



DEVELOPMENT  
VICTORIA



VICTORIA  
State  
Government

DEVELOPMENT VICTORIA  
ANNUAL REPORT  
2019-20





## Acknowledgement of Country

In the spirit of reconciliation, Development Victoria respectfully acknowledges the Traditional Custodians of country throughout Victoria and recognises and respects their continuing cultural heritage and connection to land. We pay our respects to their Elders past, present and emerging.

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The Ian Potter Queen's Hall, State Library Victoria  
Photo by Patrick Rodriguez



# FOREWORD

**In many ways, 2019-20 has been a year of two halves, where we have seen a remarkable shift in the way we, and the world around us, work and live.**

In 2019, we saw a consolidation of our work since establishment with a steady pipeline of projects, strong performance and a culture that has now evolved to become our own. It is this strong platform that positioned us well for the challenges that came in 2020, including unprecedented bushfires that ravaged Victoria, followed by the coronavirus [COVID-19] pandemic with its significant health and economic impacts.

Through adapting and putting business preparedness measures in place, we were ready to respond in a rapidly changing environment, manage risk and protect our team, while also maintaining business continuity.

While our projects were able to continue during this financial year, we are not immune from the unprecedented economic impacts of the coronavirus [COVID-19] crisis and will no doubt see that reflected in our short-term financial performance. But this year has shown we are well-placed to step-up and respond to these impacts.

We had major construction milestones for the Ballarat GovHub, Junction Place in Wodonga and stage 3 of the Melbourne Park redevelopment, as well as completion of the award-winning State Library of Victoria upgrade. In our property portfolio, we've also advanced important projects such as Fitzroy Gasworks, Knoxfield, Cairnlea and Highett. We have also achieved strong sales with a standout being the sale of all residential lots at our Taylors Quarter development.

This year we've continued our strong legacy in sustainability, with the establishment of a new sustainability strategy – deliver best practice, be carbon neutral by 2030 and invest in transformation. We're proud to be participating in the Green Building Council

of Australia's pilot program to test the new Green Star for Homes rating standard for residential developments.

Adding to our achievements in sustainability, the Rod Laver Arena refurbishment, part of the Victorian Government's Melbourne Park Redevelopment, received Leadership in Energy and Environmental Design (LEED) Gold® certification.

We also made further progress on our reconciliation journey with the lodgement of our Reconciliation Action Plan with Reconciliation Australia. A key component of this program of work has been the development and delivery of engagement processes with the Traditional Owners.

Our Affordable and Diverse Communities Framework was endorsed by our Board, guiding our work to provide long-term affordable housing solutions for a broader range of our community.

We have also had to make some tough decisions to keep the community safe, with the announcement in January to permanently close Central Pier in Docklands. An extensive assessment of the 100-year-old structure determined that, even with additional repairs, it could not be made safe for ongoing occupation. We are now working with Heritage Victoria and key stakeholders in securing the future of this site through a rebuild.

Planning work has pivoted to economic stimulus opportunities to support our state towards the road to recovery. Through developing opportunities in our portfolio and pipeline, we are maintaining a strong focus on Government priorities and policy outcomes including housing supply and retaining jobs in the construction sector.

Minister Jacinta Allan resumed responsibility for Development Victoria in early 2020 and enabled a new partnership with the Department of Transport. This sets a clear direction and opportunity to further strengthen our collaborative and whole-of-government approach to deliver on social and economic priorities for Victoria.

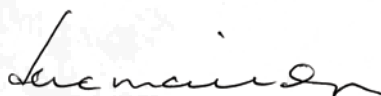
We acknowledge and extend thanks to Gavin Jennings MLC, for his support as Minister for Priority Precincts.

We also acknowledge and thank the Development Victoria Board members for their keen understanding of the broader context and direction for Development Victoria.

Thank you to the team at Development Victoria – your commitment to supporting each other, collaborating with our partners and achieving business outcomes means that we're ready to face future challenges and continue to deliver great outcomes for our state and the community.

The team at Development Victoria has shown a strong capability to continue to deliver for Government while being responsive and agile.

We look forward to the continuation of our journey.



**James MacKenzie**  
Chairperson  
8 September 2020



**Angela Skandarajah**  
Chief Executive Officer  
8 September 2020

# ABOUT DEVELOPMENT VICTORIA

## DEVELOPMENT VICTORIA'S STATEMENT OF CORPORATE INTENT

Development Victoria was established in April 2017 and is governed by the Development Victoria Act 2003. Development Victoria also has powers under the Docklands Act 1991. Each year Development Victoria prepares a Corporate Plan which sets out the organisation's mission, purpose and strategic objectives.

Development Victoria's goals are to:

- expertly and responsibly manage the design and delivery of major civic projects, property development and urban renewal projects on behalf of the Victorian Government, in the interests of the Victorian community
- be respected across the Victorian Government and within the development and infrastructure sector as a centre of excellence, with top tier skills, expertise and commercial acumen
- be recognised as an employer of choice for talented professionals across the public and private sectors.

### DEVELOPMENT VICTORIA WILL:

- identify opportunities to increase housing diversity in places close to jobs, transport and services
- lead projects to create cultural, recreational and civic facilities that enrich our communities and enhance Victoria's reputation
- revitalise major activity centres and urban precincts to stimulate economic activity and improve access to jobs closer to where people live.

## OUR POLICY PILLARS

Development Victoria is shaping the way Victorians live. We develop and revitalise public buildings and land to create spaces and homes that help make Victoria a great place to live.

1

Housing



Promoting and delivering housing diversity and affordable housing

2

Economic development



Delivering projects to drive economic development

3

Urban renewal



Planning and developing strategic urban renewal precincts

4

Value creation and capture



Pursuing value capture and creation opportunities

5

Social and economic infrastructure



Delivering social and economic infrastructure

## CORPORATE GOVERNANCE

Development Victoria is a statutory authority governed by a Board of Directors.

### RESPONSIBLE MINISTER

For the period from 1 July 2019 until 21 June 2020, the Minister for Priority Precincts had primary responsibility for Development Victoria under the *Development Victoria Act 2003*.

Since 22 June 2020, the Minister for Transport Infrastructure has primary responsibility for Development Victoria under the *Development Victoria Act 2003*.

### TREASURER

The Treasurer is responsible for oversight of Development Victoria's finances in accordance with the *Financial Management Act 1994*. This role requires the Treasurer to manage and monitor Development Victoria's financial position including its capital structure and operating performance.

