	3 & 8
22C	Objectives, functions, powers and duties	8
22C	Nature and range of services provided	9
22C	Organisational structure, names and functional areas of responsibility of senior officers	19
22C	Names of board members and major committees	10
22C	Statement of workforce data for current and previous financial year	20
22C	Merit and equity	20
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12A	Disclosure of major contracts	25
22C	Application and operation of FOI Act 1982	23
22C	Application and operation of the Whistleblowers Protection Act 2001	24
22C	Compliance with building and maintenance provisions of Building Act 1993	24
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22C	Statement of availability of other information	23
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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 13	Disclosure of Parliamentary appropriations
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 120F	Accounting and Reporting Pronouncements applicable to the 2011-12 Reporting period

LEGISLATION

Building Act 1993	Planning and Environment Act 1987
Financial Management Act 1994	Public Administration Act 2004
Freedom of Information Act1982	Victorian Industry Participation Policy Act 2003
Multicultural Victoria Act 2004	Whistleblowers Protection Act 2001

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Note 5	Property, plant and equipment
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Accountable Officer's and Chief Financial Officer's declaration

Auditor General's Report





For the year ended 30 June 2012

	Note	2012 \$	2011 \$
INCOME FROM TRANSACTIONS			
Grants from State Government	1(b)	9,631,000	9,900,000
Other Grants including Commonwealth Funding	1(b)	1,327,000	1,860,000
Interest	1(b)	511,149	459,228
Other Income	1(b),2	1,665,603	132,222
TOTAL INCOME FROM TRANSACTIONS		13,134,752	12,351,450
EXPENSES FROM TRANSACTIONS			
Employee benefits	1(i), 3	6,813,122	6,250,091
Depreciation & amortisation expense	1(e),3	133,197	77,828
Other operating expenses	3	4,635,323	5,704,613
TOTAL EXPENSES FROM TRANSACTIONS		11,581,642	12,032,532
NET RESULT FROM TRANSACTIONS FOR THE PERIOD		1,553,110	318,918
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT Net gain/(loss)from revaluation of long service leave liability		(75,346)	(190)
COMPREHENSIVE RESULT		1,477,764	318,728

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	1(f), 15	13,015,465	11,743,020
Receivables	1(g),4,8	691,475	227,774
TOTAL FINANCIAL ASSETS	_	13,706,940	11,970,794
Non Financial Assets	_		
Prepayments		66,184	61,036
Property, plant & equipment	5	201,290	286,407
TOTAL NON FINANCIAL ASSETS		267,474	347,443
TOTAL ASSETS		13,974,414	12,318,237
LIABILITIES			
Payables	1(h), 6, 8	1,289,439	1,095,852
Provisions	1(i), 7	913,655	928,829
TOTAL LIABILITIES		2,203,094	2,024,681
NET ASSETS		11,771,320	10,293,556
EQUITY	_		
Accumulated funds		11,771,320	10,293,556
TOTAL EQUITY		11,771,320	10,293,556

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2012

	Accumulated Surplus	Total	
	\$	\$	
Balance as at 1 July 2010	9,974,828	9,974,828	
Total Comprehensive Result	318,728	318,718	
BALANCE AT 30 JUNE 2011	10,293,556	10,293,556	
Balance as at 1 July 2011	10,293,556	10,293,556	
Total Comprehensive Result	1,477,764	1,477,764	
BALANCE AT 30 JUNE 2012	11,771,320	11,771,320	

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Government		10,708,000	11,820,000
Receipts from other entities		1,619,000	229,593
Interest received		514,428	433,545
Total receipts		12,841,428	12,483,138
Payments			
Payments to suppliers and employees		(11,737,463)	(12,725,095)
Goods and Services Tax received from the ATO		216,560	604,033
Total Payments		(11,520,903)	(12,121,062)
Net cash provided by / (used in) operating activities	15	1,320,525	362,076
Cash flows from investing activities			
Payments for property plant and equipment	5	(48,080)	(211,633)
Net cash provided by / (used in) investing activities		(48,080)	(211,633)
Net increase /(decrease) in cash and cash equivalents		1,272,445	150,443
Cash and cash equivalents at the beginning of the financial year		11,743,020	11,592,577
Cash and cash equivalents at the end of the financial year	15	13,015,465	11,743,020

The above cash flow statement should be read in conjunction with the accompanying notes.

