



Annual Report

2007 - 2008

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

ANNUAL REPORT
2007 – 2008

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Minister for Planning

The Growth Areas Authority reports to the Minister for Planning in the Victorian Government and during the reporting period was a portfolio agency initially under the Department of Sustainability and Environment until 13 August 2007, and subsequently with the Department of Planning and Community Development.



Chairman's Message

The Victorian Government's sweeping changes to the planning process in Melbourne's growth areas are a direct response to what our stakeholders have been telling us: we need to get more land to market far sooner.

We are pleased to step into a role that will enable us to make a significant contribution towards achieving this goal.

Working with our council partners and the development industry, these reforms will enable us to reduce the time it takes to get land ready for development by more than a year. This in turn will help boost land supply, putting downward pressure on housing affordability while making sure the resulting communities are well designed and serviced.

We know - from research the Growth Areas Authority commissioned - that people want to live where there are job opportunities; healthy and safe communities; sustainable environments and where the living is affordable.

With work on 37 new communities in the growth areas now underway we are confident that in the years ahead the growth areas will be ready to accommodate an increasing proportion of Melbourne's growing population.

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations of the Growth Areas Authority for the year ending 30 June 2008.

Chris Banks
Chair

17 September 2008

Chief Executive Officer's Report



The role of the Growth Areas Authority (GAA) is to improve the medium to long term planning of the five growth areas of Melbourne - Casey-Cardinia, Hume, Melton-Caroline Springs, Whittlesea and Wyndham.

While the focus has been on reforming the overall growth areas planning system, the GAA has now developed a strong planning role in Precinct Structure Planning and specific projects.

Over the next year, our work will accelerate and focus on the quality, quantity and affordability of residential and employment land in the growth areas. This will involve three major areas: planning, urban economics and infrastructure coordination.

Planning

The GAA, at the request of our Minister, has reformed planning processes for the growth areas. This has resulted in developing a shortened and more efficient development process, reducing cost and improving land supply flexibility in order to gain better planning outcomes. This work is now being underpinned by the development of strengthened, standardised guidelines for Precinct Structure Planning that will have a stronger focus on infrastructure co-ordination as well as implementing Melbourne 2030 principles.

Another key area of work is developing 37 Precinct Structure Plans (PSPs). These are a particular priority for those areas identified by the Urban Development Program as having strong demand for either residential land as in Casey-Cardinia or for employment land as in Hume.

The GAA has received State Government funding to assist further streamlining of the development approval process and also for mapping native vegetation and Cultural Heritage areas. Finally the GAA has been authorised to undertake the 37 PSP amendments - a step which will further facilitate development on the ground.

We have worked closely with all six councils in the five growth areas to push ahead with these plans. Work we have done in this area will see substantial new zoned land coming on stream, guaranteeing supply for residential and employment land in targeted areas.

We have also helped facilitate specific developments where issues have stalled the planning processes. The GAA is playing a strategic role in working with councils, developers and Government bodies to resolve these issues.

Urban Economics

The GAA is currently reviewing, in conjunction with the Department of Planning and Community Development the supply and demand situation for residential and employment land in the Growth Areas to ensure the Government's commitment to providing sufficient land is met.

The GAA is actively working with councils and developers to boost employment in the growth areas by identifying and fast-tracking land for future employment. For example in Hume, the Merrifield development will provide for future job growth, and this is to be located closer to where people live. The \$5 billion development along the Hume Highway - a joint venture between MAB Corporation and the Gibson Property Corporation - is designed to employ up to 17,000 people in a mix of major manufacturers, corporations and businesses, and create a new gateway to Melbourne's north. The GAA has assisted in taking the project to market in a little over two years by providing support for the zoning of employment land and coordinating government agency input.

As part of preparing PSPs for new communities, the GAA is placing a strong emphasis on employment areas to ensure jobs are located closer to where people live and close to good transport links.

Infrastructure

The GAA is taking a stronger role in driving smarter infrastructure planning by working with councils in preparing PSPs with a stronger focus on creating 'liveable' communities. The GAA has a major role to play in coordinating the inputs of key stakeholders, including state authorities, much earlier in the planning process. This will allow VicRoads and other authorities to undertake pre-planning for key roads and other infrastructure in advance. Work on Native Vegetation Plans and Aboriginal Cultural Heritage Plans will also be done on a broad-acre level, instead of development by development.

The GAA is examining infrastructure coordination to give greater certainty to land owners and the community about the expected timing of development and infrastructure. This will help provide co-ordinated planning information for a range of Government departments and councils.

In all the work the GAA is undertaking, we have a clear focus on liveability, community development and environmental sustainability. Our broad goals are to improve affordability, access and employment. We are working on a range of projects in collaboration with councils, industry bodies and Government departments to address these issues in the growth areas.

We have also initiated a best practice demonstration project on innovation with one of the country's largest residential land developers, Stockland, working with the Planning Institute of Australia, to build one of Australia's most progressive suburbs at Cranbourne East. This project will show how good design principles can make new communities both affordable and sustainable by reducing the carbon footprint, improving access to employment and improving community connections.

The GAA has significant targets to achieve over the next few years. For example, by 2012 all of the remaining 37 Precinct Structure Plans in the growth areas will need to have been completed. This target brings forward the date for completion of all the PSPs by many years. The ongoing support of the many people and groups we deal with will be fundamental to our success.