Debt finance for projects is approved by the Treasurer on a case-by-case basis, and the organisation's aggregate financial assumptions and forecasts are approved annually by the Treasurer through the Corporate Plan.

### DEVELOPMENT VICTORIA BOARD

The role and function of the Development Victoria Board is established under the *Development Victoria Act 2003*. The Board has responsibility for strategic oversight of the organisation and considers projects presented by management for approval, before they are presented to the Minister.

Development Victoria is established as a Public Non-Financial Corporation (PNFC). As a PNFC, the organisation is required to cover its operating and financing costs through its business activities.

## LEGISLATION

Development Victoria was established on 1 April 2017 and operates under the *Development Victoria Act 2003*.

The functions of the organisation set out in the Act include:

- carrying out property development and social and economic capital works projects in accordance with government policies and strategies
- providing advisory services
- developing declared projects.

The Act requires Development Victoria to carry out its functions using commercial disciplines.

Development Victoria also has powers under the *Docklands Act 1991* to undertake the Docklands project.

STATUTORY AUTHORITY:  
Development Victoria

GOVERNING ACT:  
*Development Victoria Act 2003*

INCORPORATED:  
1 April 2017

REGISTERED ADDRESS:  
Level 9, 8 Exhibition Street  
Melbourne 3000

ABN: 61 868 774 623

## DECLARED PROJECTS AND MINISTERIAL DIRECTIVES

One of the key purposes of Development Victoria under the *Development Victoria Act 2003* is to undertake new declared projects, and complete existing declared projects.

The following projects are declared projects which were or are currently being completed by Development Victoria as at 30 June 2020:

- Ballarat Off Site Store Module 2 [completed]
- Ballarat West Employment Zone
- Flinders Street Station Administration Building [completed]
- Geelong Arts Centre - Stage 2
- Kew Residential Services Redevelopment
- Melbourne Park Redevelopment
- Parkville Gardens
- Revitalising Central Dandenong
- State Library Victoria Redevelopment [completed]
- State Netball and Hockey Centre Redevelopment

During the reporting period Development Victoria did not receive any direction from the Minister under Section 9 of the *Development Victoria Act 2003*.

# YEAR IN REVIEW

CELEBRATED THE  
LAUNCH OF OUR



DIVERSITY  
AND INCLUSION  
WORKING GROUP

- AND -

WOMEN@  
DV COMMITTEE



FIRST SALES  
RELEASES OF  
LAND FOR  
OUR NEW  
RESIDENTIAL  
PROJECT AT  
ACACIA  
IN BALLARAT

STATE NETBALL  
AND HOCKEY  
CENTRE  
WOMEN IN  
CONSTRUCTION  
INITIATIVE  
LAUNCHED



LAUNCHED  
OUR NEW

SUSTAINABILITY  
STRATEGY



STATE LIBRARY  
VICTORIA  
UNVEILS  
\$88.1M

TRANSFORMATION

EXPRESSION OF  
INTEREST FOR  
OPERATORS OF  
A MULTI-MILLION-  
DOLLAR

INTERMODAL  
FREIGHT HUB  
AT BWEZ

EARLY WORKS  
START ON AN  
APARTMENT  
PROJECT IN THE  
FINAL STAGE OF THE  
KEW RESIDENTIAL  
SERVICES  
REDEVELOPMENT

WELCOMED  
THREE NEW  
INTERNS



MELBOURNE  
PARK  
REDEVELOPMENT  
STAGE 2  
COMPLETED



**CONSTRUCTION  
OF THE  
BALLARAT  
GOVHUB  
COMMENCED**



**LAUNCHED  
NEW WEBSITE**  
DEVELOPMENT.VIC.GOV.AU

**CURTAINS  
LIFTED ON THE  
GEELONG  
ARTS CENTRE  
RYRIE STREET  
REDEVELOPMENT**

**BALLARAT OFFSITE  
STORAGE MODULE 2  
PROJECT COMPLETED**



**LEED GOLD  
CERTIFICATION  
AWARDED TO  
ROD LAVER  
ARENA  
UPGRADE AT  
MELBOURNE  
PARK**

**COMPLETION  
OF EOI AND RFP  
TO ATTRACT  
A PRIVATE  
DEVELOPER  
FOR 1.9 HECTARE  
MIXED-USE SITE IN  
CENTRAL  
DANDENONG**

**POLY AUSTRALIA  
STARTS  
WORK ON  
1000 LA TROBE ST,  
DOCKLANDS -  
THE FIRST  
SPECULATIVE  
OFFICE TOWER  
IN MELBOURNE  
FOR 30 YEARS**

**COMPLETION OF  
CIVIL WORKS  
ON THE LUXURY  
TOWNHOUSE  
DEVELOPMENT AT  
JUNCTION PLACE,  
WODONGA**

**INFRASTRUCTURE  
AND LANDSCAPE  
WORKS TO ENHANCE  
THE RESIDENTIAL  
DEVELOPMENT  
AT VALLEY LAKE**



**COMMENCED  
DELIVERY OF  
THE LEONARDO  
HELICOPTER  
MAINTENANCE,  
REPAIR AND  
OVERHAUL  
FACILITY AT  
FISHERMANS BEND**

# ADVISORY & CIVIC INFRASTRUCTURE

Development Victoria provides project advisory services and is responsible for managing major projects on behalf of government clients through the whole project lifecycle - from conception and commissioning, through to delivery of cultural, recreational and civic facilities that enrich our communities and enhance Victoria's reputation.

## GEELONG ARTS CENTRE - STAGES 2 AND 3



Photo by Rory Gardiner

The Geelong Arts Centre is Victoria's most significant cultural institution outside of Melbourne. It brings a wide array of creative and cultural experiences to Geelong and has given many local artists their first taste of the stage.

### PROJECT OBJECTIVE

Deliver an expanded performing arts centre with improved creative space for the Geelong community and with the capacity to meet the city's anticipated future growth.