For the year ended 30 June 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements include all controlled activities of the Growth Areas Authority. The Authority was proclaimed on 1 September 2006 and this report is for the year 1 July 2011 to 30 June 2012.

(a) Basis of Accounting

This general purpose financial report has been prepared on an accrual and going concern basis in accordance with the Financial Management Act 1994, Australian Accounting Standards and Urgent Issues Group Interpretations. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

These financial statements are presented in Australian dollars, the functional and presentation currency of the Authority.

The financial report has been prepared in accordance with the historical convention. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about carrying values for assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making judgements. Actual results may differ from these estimates.

The estimates underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Income recognition

Grants from State Government

The Growth Areas Authority is funded by Parliamentary process for the provision of outcomes through the Department of Planning and Community Development.

Outcomes which the Authority provides to Government, Growth Area Councils, developers and others are recognised when those outcomes have been delivered.

Other Grants, including Government funding

Other grants are Government (State and Commonwealth) allocations for a specific purpose.

Interest

This recognises all interest received and accrued interest on cash and other amounts due to the Growth Areas Authority.

Other Income

Other income received from third parties (including Councils or developers), including funding received for specific projects or tasks.

For the year ended 30 June 2012 (cont.)

(c) Property, plant and equipment

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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.

(d) Impairment of assets

All assets are assessed annually for indication of impairment, except for financial assets (refer note 8(b)).

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 by a charge to the operating statement 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. Recoverable amount for assets held primarily to generate cash flows is measured at the higher of the present fair value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

(e) Depreciation of property, plant and equipment

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis to write off the cost of each asset over its expected useful life to its estimated residual value. Estimates of the remaining useful lives are reviewed at least annually for all assets.

The useful lives for the financial period are:

Computer software and hardware 3 years
 Leasehold improvements 3 years
 Furniture and equipment 5 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 depreciated accordingly.

(f) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and short term deposits that are readily convertible to cash on hand and are subject to an insignificant risk in changes in value, net of outstanding cheques yet to be presented by the Authority's suppliers and creditors.

(g) Receivables

Trade debtors are recognised at the amount of the receivable, as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

For the year ended 30 June 2012 (cont.)

(h) Payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial period and are unpaid.

(i) Employee benefits

(i) Wages, salaries, on-costs, sick and annual leave

AASB 119 defines short-term benefits as employee benefits that fall due wholly within 12 months after the end of the period in which the employees render the related service. Therefore, liabilities for employee benefits such as wages, salaries and annual leave are required to be measured at nominal value where they are expected to be settled within 12 months of the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(ii) Long Service Leave

The requirement for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than seven years of continuous service.

(iii) Superannuation

The amount charged to the operating statement in respect of superannuation represents the contributions made by the Authority to the relevant superannuation funds in respect to the services of staff on the relevant rules of the plan. No liability is shown for unfunded superannuation in the Balance Sheet as the Department of Treasury and Finance assume the liability where such a liability might arise. The current year employer contribution payments on behalf of the Authority's employees is disclosed in note 13.

(i) Provisions

Provisions are recognised when the Authority has a present obligation, the future sacrifice of economic benefits is payable 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 cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Where 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.

For the year ended 30 June 2012 (cont.)

(k) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of the acquisition of an asset or part an item of expense. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows arising from operating activities are included in the cash flow statement of a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(I) Financial instruments

The accounting policies applied to financial instruments are detailed in notes 8(a) and 8(b).

(m) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

(n) Prospective Accounting Standards

The Authority has reviewed prospective accounting standards and has assessed their impact as immaterial.