We look forward to working with growth area councils, Government departments, individual bodies and developers as the GAA moves ahead with the important task of planning Melbourne's newest communities.

Strategic Priorities

The GAA has focused on introducing reforms to the planning system for the growth areas during this financial year. These priorities included:

- introducing a new uniform planning regime in the growth areas to speed up land for 90,000 new homes and improve the quality of new developments across the six growth area councils
- the blanket rezoning of all remaining developable greenfield land inside the Urban Growth Boundary in the growth areas - creating a new Urban Growth Zone (UGZ) - that will significantly simplify the planning process
- the merging into a single step process the strategic planning (precinct structure planning) and land rezoning via the new UGZ
- beginning strategic planning work on 37 Precinct Structure Plans where housing demand is greatest
- establishing a new infrastructure division to co-ordinate the priorities of local areas with state planning agencies
- commissioning major collaborative research on the planning and design principles that make new communities 'liveable'
- identifying key challenges - including the cost and difficulty of forecasting infrastructure needs and a lack of community input needed to create a 'sense of place'
- overseeing the development of the Growth Areas Authority's 2008-09 Business Plan

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 the land in the six municipalities and shires of:

Casey
Whittlesea

Hume
Wyndham

Melton
Cardinia

Melbourne is expecting population growth from 3.74 million in 2006 to 4.5 million in 2020, an increase of over 20% across the 14 year period. This represents growth in Melbourne's population of in excess of 1,000 people per week. A significant part of this population increase will continue to be in the growth areas, and in excess of 12,000 new dwellings are forecast as becoming available 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:

- an additional 1 million people will require an estimated more than 380,000 additional dwellings
- the population growth will be characterised by older persons, overseas migrants and younger families
- an increasing number of single person households
- a reduction in average household size from 2.8 in 1991 to 2.6 in 2003 will continue, and is forecast to reduce to 2.31 by 2030. This will have implications for the planning of housing and services in the growth areas
- conversely, there has been a growth in Melbourne house sizes from 180 square metres in 1991 to 250 square metres in 2003. However, the size of the average new growth area dwelling appears to have been reasonably stable in the period between 2003 and 2008, fluctuating within the range of 232 square metres to 243 square metres.
- the nature of employment is shifting significantly from manufacturing to retail and service industries.

The Growth Areas Authority

The Growth Areas Authority (GAA) was established as a result of the Government's *A Plan for Melbourne's Growth Areas* which was released 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.

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.

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 and to carry out any other function conferred on the Authority under the Act.

The GAA may do all things necessary or convenient to perform its functions and achieve its objectives.

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.

A key activity of the GAA is the review and reform of the planning provisions 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 is in partnership with the councils in our growth areas - Cardinia Shire Council, the City of Casey, Hume City Council, the Shire of Melton, the City of Whittlesea and Wyndham City Council. One of the activities is to work towards the completion of all remaining Precinct Structure Plans within the growth areas. The GAA also works with all growth area stakeholders to facilitate planning issues arising within specific developments.

The GAA works closely with State Government departments, including the Departments of Education and Early Childhood Development, Planning and Community Development, Human Services, Industry, Innovation and Regional Development, 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 VicUrban, VicRoads, Parks Victoria, the Environment Protection Authority and various water agencies.

The GAA works with land and housing developers and peak organisations such as the Housing Institute of Australia, 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 Growth Areas Authority is overseen by a highly experienced board that brings a broad range of disciplines including planning, development, economics, financial management, local government and housing. Chaired by Chris Banks, five board members were appointed by the Minister on 1 September 2006 with Di Fleming joining in October 2007. Rob Spence resigned from the Board in March 2008.

The Growth Areas Authority reports to the Minister for Planning, the Hon Justin Madden MLC.

A profile of each board member is below.



Chris Banks AM (Chairman)

Chris Banks brings a developer's perspective after many years in the housing industry as Chief Executive Officer at Delfin and AV Jennings.



Rob Spence (Deputy Chair) *until 13 March 2008*

Rob Spence has an extensive background in local government, and is currently the CEO of the Municipal Association of Victoria. He has also held various executive positions within State Government departments.



Frank King (Acting Deputy Chair) *from 16 June 2008*

Frank King is a former deputy secretary of the Department of Treasury and Finance and is Chair of the Audit Committee. Frank also holds the roles of President of the Emergency Services Super Board, Chair of the Centre for Adult Education and Board Member of Victoria Legal Aid.



Felix Blatt

Felix Blatt is the chief advisor project management for Rio Tinto and has extensive experience managing greenfield engineering projects.



Di Fleming *from 23 October 2007*

Di Fleming is a former Victorian Telstra Businesswoman of the Year, associate professor in Digital Design at RMIT University and director of lab.3000. She steered lab.3000's evolution to become the state's first Centre of Excellence in Digital Design.



Carol Schwartz AM

Carol Schwartz is a director of the Highpoint Property Group and is on the boards of a number of property and arts-related institutions.

Growth Areas Authority

Risk and Audit Committee

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

The committee comprises all members of the Authority.

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 Growth Areas Authority, approves individual executive remuneration packages and comprises all members of the Authority.