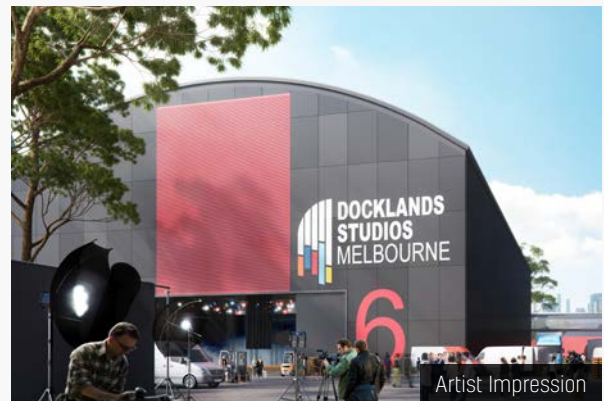
### POLICY OBJECTIVE

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Despite a significant archaeological and latent conditions delay, Stage 2 achieved Practical Completion and opened to the public in December 2019
- Stage 2 design shortlisted for the Architect's Institute of Australia Victorian Chapter's Architectural Awards
- Design commenced on Stage 3
- Completion of the first phase of Stage 3 engagement, which included Traditional Owner and First Peoples engagement

## DOCKLANDS STUDIOS MELBOURNE SOUND STAGE 6



Artist Impression

The new \$46 million, 3,700sqm Sound Stage 6 at Docklands Studios Melbourne will supercharge Victoria's screen industry by allowing the studios to attract and host large-scale blockbuster productions.

This super sound stage will be one of the largest of its kind in the Southern Hemisphere and will complement the existing stages and world class facilities at the studio.

Construction of Sound Stage 6 is expected to be completed by late 2021. The five existing sound stages will remain operational while the project is under way.

### PROJECT OBJECTIVE

Support and create jobs in the creative industries.

### POLICY OBJECTIVE

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Design team appointed in December 2019
- Schematic design completed
- Construction contractor tender released to market in June 2020



## MELBOURNE ARTS PRECINCT TRANSFORMATION



Artist Impression

The planned transformation of Melbourne's Arts Precinct is proposed to include a new NGV Contemporary gallery, redevelopment of Arts Centre Melbourne, the creation of a new creative hub at 1 City Road and the development of new public open space. The Victorian Government has invested \$208 million over two years for the planning and design phase of the project.

### PROJECT OBJECTIVE

The proposed project will introduce major new attractions to Southbank, provide much needed public space in Australia's densest postcode and improve connectivity across the entire Melbourne Arts Precinct.

### POLICY OBJECTIVE

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Completion of preliminary master plan
- Appointment of the Public Realm design team
- Completion of first phase of the Public Realm design
- Completion of the Arts Centre Melbourne's Theatres Building design
- Progression of Traditional Owners engagement

## MELBOURNE PARK REDEVELOPMENT – STAGES 2 AND 3

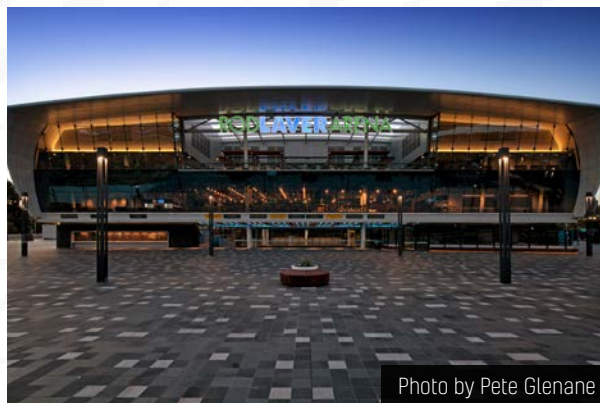


Photo by Pete Glenane

Development Victoria is working with Sport and Recreation Victoria, Melbourne and Olympic Parks Trust and Tennis Australia to deliver stages 2 and 3 of the Melbourne Park Redevelopment. Stage 3 includes a new function and media centre, a new multi-purpose show court and a central logistics hub. Stage 3 is expected to be completed in 2023.

### PROJECT OBJECTIVE

The creation of a world-class sports and entertainment precinct to support Melbourne's broader tourism, sporting and major events strategies and ensure the Australian Open remains in Victoria until at least 2036.

### POLICY OBJECTIVES

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Completion of Stage 2 works
- Managing Contractor awarded for Stage 3 of the Melbourne Park Redevelopment
- Demolition of old conference centre and commencement of Stage 3 construction
- Subsequent agreement of the Warranted Maximum Price for Separable Portion 2 of the Stage 3 Works achieved in early 2020

# ADVISORY & CIVIC INFRASTRUCTURE

## STATE BASKETBALL CENTRE



Artist Impression

The proposed upgrade of the State Basketball Centre at Knox will provide additional basketball courts, upgraded administration facilities, a centre of excellence and new training facilities. Development Victoria is delivering this project on behalf of the Victorian Government and Knox City Council.

### PROJECT OBJECTIVE

Provide better facilities with an enhanced functionality, accessibility and capacity that will enable increased levels of basketball and gymnastic participation at a local and state level.

### POLICY OBJECTIVE

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Completion and submission of business case in December 2019
- Completion of concept design in May 2020

## STATE LIBRARY VICTORIA REDEVELOPMENT (VISION 2020)



Photo by Patrick Rodriguez

Development Victoria led the successful delivery of the Vision 2020 redevelopment of the State Library Victoria, increasing public space by 40% and seating by 70%. Staged over five years, the library reopened to the public in December 2019.

### PROJECT OBJECTIVE

Deliver increased operational capacity and consolidate commercial opportunities for improved community access and cultural engagement while conserving the heritage qualities of the State Library Victoria.

### POLICY OBJECTIVE

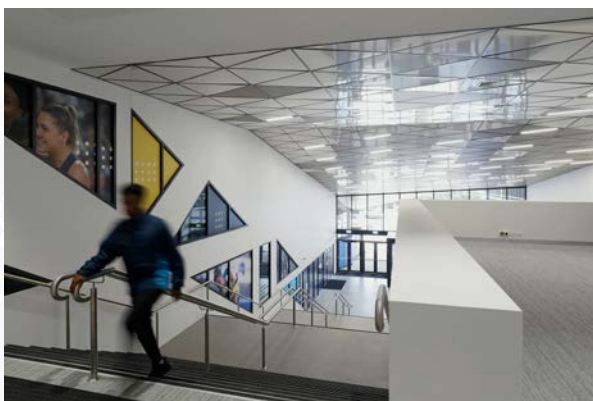
Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- Practical Completion achieved on 24 October 2019, six days ahead of the contractual date
- Launch day incorporated a media event that generated significant coverage for the State Library across print, broadcast and online media
- Project completed approximately 1.5% under budget, with the design shortlisted for the Australian Institute of Architects (Victorian Chapter), prestigious Melbourne Award



## STATE NETBALL HOCKEY CENTRE REDEVELOPMENT



This \$64.6 million redevelopment project is part of the Victorian Government's record investment in women's sport. The upgrade will provide six new indoor netball courts, a new indoor hockey facility, a high-performance strength and conditioning gym and establish the Women in Sport Leadership Centre.