NOTE 2 OTHER INCOME \$ \$ Contributions 1,665,151 117,115 Other Current Income 452 15,107 TOTAL OTHER INCOME 1,665,603 132,222 NOTE 3 EXPENSES FROM TRANSACTIONS Year ended 30 June 2012 Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense *** Year ended 30 June 2012 Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense *** Year ended 30 June 2012 Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense *** Year ended 30 June 2012 *** Yea	NOTE 2. OTHER INCOME	Year ended 30 June 2012	Year ended 30 June 2011	
Other Current Income 452 15,107 TOTAL OTHER INCOME 1,665,603 132,222 NOTE 3 EXPENSES FROM TRANSACTIONS Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense 5 \$ Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense 133,197 77,828 Plant and equipment 133,197 77,828	NOTE 2 OTHER INCOME	\$	\$	
TOTAL OTHER INCOME 1,665,603 132,222 NOTE 3 EXPENSES FROM TRANSACTIONS Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense \$ \$ Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office-accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense 4,635,323 5,704,613 Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Contributions	1,665,151	117,115	
NOTE 3 EXPENSES FROM TRANSACTIONS Year ended 30 June 2012 Year ended 30 June 2011 Employee benefits expense Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828 <	Other Current Income	452	15,107	
S EXPENSES FROM TRANSACTIONS \$ Employee benefits expense 5,500,221 5,288,817 Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	TOTAL OTHER INCOME	1,665,603	132,222	
S EXPENSES FROM TRANSACTIONS \$ Employee benefits expense 5,500,221 5,288,817 Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828				
Employee benefits expense Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	NOTE 3 EXPENSES FROM TRANSACTIONS	Year ended 30 June 2012	Year ended 30 June 2011	
Salary and wages 5,500,221 5,288,817 Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828		\$	\$	
Superannuation (note13) 475,018 446,182 Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Employee benefits expense			
Annual leave and long service leave expense 459,283 166,438 Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Salary and wages	5,500,221	5,288,817	
Other employee on-costs 378,600 348,654 TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense Value of the contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Superannuation (note13)	475,018	446,182	
TOTAL EMPLOYEE BENEFITS EXPENSE 6,813,122 6,250,091 Other Operating expense Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Annual leave and long service leave expense	459,283	166,438	
Other Operating expense Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Other employee on-costs	378,600	348,654	
Contract and professional services 751,613 584,653 General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	TOTAL EMPLOYEE BENEFITS EXPENSE	6,813,122	6,250,091	
General expenses, stock, materials and services 492,199 473,099 Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Other Operating expense			
Consultants 2,870,388 4,116,223 Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Contract and professional services	751,613	584,653	
Office accommodation 521,123 530,638 TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	General expenses, stock, materials and services	492,199	473,099	
TOTAL OTHER OPERATING EXPENSE 4,635,323 5,704,613 Depreciation and amortisation expense Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	Consultants	2,870,388	4,116,223	
Depreciation and amortisation expensePlant and equipment133,19777,828TOTAL DEPRECIATION EXPENSE133,19777,828	Office accommodation	521,123	530,638	
Plant and equipment 133,197 77,828 TOTAL DEPRECIATION EXPENSE 133,197 77,828	TOTAL OTHER OPERATING EXPENSE	4,635,323	5,704,613	
TOTAL DEPRECIATION EXPENSE 133,197 77,828	Depreciation and amortisation expense			
	Plant and equipment	133,197	77,828	
TOTAL EXPENSES FROM TRANSACTIONS 11,581,642 12,032,532	TOTAL DEPRECIATION EXPENSE	133,197	77,828	
	TOTAL EXPENSES FROM TRANSACTIONS	11,581,642	12,032,532	



For the year ended 30 June 2012 (cont.)