Meeting Performance

Name of meeting	Chair	Meeting frequency	Number of meetings	Membership
Authority (Board)	Chris Banks	Bi-Monthly or as required	7	All members
Risk and Audit Committee	Frank King	Bi-Monthly or as required	5	All members
Executive Remuneration Committee	Carol Schwartz (from 14 March 2008) Rob Spence (to 13 March 2008)	Half yearly or as required	2	All members

Meeting Attendance

Authority Member	Authority Meeting attendance	Risk and Audit Committee attendance	Executive Remuneration Committee attendance
Chris Banks	7 (of 7)	5 (of 5)	2 (of 2)
Felix Blatt	7 (of 7)	5 (of 5)	2 (of 2)
Di Fleming	4 (of 4)	4 (of 4)	1 (of 1)
Frank King	7 (of 7)	5 (of 5)	2 (of 2)
Carol Schwartz	6 (of 7)	4 (of 5)	2 (of 2)
Rob Spence	5 (of 5)	3 (of 3)	2 (of 2)

Growth Areas Authority Performance

Since the establishment of the Growth Areas Authority in September 2006, significant progress has been made in achieving its objectives. The table below summarises the progress made against the GAA's 2007/08 objectives.

Objective	Activity and Outcome
Ensure that the development in growth areas occurs in a coordinated and timely manner.	<p>Ensure completion of the Precinct Structure Plans (PSPs) in the Growth Areas within reduced timeframes:</p> <ul style="list-style-type: none"> The GAA is working in partnership with the growth area Councils to complete 40 PSPs within the Growth Areas by 2012 (37 still outstanding as at 30 June 2008). <ul style="list-style-type: none"> 3 are complete 2 are being finalised 1 is with the Priority Development Panel 18 are underway 7 will commence in 2008/09 9 will commence from 2009/10. <p>Facilitate resolution of complex development and planning issues in the growth areas:</p> <ul style="list-style-type: none"> The draft Cranbourne East Precinct Structure Plan, prepared in partnership with Casey City Council, is currently under consultation for submission to the Priority Development Panel in mid - 2008/09 financial year. Cranbourne East comprises some 5,500 residential lots on just fewer than 800 hectares and will ultimately be home to more than 15,000 people. A high quality sustainable development is planned for this precinct including local retail, schools and other community facilities along with housing. Development opportunities around Clyde Creek and connections to Casey Fields and the Royal Botanic Gardens Cranbourne will be maximised. The Merrifield Employment development is progressing in partnership with Hume City Council and involves expediting 420 hectares of prime employment land forming a gateway to Melbourne and providing access to an estimated 17,000 jobs in the north. The precinct will involve jobs in manufacturing, the re-location of corporate headquarters and of smaller operators. The expediting of a new independent school in Hume has been achieved in partnership with Hume City Council. The Kolbe Catholic Secondary College is about to enter construction. At the request of the Catholic Church, the Minister for Planning authorised the GAA became planning authority for the development, saving months from the usual planning process. This has enabled the Catholic Education Office to begin construction of a new secondary school to alleviate urgent overcrowding issues at another school site. <p>Develop streamlined planning processes for development in the growth areas to reduce timeframes and remove administrative and other costs:</p> <ul style="list-style-type: none"> The GAA conducted a comprehensive analysis of planning in the growth areas finding that typically it took around 5 years to bring land to market and sometimes longer. An analysis by the GAA of the then planning process mapped out the steps and found it involved an average 400 meetings, more than 2,000 phone calls and more than 1,500 pieces of correspondence. The GAA also reviewed the standard suite of planning permit conditions used by each Council and by the Referral Authorities, and found a range of different approaches to deal with common issues. The GAA proposed a comprehensive reform package for planning in the growth areas which the Government adopted in March to save more than 12 months from the process and up to \$10,000 in savings to home buyers. Premier John Brumby announced major reform to Growth Areas in March 2008. A new Urban Growth Zone (UGZ) was gazetted on 10 June 2008 and has now been applied in the growth areas. The new UGZ will fast-track the rezoning of land for 90,000 homes in growth areas across Melbourne. New Precinct Structure Planning Guidelines are under development and consultation. The Government has provided additional funding to apply from the 2008/09 financial year to enable Stage 2 of the planning reforms to proceed.