### PROJECT OBJECTIVE

Create a national-standard combined sporting facility for improved user experience and performance, in line with the Victorian Government's focus on increasing female participation in sport.

### POLICY OBJECTIVE

Social and economic infrastructure

### 2019-20 KEY ACHIEVEMENTS

- In partnership with Kane Constructions, launched Building Opportunities for Women in Construction program in August 2019 to encourage female participation in the building and construction industry
- Opening of new northern entrance to the State Netball and Hockey Centre achieved ahead of schedule in February 2020 without operational impact
- Creation of a new northern entrance to replace the existing western entrance, which is being demolished as part of redevelopment works. It was necessary to fully complete and commission the new northern entrance prior to the demolition of the western entrance that commenced in March 2020.

# PRECINCT PROJECTS

Development Victoria leads the long-term urban renewal of some of the state's priority precincts to stimulate economic activity.

## DOCKLANDS



Docklands is the largest government-led urban renewal project under construction in Australia. Docklands is currently home to more than 13,000 residents and 73,000 workers. The precinct has also sustained a significant number of construction jobs over the past 20 years.

### PROJECT OBJECTIVE

Urban renewal in Docklands is revitalising a once industrial area to deliver housing, jobs and community spaces, as well as reconnecting the CBD with the waterfront.

### POLICY OBJECTIVE

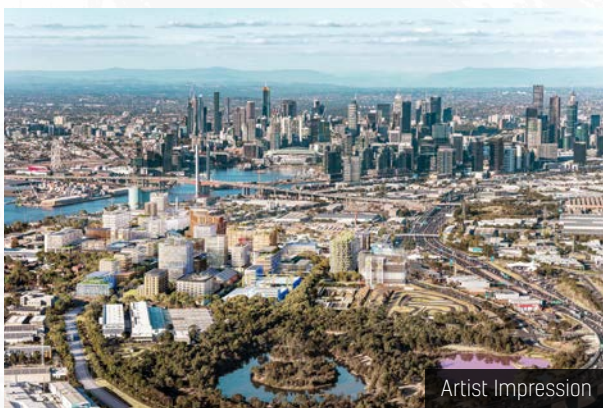
Urban renewal

### 2019-20 KEY ACHIEVEMENTS

- Ashe Morgan completes construction of Market Lane – a new fresh food precinct, which includes a Woolworths supermarket, Dan Murphy's, Priceline and speciality food shops in The District Docklands.
- Port Phillip Ferries commence operations on its second ferry service from Geelong to Victoria Harbour (and return), docking across the road from Marvel Stadium.
- Poly Australia breaks ground on 1000 La Trobe in Digital Harbour to celebrate what will be its flagship commercial development in Melbourne, a 40,000 m<sup>2</sup>, A-grade office tower.
- A new kindergarten added to the new Docklands Primary School which is currently under construction (due to open in 2021).
- Stage release achieved for Mirvac's Yarra's Edge Voyager tower featuring 316 apartments.
- Capital Alliance achieved "topping out" of the Docklands Residences tower, featuring 88 apartments and a 200 bed Marriott Hotel which is the first purpose-built Marriott hotel in Australia in more than 20 years.
- Collaborated with the AFL on the State funded Marvel Stadium Upgrade.
- Collins Square - delivered by Walker Corporation in collaboration with Development Victoria - nominated for the Government Leadership category in the 2020 Property Council Awards.



## GMH, FISHERMANS BEND



Artist Impression

The Victorian Government purchased the site to develop it into Australia's leading innovation precinct for advanced manufacturing, engineering and design. Development Victoria is preparing a design and development framework for the site to facilitate future development opportunities.

### PROJECT OBJECTIVE

Redevelop the GMH site to catalyse further private sector investment and jobs growth in the Fishermans Bend Employment Precinct

### POLICY OBJECTIVE

Urban renewal

### 2019-20 KEY ACHIEVEMENTS

- Commencement of construction of Leonardo's helicopter gearbox Maintenance, Repair and Overhaul Facility. Leonardo is an international technology company with interests in aerospace, defence and security and has a contract with the Commonwealth to maintain the defence fleet of helicopters in Australia. This project will establish Victoria as the only site in the southern hemisphere with a sophisticated aeronautical gearbox dynamic engineering capability.
- In collaboration with the Department of Jobs, Precincts and Regions and the Fishermans Bend Taskforce an implementation plan for GMH is being prepared. A key aspect of the Implementation Plan is the preparation of a site development framework that establishes the site structure plan, infrastructure servicing, sustainability and remediation strategies, underpinned by high level costings.
- Liaison with stakeholders, notably Melbourne City Council and the University of Melbourne on planning, heritage and subdivision matters.

## JUNCTION PLACE, WODONGA



Junction Place, Wodonga is regional Australia's largest urban renewal project. It is a 15-to-20-year project which will double the size of Wodonga's central business district by revitalising the former historic railway station and rail yards in central Wodonga.

### PROJECT OBJECTIVE

Enhance the economic profile of Wodonga and reposition the city as a destination of choice to live, work and visit, accommodate population growth, enhance commercial activation of the CBD, attract private investment and create employment.

### POLICY OBJECTIVES

Urban renewal, economic development

### 2019-20 KEY ACHIEVEMENTS

- Practical completion of Civil works commence on Precinct 4, a new residential development featuring 70 luxury townhouses.
- 70 luxury townhouses at Station 73 become available for sale off-the plan.
- Precinct 1 has been converted into a public park by Council for temporary use until the site can be developed.

# PRECINCT PROJECTS

## REVITALISING CENTRAL DANDENONG



This long-term project is rejuvenating Dandenong's city centre. Development Victoria is working with the City of Greater Dandenong and other stakeholders to transform land in the heart of Dandenong into a vibrant and thriving economic hub through the delivery of large-scale commercial, residential, retail, and community infrastructure, as well as public open spaces.