Current

NOTE 4 RECEIVABLES		Year ended 3	0 June 2012	Year ended 3	0 June 2011
NOTE 4 RECEIVABLES			\$		\$
Current Contractual					
Amounts owing from Victorian Governmen	nt for services		205 776		752
rendered			205,776		752
Other	(ADLEC		433,437		145,816
TOTAL CURRENT CONTRACTUAL RECEIV	ARLES		639,213		146,568
Current Statutory					
Other		52,262		81,206	
TOTAL CURRENT STATUTORY RECEIVAB	LES		52,262		81,206
TOTAL CURRENT RECEIVABLES			691,475		227,774
		Vear ended 3	0 June 2012	Year ended 3	0 lune 2011
NOTE 5 PROPERTY, PLANT AND EQUIPMENT		rear criaca s	\$	rear chaca s	\$
(a) At fair value			605,089		557,009
less accumulated depreciation			(403,799)		(270,602)
TOTAL PROPERTY, PLANT AND EQUIPMI	ENIT		201,290		286,407
TOTAL PROPERTY, PLANT AND EQUIPINI		201,290		280,407	
(b) Movements during the financial year to June 2012	Opening WDV at 1 July 2011	Re-allocations between classes	Additions	Depreciation	Closing WDV at 30 June 2012
	\$	\$	\$	\$	\$
Computer hardware At cost	116,576	(268)	0	45,212	71,096
Computer software At cost	86,810	284	44,450	32,501	99,043
Leasehold Improvements	69,690	(7)	0	51,113	18,570
Furniture and Equipment	13,331	(9)	3,630	4,371	12,581
TOTALS	<u> </u>		48.080		
TOTALS =	286,407	0	48,080	133,197	201,290
(c) Movements during the financial year to 30 June 2011	Opening WDV at 1 July 2010	Re-allocations between classes	Additions	Depreciation	Closing WDV at 30 June 2011
	\$	\$	\$	\$	\$
Computer hardware At cost	19,382		116,274	19,080	116,576
Computer software At cost	8,332	_	84,107	5,629	86,810
Leasehold Improvements	120,795	_	34,107	51,105	69,690
Furniture and Equipment	4,095	_	11,250	2,014	13,331
_			•		
TOTALS =	152,604	-	211,631	77,828	286,407
NOTE C. DAVABLES		Year ended 3	0 June 2012	Year ended 3	0 June 2011
NOTE 6 PAYABLES			\$		\$

TOTAL CURRENT PAYABLES	1,289,439	1,095,852
Accruals	1,248,089	975,080
Trade creditors (i)	41,350	120,772

For the year ended 30 June 2012 (cont.)

(i) The average trade credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into.

NOTE 7 PROVISIONS	Year ended 30 June 2012	Year ended 30 June 2011
	\$	\$
Current		
Annual leave	355,276	410,755
Long service leave – that falls within 12 months after the end of the period, measured at a nominal value	34,391	32,549
Long service leave – that does not fall within 12 months after the end of the period, measured at present value	318,520	291,998
TOTAL CURRENT PROVISIONS	708,187	735,302
Non Current		
Provisions – Long service leave	205,468	193,527
TOTAL NON CURRENT PROVISIONS	205,468	193,527
Aggregate carrying amount of provisions		
Current	708,187	735,302
Non current	205,468	193,527
TOTAL PROVISIONS	913,655	928,829

NOTE 8 FINANCIAL INSTRUMENTS

(a) Accounting policies, terms and conditions

The Growth Areas Authority's accounting policies, including the terms and conditions of each class of financial assets, financial liability and equity instrument, both recognised and unrecognised at balance date are as follows:

Recognised Financial Instruments	Statement of financial position Notes	Accounting Policy	Category
FINANCIAL ASSETS			
Cash assets	1(f),15	Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and liquid investments and are recorded at nominal amounts	Contractual Financial Assets – Loans and Receivables
Receivables	1(g),4	Trade receivables are carried at nominal amounts due. Instalments as agreed but normally 30 day terms.	Contractual Financial Assets – Loans and Receivables
FINANCIAL LIABILITIES			
Trade and sundry creditors	1(h)6	Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade liabilities are normally settled on 30 day terms.	Contractual Financial Liabilities at amortised cost.

Comments about statutory receivables and payables

The total amount of contractual financial assets and liabilities excludes statutory receivables and payables (eg FBT, GST).

For the year ended 30 June 2012 (cont.)