Growth Areas Authority

<p>Ensure that infrastructure, services, and facilities are provided in the growth areas in a co-ordinated and timely manner.</p>	<p>Work with councils and Government agencies to bring forward infrastructure that is required to support development in the growth areas:</p> <ul style="list-style-type: none"> ▪ Infrastructure Working Groups established in each growth area to advise on local priorities. ▪ Preliminary coordinated forward infrastructure plan for the growth areas currently under development.
<p>To promote sustainable development of land in the growth areas</p>	<p>Develop a package of streamlining reforms including:</p> <ul style="list-style-type: none"> ▪ Review of the native vegetation protection processes and Aboriginal Cultural Heritage protection with a new project to map Native Vegetation across the Growth Areas starting in 2008 to be followed by work mapping Cultural Heritage sites. This will enable sites to be assessed at a broadacre level instead of development by development. ▪ Develop draft new Precinct Structure Plan Guidelines in conjunction with the Department of Planning and Community Development to embed 'liveability' principles into growth area developments covering issues like housing density, open space, community and education needs with the objective of ensuring communities have access to the facilities they need far sooner. ▪ Developed and implemented a 'best practice' demonstration project with the Planning Institute of Victoria and Stockland to showcase good design principles in a new residential development exemplifying quality urban design.
<p>To promote housing diversity and affordability in the growth areas</p>	<p>Participate in whole of government housing affordability review processes:</p> <ul style="list-style-type: none"> ▪ Reviewed the potential impacts of proposed planning reforms on housing affordability. ▪ Streamlining planning reforms are estimated to produce savings of around \$10,000 per lot for homebuyers in the growth areas. ▪ Fast-tracking of planning processes will bring 90,000 lots into production earlier thereby contributing to the affordability of house and land prices in the growth areas.
<p>To promote employment opportunities</p>	<ul style="list-style-type: none"> ▪ A review of the employment status for the growth areas is underway and is due to be completed by the end of 2008. ▪ The new draft Precinct Structure Plan Guidelines encourage and facilitate the provision of local employment by setting aside land specifically for employment and encouraging synergies among related employer types. ▪ The GAA assisted the Hume City Council in facilitating the Merrifield Employment zone which is anticipated will enable the creation of 17,000 new jobs on a site that will become a new gateway to Melbourne from the north.
<p>Ensure that land is provided for commercial and industrial purposes in growth areas in a coordinated and timely manner</p>	<p>Monitor the land supply and demand for land for employment purposes to ensure the Government's commitment to providing sufficient land is met:</p> <ul style="list-style-type: none"> ▪ Developed a proposed process for the supply of quality, serviced employment land in the growth areas with the aim of achieving a minimum of 10 years supply of zoned commercial land by 2009. <p>Prepare Precinct Structure Plan Guidelines for major employment areas in the growth areas:</p> <ul style="list-style-type: none"> ▪ The draft Precinct Structure Plan Guidelines incorporating planning for land for employment are being finalised prior to release for discussion.
<p>Foster the development of communities in the growth areas</p>	<p>Develop a strategic framework and practical tools for the creation of liveable and sustainable new communities in growth areas:</p> <ul style="list-style-type: none"> ▪ Commissioned major new Australian research - with Griffith and Melbourne Universities - to analyse what contributes to liveable communities. The Creation of Liveable Communities (CLC) project has resulted in new approaches to the planning of growth areas services and infrastructure across councils and a range of Government agencies. The research found there are four essential components for liveability: job opportunities; healthy, safe communities; affordable living and sustainable built and natural environments. ▪ The research noted the main reason people choose to live in new residential developments is housing affordability. Finding a safe and supportive environment is an equally influential factor. ▪ The CLC contributes towards the basis for the new PSP guidelines that are currently being prepared by the GAA. ▪ The GAA is working in partnership with the Department of Education and Early Childhood Development and other Government departments to foster early and integrated delivery of education and other services and infrastructure.

Growth Areas Authority

	<p>Review the implementation of the Government's Native Vegetation Framework for the Growth Areas in a timely manner:</p> <ul style="list-style-type: none"> ▪ A project to map Native Vegetation on land across the Growth Areas has been set in motion to enable ecosystem and biodiversity values to be mapped in detail ahead of development in order that land can be earmarked for reserves, public open space and offset potential development. The project will involve land in the growth areas and in neighbouring areas where ecosystems cross municipal boundaries. ▪ Assisted in creating a co-ordinated and streamlined approach to the preparation of Native Vegetation Precinct Structure Plans and PSP amendments. <p>The new draft Precinct Structure Plan Guidelines will:</p> <ul style="list-style-type: none"> ▪ Include ways of working which assist Government agencies and councils in identifying and setting aside land for key community infrastructure and services such as non government schools, fire control facilities and places of worship. ▪ Incorporate recognition of the need for appropriate community open space infrastructure such as open space, and bicycle and walking path networks. <p>Develop Precinct Structure Plan targets for the growth areas:</p> <ul style="list-style-type: none"> ▪ Draft Precinct Structure Plan timetable produced and under consultation with councils for the completion of all remaining PSPs by 2012.
To ensure all financial and governance responsibilities are discharged	<p>Conduct financial operations as an organisation in a controlled and transparent manner:</p> <ul style="list-style-type: none"> • Unqualified audit certificate issued for the 2007/08 financial statements. <p>Conduct Authority (Board) meeting matters in an appropriate manner:</p> <ul style="list-style-type: none"> ▪ Held seven Authority meetings over the period.

Major changes or factors affecting performance

The GAA advanced major planning reforms in the growth areas throughout the 2007/2008 financial year. Now they have been enacted and are coming into effect, the GAA will have a strengthened involvement, with growth area councils, in rolling out a more streamlined planning system with a firm focus on sustainable, quality design.