### PROJECT OBJECTIVE

To raise the economic profile of Dandenong and reposition the city as a destination of choice to live, work and visit, stimulate economic development and private sector investment and enhance livability

### POLICY OBJECTIVES

Urban renewal, economic development

### 2019-20 KEY ACHIEVEMENTS

- Commencement of transaction process for sites 11-15 (Foster Street), with a total area size of 1.9 hectares. The development site is bordered by Halpin Way, Cheltenham Road and Dandenong Railway Station and is expected to attract up to \$600 million of private sector investment into central Dandenong. The site includes the Little India precinct, Melbourne's longest-standing cluster of Indian culture and commerce. Subject to the successful developer being appointed in late 2020, construction of the mixed-use development is expected to commence from 2023.
- Community information session held with key stakeholders including Council, Little India traders and the general community to build awareness of Development Victoria and inform the stakeholders of the proposed redevelopment of sites 11-15 and associated development timelines.
- New multi-sport community court officially opened in July 2019, providing a much-needed recreational facility for the local community.
- Decommissioning of the former Precinct Energy Plant and sale to Council to support its art gallery precinct.
- Planning approval granted by the Minister for Planning, for Salvation Army's \$13.5 million community hub development.



# PROPERTY DEVELOPMENT

Through its property development activities, Development Victoria is responsible for the development of surplus and underutilised government land to deliver and promote housing diversity, social and affordable housing, economic development and mixed-use projects.

## ALFIE, ALTONA NORTH



Artist Impression

The Alfie residential project at Altona North will provide 127 new homes, with 10% of the dwellings earmarked to be delivered as affordable housing. The project will include a community park and multi-generational housing.

### PROJECT OBJECTIVE

Deliver diverse and affordable housing for a growing community.

### POLICY OBJECTIVES

Housing, urban renewal

### 2019-20 KEY ACHIEVEMENTS

- Melbourne-based builder JG King appointed as first builder partner for the development
- Stage 1 housing construction commenced
- Stage 1 civil works complete; Stage 2 & 3 civil works underway
- Over 95% of first stage sold
- Release and strong acceptance of our first shared equity offering – holding deposits in place for all 5 shared equity dwellings in Stage 1

## BALLARAT GOVHUB



Artist Impression

Development Victoria is leading the development of a new government office precinct on the Civic Hall site in Ballarat's CBD, in partnership with Regional Development Victoria, Department of Premier and Cabinet and Ballarat City Council. The Ballarat GovHub will accommodate up to 1,000 government employees and will help to revitalise Ballarat's CBD and stimulate economic growth.

### PROJECT OBJECTIVE

Encourage regional economic growth, support employment and revitalise Ballarat's CBD.

### POLICY OBJECTIVE

Economic development

### 2019-20 KEY ACHIEVEMENTS

- Significant construction progress with the external structure now complete
- The mass timber structure has been completed, delivering both innovative construction techniques and responding to sustainable building design outcomes

# PROPERTY DEVELOPMENT

## CIRQ, POINT COOK



CIRQ Point Cook is the first medium-density housing project delivered by Development Victoria. The development features two, three and four-bedroom townhouses and has been designed to offer high-quality, affordable housing close to community services.

### PROJECT OBJECTIVE

Deliver high-quality, affordable housing close to schools and the Point Cook Town Centre.

### POLICY OBJECTIVE

Housing

### 2019-20 KEY ACHIEVEMENTS

- All 104 townhouses have been sold
- Finalised construction of 69 out of 104 townhouses and settled 66 of these with purchasers

## CAIRNLEA



Development Victoria is leading the development of the final stage of Cairnlea, a 41ha site which sits along Cairnlea Drive and Ballarat Road, with the aim of creating a new residential neighbourhood. There will be a focus on sustainability, innovative design and the health and recreational needs of the community. A diverse mix of housing will cater for a range of age groups, families and lifestyles. There will also be a neighbourhood retail area, public open spaces and recreational facilities.

### PROJECT OBJECTIVE

Regenerate the site to deliver more affordable housing opportunities and a network of open spaces that are complimented by a variety of neighbourhood services.

### POLICY OBJECTIVE

Housing

### 2019-20 KEY ACHIEVEMENTS

- Community engagement to understand early views and aspirations for the site conducted over April/ May 2020
- Full consultant team appointed to develop preliminary designs for the site
- Project vision developed, focussing on regenerating the site to deliver more affordable housing opportunities and a network of open spaces that are complemented by a variety of neighbourhood services based on the 20-minute neighbourhood principles

## FITZROY GASWORKS



The former Fitzroy Gasworks site is an important part of Fitzroy North's industrial and social heritage. The vision for the site is to create an urban village that includes new housing, a senior high school, a sports centre and open space. The site is owned by the Victorian Government and provides an opportunity to create an urban village with new homes, shops and community facilities, including a school and sports courts.

### PROJECT OBJECTIVE

Redevelop the former Gasworks to create a new urban village.

### POLICY OBJECTIVE

Housing, urban renewal

### 2019-20 KEY ACHIEVEMENTS

- Significant work completed on the Development Plan, with background report submitted in June 2020
- Community engagement to gather feedback on the draft Development Plan completed in October/November 2019, with strong support received
- Site remediation works by Department of Treasury and Finance significantly progressed
- School development by Victorian School Building Authority contract awarded

## KNOXFIELD



In 2018 Development Victoria acquired the 19.2ha site on the corner of Burwood Highway and Scoresby Road, with the aim to create a vibrant new neighbourhood with a diverse range of housing, an improved wetland area, public open spaces and recreational facilities.

### PROJECT OBJECTIVE

Create a vibrant new neighbourhood in Knoxfield.

### POLICY OBJECTIVE

Housing

### 2019-20 KEY ACHIEVEMENTS

- Community engagement to understand views and aspirations for the site in November 2019
- Full consultant team appointed to refine the draft Masterplan
- Refinement of the wetland through the delivery of an early wetland illustration to help guide community feedback
- Community engagement seeking feedback on the draft Masterplan commenced in June 2020



# PROPERTY DEVELOPMENT

## LUMA, SUNSHINE NORTH



The development will provide approximately 300 townhouses consisting of 1, 2, 3 and 4 bedrooms suitable to a range of households including first home buyers, key workers to support the neighbouring health and education precinct, young professionals, couples, growing families and established families. All homes will be located close to the newly created local park and surrounded by green spaces. Sunshine North is considered an ideal location due to its easy access to amenities, public transport, major roads and freeways.