(b) Categorisation of financial instruments

The Authority's exposure to interest rate risk and the effective weighted average interest rate of financial assets and liabilities by maturity periods is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Authority intends to hold fixed rate assets and liabilities to maturity.

	Notes	Weighted Average Interest	Carrying Amount	Nominal Amount	Less than 1 month	1 – 3 months	Non- interest bearing	Total
2012		Rate					bearing	
Financial assets			\$	\$	\$	\$	\$	\$
Cash and cash equivalents	15	4.36%	13,015,465	13,015,465	1,015,465	12,000,000	-	13,015,465
Receivables	4		691,476	691,476			691,476	691,476
TOTALS			13,706,941	13,706,941	1,015,465	12,000,000	691,476	13,706,941
2011								
Financial assets								
Cash and cash equivalents	15	4.79%	11,743,020	11,743,020	4,243,020	7,500,000	-	11,743,020
Receivables	4		227,774	227,774	-	-	227,774	227,774
TOTALS			11,970,794	11,970,794	4,243,020	7,500,000	227,774	11,970,794

(c) Credit risk

Credit risk arises from the financial assets of Growth Areas Authority, which comprises cash and cash equivalents, trade and other receivables. The maximum exposure to credit risk at balance date is represented by the carrying amount of those assets in the balance sheet. Credit risk associated with Growth Areas Authority's financial assets is minimal because the main debtor is generally the Victorian Government. Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Authority. The Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Authority measures credit risk on a fair value basis.

AGING OF TRADE AND OTHER RECEIVABLES	2012 \$	2011 \$
The aging of Trade and Other Receivables at reporting date was:		
Current (not yet overdue)	559,099	145,621
Past due between 31 to 60 days	70,408	-
Past due between 61 to 90 days		947
Past due by greater than 90 days	15,168	-
TOTAL CONTRIBUTIONS TO ALL FUNDS	644,675	146,568

The Authority does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Authority recognises a provision for Bad Debts as soon as they become apparent, the provision for Bad Debts for 2011/12 is nil (2010/11 = nil).

For the year ended 30 June 2012 (cont.)

(d) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

The Growth Areas Authority's exposures to market risk are primarily through interest rate risk, with no exposure to foreign currency and other price risks.

Foreign currency risk

The Authority has no exposure in foreign currency through its payables relating to purchases of supplies.

Interest rate risk

Interest rate risk arises from the interest bearing financial assets and liabilities that Growth Areas Authority use. Minimisation of risk is achieved by undertaking short term interest bearing financial assets with Treasury Corporation Victoria and established financial institutions.

There is no exposure to interest rate risk on liabilities.

(e) Liquidity risk

Liquidity risk arises when Growth Areas Authority is unable to meet its financial obligations as they fall due. The Authority operates under a payment policy of settling obligations within 30 days from receipt of invoice and approval of payment. To minimise the exposure of liquidity risk Growth Areas Authority has a short term cash management investment policy and manage actual performance to budget.

	N	laturity Dates		
Carrying Amount	Nominal Amount	Less than 1 month	1 - 3 months	More than 3 months
\$	\$	\$	\$	\$
1,289,439	1,289,439	1,289,439		
1,289,439	1,289,439	1,289,439	-	
1,095,852	1,095,852	1,095,852		
1,095,852	1,095,852	1,095,852	-	
	Amount \$ 1,289,439 1,289,439	Carrying Amount \$ 1,289,439 1,289,439 1,289,439 1,289,439 1,095,852 1,095,852	Carrying Amount Amount \$ Nominal Amount 1 month \$ Less than 1 month 1 month 2 month 3 1,289,439 1,289,439 1,289,439 1,289,439 1,289,439 1,289,439 1,095,852 1,095,852 1,095,852	Amount Amount 1 month months \$ \$ \$ \$ 1,289,439 1,289,439 1,289,439 - 1,289,439 1,289,439 - - 1,095,852 1,095,852 1,095,852 -

Notes

- i) The carrying amounts disclosed exclude statutory amounts (eg GST Payables)
- ii) Maturity analysis is presented using the contractual undiscounted cash flows

For the year ended 30 June 2012 (cont.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and Growth Areas Authority's knowledge it is reasonable to believe the following movements are reasonably possible over the next 12 months:

A parallel shift of +2 percent and -2 per cent in market interest rates AUD from year end rates of between 2.8 to 6.8 per cent.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Growth Areas Authority at year-end, if the above movements were to occur.