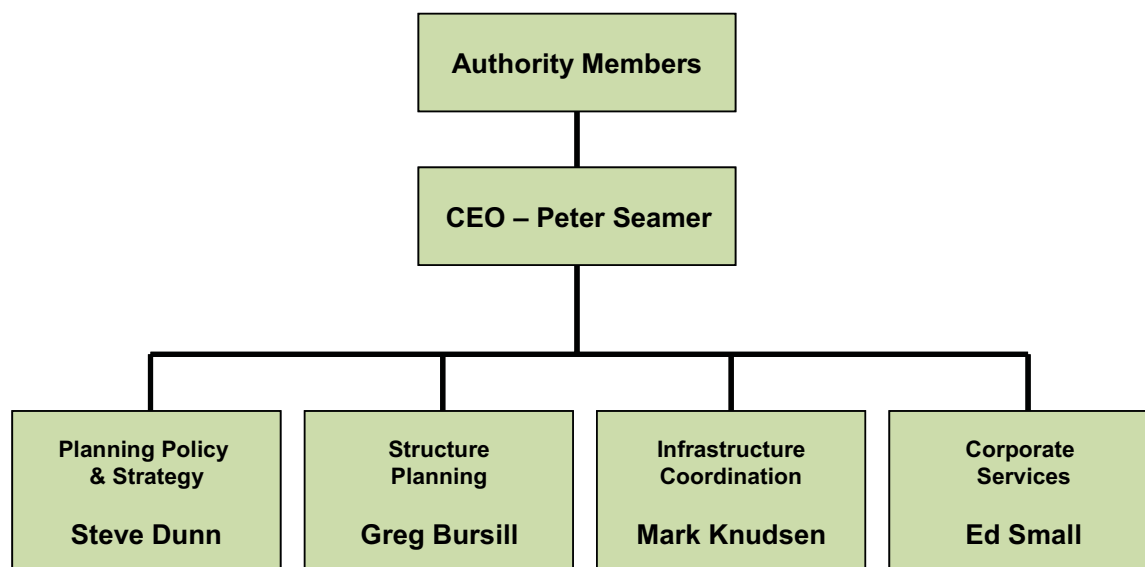
Central to this is the initiative to complete all of the outstanding Precinct Structure Plans by 2012, as announced by the Minister for Planning on 10 June 2008.

In order to help finance this strategic planning work, the State Government has announced additional funding of \$5.5 million over a four year period.

The other major initiative is the Native Vegetation and Cultural Heritage mapping project. This project will provide crucial data on biodiversity and indigenous heritage to inform the development of Precinct Structure Plans. The State Government recently announced funding of \$3.5 million over two years to assist this project that will further cut planning times in the growth areas.

Organisational Structure

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



People at the GAA

People management strategy

The GAA has a small core of staff to meet 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.

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.

All GAA policies and programs consider issues relating to women, youth and people from indigenous, and culturally and linguistically diverse backgrounds.

The Chief Executive Officer made 13 appointments based on merit during the period.

Growth Areas Authority staff as at 30 June 2008

Category	Staff 2008	Staff 2007
VPS 1-6 Staff		
Male	9	8
Female	12	9
Executive Staff		
Male	5	3
Female	0	0
Category	Staff 2008	Staff 2007
Total Staff		
Male	14	11
Female	12	9
Total	26	20

Growth Areas Authority

The GAA was covered by the Victoria Public Services Agreement 2006 (VPSA) until the first anniversary of its creation. Subsequent to that date a deed of arrangement was put in place, after reaching agreement with the union, maintaining the conditions of the VPSA within the GAA until the expiry of the VPSA in March 2009.

Upholding public sector conduct

The GAA is responsible for promoting high standards of integrity and conduct in the public sector. Staff are fully informed about the Code of Conduct for the Victorian Public Sector and the *Public Administrations 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
▪ there are reasonable avenues of redress against unfair and unreasonable treatment.	▪ Provide responsive service.

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”.

During the reporting year the Authority had:

- 11 staff receive influenza vaccinations
- 25 ergonomic assessments undertaken
- 0 number of incidents reported
- 2 workplace inspections.

Additional Information

Contracts and Consultancies

During the financial year, the GAA engaged 24 consultancies (2006 - 2007 - 13) where the total fees payable to the consultant was less than \$100,000 at a total cost of \$363,577 (2006 - 2007 \$164,447)

There was 1 consultancy over \$100,000 engaged and no other major contracts were entered into (2006-2007 nil). This project was for a third party to work closely with the GAA and the Casey City Council to prepare the East Cranbourne Precinct Structure Plan.

Contractor	Amount of Contract (ex GST)	Reason for Contract	Amount expended in 2007/08 (ex GST)	Outstanding commitments (ex GST)
David Lock and Associates	\$692,921	Complete Precinct Structure Plan for East Cranbourne	\$692,921	\$0

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 9609 or ed.small@gaa.vic.gov.au. There is a fee of \$22.70 payable for each FOI application (2007/2008 \$22.00).

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.dms.dpc.vic.gov.au.

During 2007 - 2008 two FOI requests were received by the GAA (2006 - 2007 - nil). One request did not proceed, and one is still under review by the Victorian Civil and Administrative Tribunal.

Whistleblowers Protection Act 2001

The *Whistleblowers Protection Act 2001* aims to encourage officers to disclose improper conduct by departments and 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 9609 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 2007-2008 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 (2006-2007 - nil).

The GAA has adopted a Whistleblowers Policy and Procedure.

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.

Growth Areas Authority

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 2007-2008, 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
- 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.

Growth Areas Authority

Changes in financial position

There have been no significant changes in the financial position of the GAA over the financial year.