### PROJECT OBJECTIVE

Deliver a development built around a well-connected community.

### POLICY OBJECTIVE

Housing

### 2019-20 KEY ACHIEVEMENTS

- Planning approval granted for the first stage of 86 townhouses in December 2019
- Sales commenced in March 2020

## RIVERWALK



Development Victoria's Riverwalk project is located on 197 hectares of land on the former Werribee treatment plant site in Melbourne's west. Upon completion, Riverwalk will feature 2,260 homes and 7,300 new residents. The development features open space, a 1.4-hectare Village Park including a basketball court, water play areas, bike trails, playground and BBQ facilities.

### PROJECT OBJECTIVE

Create a cosmopolitan and connected village that leads the way in sustainable living and provides a range of diverse housing options.

### POLICY OBJECTIVES

Housing

### 2019-20 KEY ACHIEVEMENTS

- Commencement of the Alfred Road intersection upgrade works
- Completion of construction for Stages 19B, 22B, 24A, 24B, 25 and 26 (total of 195 residential lots)
- Settlement of around 250 lots
- Submission of a new draft Development Plan to Wyndham City Council
- Receipt of Planning Permits for Permit Area 9 (175 lots) and Permit Area 6 (407 lots)
- Sale and settlement of medium density lot (50 townhouses) adjacent to the Sports Oval. Vesting of the Sports Oval land with Wyndham City Council
- Commencement of construction across Stages 23-29
- Release of the Expression of Interest for a Supermarket Operator to establish in the Riverwalk Town Centre
- Liberator Park officially opened in March 2020

## SYDNEY ROAD, COBURG



541 Sydney Road, Coburg is an affordable housing development located in one of Melbourne's most diverse and inclusive communities, close to the CBD.

The site is owned by Development Victoria and is currently vacant. It has excellent linkages to services and amenities including transport, jobs, leisure facilities, schools and retail services. Development Victoria is facilitating the delivery of an affordable housing outcome through the sale of the site, with a retail or commercial component at ground floor level.

### PROJECT OBJECTIVE

Support state and local government policy frameworks to improve housing affordability, access and choice across Victoria.

### POLICY OBJECTIVE

Housing

### 2019-20 KEY ACHIEVEMENTS

- Contract of sale and agreement executed with Barnett Foundation for the development of at least 64 shared equity apartments that will be sold to public and social housing tenants

## TAYLORS QUARTER



Taylors Quarter is an urban infill site in Taylors Lakes that is close to the Watergardens Shopping Centre, schools, parklands and transport options. The development will feature a specially designed park that includes a picnic area, playground and multi-purpose sports court.

### PROJECT OBJECTIVE

Deliver a mixed-used development featuring a diverse range of houses in an area close to jobs, transport and amenities.

### POLICY OBJECTIVES

Housing

### 2019-20 KEY ACHIEVEMENTS

- Commencement and completion of the sale of standard residential lots across all three stages of the development (149 lots). Including the successful release of the final lots via a virtual ballot during the height of the coronavirus (COVID-19) pandemic
- Commencement of construction across all three stages of the development, following receipt of engineering approvals from Brimbank City Council
- Request for Proposal process undertaken to engage a Builder Partner for the delivery of 22 townhouses (under a split-contract model)
- Community consultation with purchasers and neighboring residents regarding the Taylors Quarter parkland. This consultation was incorporated in the revised design that has been lodged with Brimbank City Council for consideration

# DEVELOPMENT VICTORIA'S BOARD OF DIRECTORS

## JAMES MACKENZIE (CHAIRPERSON)

James MacKenzie is an experienced Australian company director. He currently serves as Chairman of Victorian Funds Management Corporation, Suburban Rail Loop Authority, Slater & Gordon Lawyers and is a member of the MCG Trust.

James was previously President of the Victorian Arts Centre Trust and Chairman of property developer Mirvac Group, Pacific Brands, the Transport Accident Commission (TAC), Worksafe Victoria and was co-Vice Chair of Yancoal Australia. He was also Managing Director of Funds Management and Insurance at the ANZ Banking Group, Chief Executive Officer of Norwich Union Australia, and TAC Chief Executive Officer. He has been a member of the COAG Business Advisory Forum and a previous director of VFMC.

James has a Bachelor of Business from Swinburne University, and is a Fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants in Australia. In 2001, he was awarded the Centenary Medal for services to Public Administration.

## GRAEME PARTON (DEPUTY CHAIRPERSON)

Graeme Parton is a highly experienced property and development adviser with over 40 years' experience.

Graeme has worked in high-rise commercial projects, major precinct developments, publicly listed companies and development/property trust management organisations in Australia. Graeme has provided advice to local, state and federal governments, major corporations and superannuation funds, and private family businesses on property investment and development, and was formally an independent director of both not-for-profit and for-profit organisations.

Having retired from his position as Partner and Director at Charter Keck Cramer, Graeme now owns Aequitas Advisory Pty Ltd, a strategic property consultancy. He is currently Chairperson of RMIT's School of Property, Construction and Project Management Advisory Board, independent Chairperson of Kinetica Studio (formerly David Lock Associates), an independent director of the Melbourne Anglican Diocesan Corporation Limited, a Council Member of the 53rd Anglican Diocese of Melbourne (the governing body) and Advisor to the Archbishop. Graeme is also a graduate of the Australian Institute of Company Directors.

## NATALIE MACDONALD

Natalie MacDonald is Vice-President (Strategy & Development) at La Trobe University. In this role, Natalie is focused on forward strategy of the University and the transformation of its campuses to create economic growth, community value and high-quality research, teaching and student life environments.

Natalie has extensive experience in public administration, governance and the delivery of services including government services, information services, building and design, accommodation, maintenance, facilities management and procurement services and the delivery of services across wide geographical areas. She is currently serving on the Victorian Building Authority Board and has served and is serving on a number of Commonwealth and state bodies and not-for-profit, superannuation and research Boards.

## LOU FARINOTTI

Lou Farinotti is a senior partner of the national law firm Holding Redlich and has been practicing as a property lawyer for over 40 years.

Lou was, until recently, Holding Redlich's Victoria managing partner for over 20 years. In his practice Lou has acted on behalf of a number of Australia's biggest property owners and developers as well as Councils, Governments and individuals. He has dealt with all facets of property law, from structuring, acquisitions, planning, sustainability, environmental, taxes and duties, leasing, disposal and succession.