MARKET RISK EXPOSURE	Carrying		Interest Ra	Interest Rate Risk		
	amount subject to	-2%	6	+2%		
	interest	Profit	Equity	Profit	Equity	
2012	\$	\$	\$	\$	\$	
Financial assets						
Cash and cash equivalents	13,015,465	(260,309)	(260,309)	260,309	260,309	
2011	\$	\$	\$	\$	\$	
Financial assets						
Cash and cash equivalents	11,743,020	(194,077)	(194,077)	194,077	194,077	

(g) Net fair value of financial assets and liabilities

On balance sheet

The net fair value of financial assets and financial liabilities of the Authority approximates their carrying amounts. The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

	Carrying amount	Net fair value
2012	\$	\$
Financial assets		
Cash and cash equivalents	13,015,465	13,015,465
Non-traded financial assets	644,675	644,675
TOTAL CURRENT PROVISIONS	13,660,140	13,660,140
Financial liabilities		
Payables	1,289,439	1,289,439
NON-TRADED FINANCIAL LIABILITIES	1,289,439	1,289,439
2011	\$	\$
Financial assets		
Cash and cash equivalents	11,743,020	11,743,020
Non-traded financial assets	146,568	146,568
TOTAL CURRENT PROVISIONS	11,889,588	11,889,588
Financial liabilities		
Payables	1,095,852	1,095,852
NON-TRADED FINANCIAL LIABILITIES	1,095,852	1,095,852

For the year ended 30 June 2012 (cont.)

NOTE 9 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.

Responsible Minister

The persons who held the position of Minister and Accountable Officer in the Growth Areas Authority were as follows:

Minister for Planning

The Hon. Matthew Guy MLC

Governing Board

Chairman – Board members –

Christopher Banks AM Francis King (Deputy Chair)

Felix Blatt, 1 July 2011 – 31 August 2011

Diane Fleming Ann Keddie Ian Munro PSM

Chief Executive Officer & Accountable Officer

Peter Seamer

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

Remuneration received in connection with the management of the Authority was \$506,729 (\$513,379 – 2010/11) for the period.

The numbers of responsible persons whose remuneration from the Authority was within the relevant income bands as follows:

INCOME B \$	AND	2012 NO.	2011 NO.
0 -	10,000	1	-
10,000 -	19,999	4	5
70,000 -	79,999	1	1
320,000 -	329,999	-	-
340,000 -	349,999	1	1

Executive Officers

Suzane Becker

Stephen Dunn

Mark Knudsen

Edward Small

Mark Woodland



For the year ended 30 June 2012 (cont.)

The numbers of executive officers other than responsible persons whose remuneration falls within the specified bands above \$100,000 are as follows:

INCOME BA	AND \$	TOTAL REMI	UNERATION	BASE REMI	JNERATION
		2012 NO.	2011 NO.	2012 NO.	2011 NO.
150,000 -	159,999	-	-	-	-
160,000 -	169,999	-	3	-	3
170,000 -	179,999	1	-	2	-
180,000 -	189,999	1	-	1	-
190,000 -	199,999	-	-	-	-
200,000 -	209,999	2	2	2	2
250,000 -	259,000	1	-	-	-
TOTAL E	XECUTIVES	5	5	5	5
TOTA	AL AMOUNT	\$ 1,030,637	\$ 911,200	\$ 953,233	\$ 911,200

The reported amounts include the disbursement of any accrued leave benefits for employees who left the organisation during that year. Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE10 REMUNERATION OF AUDITORS

\$13,630 (\$13,170 - 2010/11) is payable to the Auditor General at reporting date.