Summary of the Financial Results

	Year ended 30 June 2008 \$	10 Months ended 30 June 2007 \$
Income		
Government Contributions	5,430,000	5,021,965
Other revenue	1,124,148	7,730
Total Revenue	6,554,148	5,029,695
Expenses		
Corporate Expenditure	3,345,744	3,710,224
Project Expenditure	1,625,119	0
Total Expenditure	4,970,863	3,710,224
Net Result	1,583,285	1,319,471
Assets		
Current Assets	3,487,162	1,660,206
Non-Current Assets	160,597	177,993
Gross Assets	3,647,759	1,838,199
Liabilities		
Current Liabilities	673,989	471,687
Non-Current Liabilities	71,014	47,041
Gross Liabilities	745,003	518,728
Net Equity	2,902,756	1,319,471

Risk Management

The GAA has a Risk Management Plan and Risk Register in place prepared in accordance with the Australian Standard AS4360 Risk Management. 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 monitor the risk management and risk mitigation progress. The GAA has been working with the Victorian Managed Insurance Authority, and the VMIA conducted a Risk Framework Quality Review for 2008.

These processes have enabled the Risk and Audit Committee at its meeting of 16 July 2008 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 4360 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 twelve months.

Chris Banks
Chair



17 September 2008

Disclosure Index

The 2007/08 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.

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SD 4.2(b)	Balance Sheet
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Financial Report - 30 June 2008

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Operating Statement

For the year ended 30 June 2008

Income	Note	For the ten month period 1 September 2006 to 30 June 2007	
		2008	2007
		\$	\$
Output Appropriations	1(b), 2	4,610,000	4,953,849
Other Income	2	1,944,148	75,846
Total Income		6,554,148	5,029,695
Expenses			
Employee benefits	1(i), 3	2,556,582	2,369,667
Supplies & Services	3	2,328,948	1,296,663
Depreciation expense	1(e),3	85,333	43,894
Total Expenses		4,970,863	3,710,224
Net result for the period		1,583,285	1,319,471

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

Balance Sheet

As at 30 June 2008

Assets	Note	2008	2007
Current Assets		\$	\$
Cash and cash equivalents	1(f), 16	3,365,783	1,260,478
Prepayments		13,867	0
Receivables	1(g),4, 9	107,512	399,728
Total Current Assets		3,487,162	1,660,206
Non Current Assets			
Property, plant & equipment	5	160,597	177,993
Total Non Current Assets		160,597	177,993
Total Assets		3,647,759	1,838,199
Liabilities			
Current Liabilities			
Payables	1(h), 6, 9	415,192	153,400
Employee benefits	1(i), 7, 14	258,797	318,287
Total Current Liabilities		673,989	471,687
Non Current Liabilities			
Employee benefits	1(i), 7, 14	71,014	47,041
Total Non Current Liabilities		71,014	47,041
Total Liabilities		745,003	518,728
Net Assets		2,902,756	1,319,471
Equity			
Accumulated funds	8	2,902,756	1,319,471
Total Equity		2,902,756	1,319,471

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

Statement of recognised income and expense

For the year ended 30 June 2008

		2008	For the ten month period 1 September 2006 to 30 June 2007
		\$	\$
Net Result for the period	8	1,583,285	1,319,471
Total recognised Income and Expense for the period		1,583,285	1,319,471

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2008

	Note	2008	For the ten month period 1 September 2006 to 30 June 2007
		\$	\$
Cash flows from operating activities			
Receipts from Government	2	6,424,803	4,804,249
Receipts from other entities		840,199	27,067
Goods and Services Tax recovered from the ATO		69,868	16,782
Interest	2	118,840	4,730
Payments to suppliers and employees		(4,743,993)	(3,164,384)
Goods and Services Tax paid to the ATO		(536,475)	(206,079)
Net cash provided by / (used in) operating activities	16	2,173,242	1,482,365
Cash flows from investing activities			
Payments for property plant and equipment	5	(67,937)	(221,887)
Net cash provided by / (used in) investing activities		(67,937)	(221,887)
Cash flows from financing activities			
Proceeds from capital contributions by State Government		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase /(decrease) in cash held		2,105,305	1,260,478
Cash and cash equivalents at the beginning of the financial period		1,260,478	-
Cash and cash equivalents at the end of the financial period	16	3,365,783	1,260,478

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

Notes to the financial statements

For the year ended 30 June 2008

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 2007 to 30 June 2008.

(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).

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

Output Appropriations

The Growth Areas Authority is funded by Parliamentary process for the provision of outputs, initially through the Department of Sustainability and Environment, and subsequently through the Department of Planning and Community Development.

Outputs which the Authority provides to Government, Growth Area Councils, Developers and others are recognised when those outputs have been delivered.

Special Appropriations

Special Appropriations are Government allocations for a specific purpose.

Interest Income

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 grants or funding received for specific projects or tasks.

(c) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Individual items of \$5,000 or more are capitalised. Cost is measured as the fair value of assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(d) Impairment of assets

All assets are assessed annually for indication of impairment, except for financial assets (refer note 9(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

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

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 4 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.

(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

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

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 7 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. The current year employer contribution payments on behalf of the Authority's employees is disclosed in note 14.

(j) 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.

(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.

(l) Financial instruments

The accounting policies applied to financial instruments are detailed in notes 9(a) and 9(b).