Over the years Lou has acted for several of Melbourne's major property developer's in well over 100 major apartment and property projects. Lou headed up Holding Redlich's China/Asia initiative for several years, which has provided Lou with valuable experience and an understanding of Chinese and Asian business attitudes and culture.

## MEGAN HAAS

With core competencies centred around cyber risk, governance, technology and operational processes developed over 30+ years both in Australia and internationally, Megan Haas brings a unique perspective to Development Victoria.

Megan is also a member of the Audit and Risk Committee, Note Printing Australia, a wholly owned subsidiary of the Reserve Bank of Australia, Advisory Board Member of the Suburban Rail Loop Authority, RMIT Council Member and Chair of the Audit & Risk Committee, amongst others.

Formerly a PwC Cyber Security & Forensic Services Partner Megan has worked with organisations across international borders and industries including pharmaceutical, gaming, retail, manufacturing, government, media, financial services and communications.



## JACQUI WALTERS

Jacqui Walters is an experienced Senior Executive and non-executive Director who has worked across many industries including transport, infrastructure and professional services. She has a strong international track record in establishing new businesses and organisational reform and transformation. She has advised local, state and federal government clients on improving major capital project performance and infrastructure outcomes.

Jacqui is Chair of CleanCo Queensland Ltd, a non-executive Director and Chair of the Risk and Audit Committee of Slater & Gordon Ltd, and Chair of the Citytrain Response Unit (Qld). She is also on the Queensland Advisory Committee of the not-for-profit organisation, Second Bite. Jacqui is a Partner of Era Innovation, an advisory firm enabling long-term resilience in Australian organisations by creating systematic, disciplined innovation capability.

Jacqui holds a Bachelor of Commerce, held a Certified Practising Accountant qualification for 12 years, is a Graduate of the Australian Institute of Company Directors and a Trustee of Committee for Economic Development of Australia (CEDA).

## JAMES FLINTOFT

James Flintoft has substantial private sector and government executive leadership and governance experience.

James is a director of the Transport Accident Commission and Foundation for Rural & Regional Renewal.

James spent 10 years in the public service, including as Chief Executive of Regional Development Victoria facilitating civic infrastructure and precinct development. Before joining the public service, he spent 20 years working in the private sector, including as Managing Director, Business Banking at ANZ Bank and as a management consultant at McKinsey & Company. James has a Bachelor of Science and a Bachelor of Laws, an MBA from the Wharton School, and is a Graduate of the AICD

## FORMER BOARD MEMBERS

### REBECCA CASSON

Tenure as Board Director ended 1 December 2019

## THE BOARD

The Board is responsible for the governance and oversight of Development Victoria, including its strategic direction and performance. A framework for effective management has been established through delegated authorities, control mechanisms and risk management strategies.

The Governor in Council appoints Directors for periods not exceeding five years. The Board is to consist of a Chairperson, a Deputy Chairperson and no more than seven other Directors.

As at 30 June 2020, the Board comprised seven Directors. During the year, one Director's tenure expired, and one new Director was appointed.

The Board ensures that the government is informed of all major issues affecting Development Victoria. Board meetings are held monthly, or more frequently if required. The Chief Executive Officer and the Executive Team are invited to attend each Board meeting. Attendance by Directors at Board meetings held during the reporting period is detailed adjacent.

Directors' fees and related party transactions with Directors and their related entities are fully disclosed in Notes 8.6 and 8.7.

## DEVELOPMENT VICTORIA BOARD ATTENDANCE

### DEVELOPMENT VICTORIA HELD 14 BOARD MEETINGS IN 2019-2020.

BOARD MEMBER	ELIGIBLE TO ATTEND	ATTENDED	NOTE
James MacKenzie	14	14	
Graeme Parton	14	14	Appointed Deputy Chairperson effective 3 September 2019
Natalie MacDonald	14	13	
Lou Farinotti	14	13	
Megan Haas	14	14	
Jacqui Walters	14	14	
James Flintoft	13	13	Appointed as Board Director effective 3 September 2019
Rebecca Casson	4	3	Tenure as Board Director ended 1 December 2019

## COMMITTEES OF THE BOARD

Development Victoria has three Board Committees - the Audit and Risk Committee, Investment Committee and People, Culture and Remuneration Committee.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee assists the Board by overseeing and advising on matters of accountability and internal control relating to financial, risk and compliance management.

The Committee routinely receives reports from both internal and external auditors.

The Audit and Risk Committee consists of the following members:

- Natalie MacDonald (Chairperson) – Director
- James MacKenzie – Chairperson of the Board
- Megan Haas – Director

### INVESTMENT COMMITTEE

The Investment Committee ensures the appropriate oversight of Development Victoria's project acquisitions, projects and developments. The Investment Committee makes recommendations to the Board in relation to the financial and technical viability of project acquisitions and development opportunities.

The Investment Committee comprises the following members:

- Graeme Parton (Chairperson) – Deputy Chairperson of the Board
- James MacKenzie – Chairperson of the Board
- Lou Farinotti – Director
- Jacqui Walters – Director

### PEOPLE, CULTURE AND REMUNERATION COMMITTEE

The People, Culture and Remuneration Committee sets the strategic direction for the organisation's culture, remuneration policies and leadership of its people.

The People, Culture and Remuneration Committee consists of the following members:

- James Flintoft (Chairperson) Director (member from 3 September 2019, appointed Chairperson 26 November 2019)
- Rebecca Casson (former Chairperson) – Director (member until 1 December 2019)
- James MacKenzie – Chairperson of the Board
- Graeme Parton – Deputy Chairperson of the Board
- Jacqui Walters – Director (member from 26 November 2019)

## DEVELOPMENT VICTORIA COMMITTEE MEMBERSHIP AND ATTENDANCE 1 JULY 2019 TO 30 JUNE 2020

COMMITTEE MEMBER	AUDIT AND RISK COMMITTEE		INVESTMENT COMMITTEE		PEOPLE, CULTURE AND REMUNERATION COMMITTEE		
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	NOTE
Natalie MacDonald	4	4					
James MacKenzie	4	4	4	2	3	3	
Megan Haas	4	4					
Graeme Parton			4	4	3	3	
James Flintoft					2	2	Appointed as PCRC Member, effective 3 September 2019 Appointed as PCRC Chairperson, effective 26 November 2019
Rebecca Casson					1	1	Tenure as PCRC Member expired 1 December 2019
Lou Farinotti			4	4			
Jacqui Walters			4	4	2	2	Appointed as PCRC Member, effective 26 November 2019

# EXECUTIVE LEADERSHIP TEAM

## CHIEF EXECUTIVE OFFICER

### ANGELA SKANDARAJAH

With over 25 years' experience in the real estate sector, Angela Skandarajah has broad based expertise in property development, urban renewal and infrastructure projects.