NOTE11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets at 30 June 2012 (\$0 - 2011)

NOTE12 COMMITMENTS FOR EXPENDITURE

At 30 June 2012, the Authority had the following operating lease commitments for accommodation until 31 October 2015.

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

Outstanding lease commitments are to be paid as follows:	2012 \$	2011 \$
Lease of Premises:		
Not longer than 1 year	397,944	436,333
Longer than 1 year and not longer than 5 years	1,187,652	1,585,597
	1,585,596	2,021,930
Cleaning of Premises:		
Not longer than 1 year	25,749	27,898
Longer than 1 year and not longer than 5 years	75,416	101,165
TOTAL CONTRIBUTIONS TO ALL FUNDS	101,165	129,063

For the year ended 30 June 2012 (cont.)

NOTE13 SUPERANNUATION

Superannuation contributions for the period are included as part of employee benefits and associated costs in the comprehensive Operating Statement of the Authority	For the year ended 30 June 2012 \$	For the year ended 30 June 2011 \$
Fund		
Victorian Superannuation Fund	201,833	183,258
Vision Super	142,206	139,804
Various other	143,350	123,120
TOTAL CONTRIBUTIONS TO ALL FUNDS	487,389	446,182

The rate for contributions for each of the above funds except for the Defined Benefits is 9%. The Defined Benefits rate is dependent on the individual members' circumstances and contribution details. As at the reporting date, there were no outstanding contributions payable to the above funds. As at the reporting date, there were no loans to or from the Growth Areas Authority to any of the above funds.

NOTE14 SUBSEQUENT EVENTS

Victorian Public Service Workplace Determination 2012

The Victorian Public Service Workplace Determination 2012 was approved by Fair Work Australia on 23 July 2012. The GAA Enterprise Agreement is a nexus agreement to this Determination and negotiations have recommenced to develop and finalise a fresh GAA agreement.

NOTE15 CASH FLOW INFORMATION

	For the financial year ended 30 June 2012	For the Year ended 30 June 2011
Reconciliation of cash and cash equivalents	\$	\$
Cash at bank and on hand	13,015,465	11,743,020
BALANCES PER CASH FLOW STATEMENT	13,015,465	11,743,020
Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the period	1,477,764	318,728
Non cash movements:		
Depreciation expense	133,197	77,828
Movements in assets and liabilities:		
Decrease/(increase) in prepayments	(5,148)	(39,052)
Decrease/(increase) in receivables	(463,702)	83,880
(Decrease)/increase in employee benefits	(15,173)	207,858
(Decrease)/increase in payables	193,587	(287,166)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,320,525	362,076

For the year ended 30 June 2012 (cont.)

NOTE16 GLOSSARY OF TERMS

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Employee benefits expenses

Employee benefits expenses include all costs related to employment, including wages and salaries, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual or statutory obligation:
- (i) To deliver cash or another financial asset to another entity; or
- (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
- (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Other economic flows

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

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- actuarial gains and losses arising from defined benefit superannuation plans;
- · fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

Growth Areas Authority Statutory Certification



We certify that the attached financial statements for the Growth Areas Authority have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, 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 2012 and financial position of the Authority at 30 June 2012.

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 15 August 2012.

Peter Seamer

Chief Executive Officer

Melbourne August 2012 Chris Banks AM

Chair

Melbourne August 2012 **Edward Small**

Chief Financial Officer

froll

Melbourne August 2012



Level 24, 35 Collins Street Melbourne VIC 3000 Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Growth Areas Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the Growth Areas 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 statutory certification has been audited.

The Board's Responsibility for the Financial Report

The Board of the Growth Areas 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 Board determine is necessary to enable the preparation 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 Board, 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.

Independent Auditor's Report (continued)

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.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Growth Areas Authority as at 30 June 2012 and of 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Growth Areas Authority for the year ended 30 June 2012 included both in the Growth Areas Authority's annual report and on the website. The Board of the Growth Areas Authority are responsible for the integrity of the Growth Areas Authority's website. I have not been engaged to report on the integrity of the Growth Areas Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE 17 August 2012 DDRPearson

Auditor-General





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