(m) Rounding of amounts

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

Note 2	Income	For the year ended 30 June 2008	For the ten month period ended 30 June 2007
		\$	\$
	Output Appropriations	4,610,000	4,953,849
	Special Appropriations	820,000	68,116
	Contributions	1,004,042	3,000
	Other Income	1,266	0
	Interest	118,840	4,730
	Total income	6,554,148	5,029,695

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

Note 3 Expenses	For the year ended 30 June 2008	For the ten month period ended 30 June 2007
Employee benefits		
Salary and wages	2,321,026	1,657,213
Superannuation (note14)	200,940	116,504
Annual leave and long service leave expense	(80,748)	487,122
Other employee on-costs	115,364	108,828
Total employee benefits	2,556,582	2,369,667
Supplies and Services		
Contract and professional services	534,898	254,488
General expenses, stock, materials and services	563,929	717,893
Consultants	1,056,498	164,447
Office accommodation	173,623	159,835
Total supplies and services	2,328,948	1,296,663
Depreciation Expense		
Plant and equipment	85,333	43,894
Total depreciation expense	85,333	43,894
Total Expense	4,970,863	3,710,224
Note 4 Receivables		
Current		
Amounts owing from Victorian Government	26,712	355,679
Other	80,800	44,049
Total current receivables	107,512	399,728
Note 5 Property, plant and equipment		
(a) At cost	289,824	221,887
less accumulated depreciation	(129,227)	(43,894)
Total property, plant and equipment	160,597	177,993

(b) movements during the financial year to June 2008

	Opening WDV at 1 July 2007 \$	Additions \$	Depreciation \$	Closing WDV at 30 June 2008 \$
<i>Computer hardware At cost</i>	58,115	11,878	28,445	41,548
<i>Computer software At cost</i>	119,878	-	47,093	72,785
<i>Leasehold Improvements</i>	-	47,863	8,975	38,888
<i>Furniture and Equipment</i>	-	8,196	820	7,376
Totals	177,993	67,937	85,333	160,597

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

(c) movements during the reporting period 1 September 2006 to 30 June 2007

	Opening WDV at 1 September 2006 \$	Additions \$	Depreciation \$	Closing WDV at 30 June 2007 \$
<i>Computer hardware At cost</i>	-	80,467	22,352	58,115
<i>Computer software At cost</i>	-	141,420	21,542	119,878
Totals	-	221,887	43,894	177,993

Note 6 Payables	For the year ended 30 June 2008 \$	For the ten month period ended 30 June 2007 \$
Current		
Trade creditors (i)	124,664	88,799
Income received in advance	1,003	0
Accruals	289,525	64,601
Total current payables	415,192	153,400

(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 Employee benefits

Current

Annual leave	147,971	134,426
Long service leave - that falls within 12 months after the end of the period, measured at a nominal value	25,025	127,570
Long service leave - that does not fall within 12 months after the end of the period, measured at present value	85,801	56,291
Total current employee benefits	258,797	318,287

Non Current

Employee benefits		
Long service leave	71,014	47,041
Total non current employee benefits	71,014	47,041

Aggregate carrying amount of employee benefit

Current	258,797	318,287
Non current	71,014	47,041
Total Employee benefits	329,811	365,328

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

Note 8	Equity and movements in equity	For the year ended 30 June 2008	For the ten month period ended 30 June 2007
	Movements in equity		
	Balance 1 September	1,319,471	
	Changes in equity recognised in the operating statement		
	Operating result	1,583,285	1,319,471
	Equity at the end of the financial period	2,902,756	1,319,471

Note 9 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	Terms and Conditions
Financial Assets			
Cash assets	1(f),16	Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and liquid investments and are recorded at nominal amounts	
Receivables	1(g),4,9	Trade receivables are carried at nominal amounts due.	Instalments as agreed but normally 30 day terms.
Financial Liabilities			
Trade and sundry creditors	1(h)6,9	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

(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.

2008	Notes	Fixed interest maturing in:					Total \$
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	
Financial assets							
Cash and cash equivalents	16	3,365,783	-	-	-	-	3,365,783
Receivables	4		-	-	-	107,512	107,512
		3,365,783	-	-	-	107,512	3,473,295
Weighted average interest rate		5.7%					
Financial liabilities							
Payables	6		-	-	-	415,192	415,192
			-	-	-	415,192	415,192
Weighted average interest rate							
Net financial assets		3,365,783	-	-	-	(307,680)	3,058,103

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

2007	Notes	Fixed interest maturing in:				Non-interest bearing \$	Total \$
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	16	1,260,478	-	-	-	-	1,260,478
Receivables	4		-	-	-	399,728	399,728
		1,260,478	-	-	-	399,728	1,660,206
Weighted average interest rate		4.32%					
Financial liabilities							
Payables	6		-	-	-	153,400	153,400
			-	-	-	153,400	153,400
Weighted average interest rate							
Net financial assets		1,260,478	-	-	-	246,328	1,506,806

(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.

	2008 \$	2007 \$
Aging of Trade and Other Receivables		
The aging of Trade and Other Receivables at reporting date was:		
Current (not yet overdue)	41,713	399,728
Past due between 31 to 60 days	525	-
Past due between 61 to 90 days	-	-
Past due by greater than 90 days	65,274	-
Total contributions to all funds	107,512	399,728

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 2007/08 is nil.

(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.

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

(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 have a short term cash management investment policy and manage actual performance to budget.

(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 3.7 to 7.7 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	Interest rate risk				
	Carrying amount subject to interest	-2%		+2%	
		Profit	Equity	Profit	Equity
2008	\$	\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	3,365,783	(28,831)	(28,831)	28,831	28,831
Trade and other receivables	-	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-
2007	\$	\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	1,260,478	(2,800)	(2,800)	2,800	2,800
Trade and other receivables	-	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

(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:

2008	Carrying amount \$	Net fair value \$
Financial assets		
Cash and cash equivalents	3,365,783	3,365,783
Receivables	107,512	107,512
Non-traded financial assets	3,473,295	3,473,295
Financial liabilities		
Payables	415,192	415,192
Non-traded financial liabilities	415,192	415,192

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

2007	Carrying amount \$	Net fair value \$
Financial assets		
Cash and cash equivalents	1,260,478	1,260,478
Receivables	399,728	399,728
Non-traded financial assets	1,660,206	1,660,206
Financial liabilities		
Payables	153,400	153,400
Non-traded financial liabilities	153,400	153,400

Note 10 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. Justin Madden MLC

Responsible Persons

Governing Board

Chairman - Christopher Banks AM

Board members: Robert Spence (Deputy Chair) - resigned 13 March 2008
Francis King (Acting Deputy Chair - from 16 June 2008)
Felix Blatt,
Carol Schwartz AM
Diane Fleming - appointed 23 October 2007

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 from the Authority in connection with the management of the Authority was \$461,532 (\$396,090 - 2007) for the period.

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

Income band (\$)	2008 No.	2007 No.
10,000 - 19,999	5	4
30,000 - 39,999	-	1
50,000 - 59,999	-	1
70,000 - 79,999	1	-
250,000 - 259,999	-	1
320,000 - 329,999	1	-

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

Executive Officers:

Gregory Bursill

Stephen Dunn - from 9 April 2008

Mark Knudsen - from 15 October 2007

Anastasios Mousaferiadis - until 24 July 2007

Edward Small - from 23 August 2007

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

Income band (\$)		2008 No.	2007 No.
130,000 -	139,999	-	1
140,000 -	149,999	-	1
150,000 -	159,999	1	-
170,000 -	179,999	1	-
Total		\$322,416	\$274,118

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.

Note 11 Remuneration of auditors

\$8,100 (\$8,800 - 2006/07) is payable to the Auditor General at reporting date.

Note 12 Contingent liabilities and contingent assets

There are no contingent liabilities or assets at 30 June 2008 (\$0 - 2006/07).

Note 13 Commitments for expenditure

The Authority has no commitments for expenditure at 30 June 2008 (\$57,000 - 2006/07).

Note 14 Superannuation

	2008 \$	For the ten month period ended 30 June 2007 \$
Superannuation contributions for the period are included as part of salaries and associated costs in the Operating Statement of the Authority		
Fund		
Emergency Services Superannuation Board	-	11,648
Victorian Superannuation Fund	86,889	54,747
Vision Super	53,223	-
Various other	60,828	50,109
Total contributions to all funds	200,940	116,504

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.

Notes to the financial statements

For the year ended 30 June 2008 (cont.)

Note 15 Subsequent events

The Authority is not aware of any circumstances that have arisen, or information that has become available between 30 June 2008 and the date of the final approval of this general purpose financial report that qualifies for inclusion as a post balance date event.

Note 16 Notes to the Cash Flow Statement

	For the financial year ended 2008	For the ten month period ended 30 June 2007
Reconciliation of cash	\$	\$
Cash at bank and on hand	3,365,784	1,260,478
Balances per Cash Flow Statement	3,365,784	1,260,478
 Reconciliation of net results for the reporting period to net cash inflow from operating activities		
Net result for the reporting period	1,446,004	1,319,471
Depreciation expense	85,333	43,894
Decrease/(increase) in prepayments	(13,867)	-
Decrease/(increase) in receivables	292,216	(399,728)
(Decrease)/increase in employee benefits	(35,517)	365,328
(Decrease)/increase in payables	399,073	153,400
Net cash inflow from operating activities	2,173,243	1,482,365

Note 17 Operating lease commitments

At 30 June 2008, the Authority had the following operating lease commitments for accommodation until 1 August 2010.

	2008 \$	2007 \$
Outstanding lease commitments are to be paid as follows:		
▪ Not longer than 1 year	156,540	151,200
▪ Longer than 1 year and not longer than 5 year	169,585	315,000
	326,125	466,200

Growth Areas Authority Statutory Certification

We certify that the attached financial statements for the Authority have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Recognised Income and Expense, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the financial year ended 30 June 2008 and financial position of the Authority at end 30 June 2008.

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



Peter Seamer
Chief Executive Officer

Melbourne
17 September 2008



Chris Banks AM
Chair

Melbourne
17 September 2008

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Growth Areas Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of Growth Areas Authority which comprises Operating Statement, Balance Sheet, Statement of Recognised Income & Expense, Cash Flow Statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Growth Areas Authority Statutory Certification has been audited.

The Members of the Board Responsibility for the Financial Report

The members of the Board of Growth Areas Authority are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 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 Members of the Board, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of Growth Areas Authority for the year ended 30 June 2008. The Members of the Board of Growth Areas Authority are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Growth Areas Authority website.

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.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Growth Areas Authority as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
17 September 2008


D D R Pearson
Auditor-General



AUTHORITY

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