Angela previously headed up MinterEllison's National Real Estate, Environment and Planning team and has been a long term contributor to various industry bodies.

Since joining Development Victoria in 2017 she has been part of the leadership of the organisation in various roles and was appointed CEO in February 2019. Angela is passionate about creating a learning environment at Development Victoria, where people are encouraged to develop and maximise their potential, whilst achieving great outcomes for the community.

## ACTING GROUP HEAD, OPERATIONS

### ANDRÉ VAN BAALen

André van Baalen leads the delivery of finance, technology, human resources and risk services at Development Victoria.

With more than 20 years' experience gained in large corporations across a range of industries, André has extensive experience in operational and financial management.

Prior to joining Development Victoria, he held various group finance, decision support, corporate services and business transformation roles at Energy Australia, Commonwealth Bank and Hutchison Telecommunications.

## ACTING GROUP HEAD, PROPERTY DEVELOPMENT

### MANNY BIKAKIS

Manny Bikakis leads our Property Development team. The team provides technical and commercial advice, develops residential and mixed use projects, and leads our affordable housing initiatives.

Manny has a wealth of experience in senior finance roles across high profile organisations, with his career spanning Australia, Germany and the UK. In his position of Australia and New Zealand Finance Director for PPG Industries, Manny was accountable for all Finance, IT and Commercial support across the Asia Pacific. Manny has also held other senior finance positions including CFO of Incitec Pivot's fertiliser business and he had a long and distinguished career with BP in both their European and Australian businesses.

## GROUP HEAD, PRECINCTS

### GEOFF WARD

Geoff Ward heads up the Precincts team, leading the long-term urban renewal of some of the state's priority precincts. The team provides advice to support strategic planning, undertakes master planning, and provides delivery advice to balance policy and commercial outcomes.

Geoff has more than 30 years' experience in planning and delivering precinct, civic and infrastructure projects. He has broad local and international experience within the private sector and government organisations. Most recently, Geoff led the Fishermans Bend Taskforce and was responsible for the strategic planning of one of Australia's largest urban renewal precincts. Prior to that he spent a decade in the Middle East delivering a range of major precinct projects.

## ACTING GROUP HEAD, CIVIC INFRASTRUCTURE

### HANNAH CLEMENT

Hannah Clement leads our civic infrastructure delivery group, which is responsible for managing major project delivery on behalf of government clients.

With more than 20 years' experience in planning and delivering major civic and infrastructure projects, she has led some of the state's most significant redevelopments including Margaret Court Arena, Geelong Arts Centre, State Library Victoria as well as the Melbourne Arts Precinct Transformation.

Prior to joining Development Victoria, Hannah delivered complex and challenging major projects across Australia, the Middle East and South-East Asia. With a background in civil engineering, she spent more than 10 years in the engineering consultancy sector, with a specialisation in the delivery of major sporting, event and social infrastructure. Hannah also maintains an interest in the fields of international development and is passionate about the role urban built form plays in promoting social equity, cohesion and reducing communities' vulnerability to natural disasters.



**ACTING SENIOR DEVELOPMENT DIRECTOR,  
ADVISORY SERVICES**

**BRAD SCOTT**

Brad Scott leads our Advisory team, that provides a broad range of strategic advice to support the development of our property, precincts and wider government projects in areas including business case and strategy development, market research and data analytics, planning and, sustainability. Most recently, the team led the development of our Affordable and Diverse Communities Framework.

Brad has 20 years' experience as a commercial and strategic adviser across the private and public sectors. Brad has led the front-end development and provision of strategic funding advice for a wide range of strategic government projects including The Melbourne and Olympic Park Redevelopment and the Melbourne Arts Precinct. Brad also led the government's market offering of the 20 hectare E-Gate redevelopment. This experience, combined with an investment banking grounding from Macquarie Bank, provides Brad with a sound understanding of commercial principles that inform the provision of high quality strategic advice across our project portfolio.

**ACTING SENIOR DIRECTOR, ACQUISITIONS**

**KATHRYN LORD**

Kathryn Lord leads our Acquisitions team, responsible for the identification and assessment of property investment opportunities to secure policy and commercial outcomes on behalf of the Victorian Government.

Kathryn has more than 25 years' property development experience leading and managing complex, multi-disciplinary large-scale feasibility and development projects in the private and public sector. Since joining Development Victoria in 2009, she has held a number of senior positions and has been involved in a several precinct and property projects of state significance.

**EXECUTIVE DIRECTOR,  
CORPORATE AFFAIRS AND ENGAGEMENT**

**JULIE BROWNING**

Julie Browning leads the Corporate Affairs and Engagement team for Development Victoria. The team provides support to the organisation and its work across a broad range of communications, including branding, community and stakeholder engagement, media, government relations and reputation management.

Julie has extensive executive experience built across the public and private sectors, including Infrastructure Victoria, the City of Melbourne and the Royal Children's Hospital. As a consultant, she has worked extensively across a broad range of clients, particularly in the health sector, community engagement and reputation management.

**EXECUTIVE DIRECTOR, PEOPLE AND CULTURE**

**CAROLINE MONZON**

Caroline Monzon leads the People and Culture function, bringing over 20 years of experience in human resources across property, software development and professional services industries.

Caroline joined Development Victoria in 2013 and in that time her primary focus has been on leadership and organisational development, cultural transformation and change management programs, including the program that was undertaken to support the establishment of the organisation. Caroline is a certified member of the Australian HR Institute and a committee member for IPAA's People Community of Practice.

# REPORT ON OPERATIONS

## FINANCIAL SUMMARY

For the 12 months ended 30 June 2020, Development Victoria produced an underlying Net Result from Transactions after Income Tax equivalent expense of \$28.6 million.

After adjusting for other economic flows, the comprehensive profit result was \$27.5 million.

Total equity of Development Victoria as at 30 June 2020 was \$208.4 million.

The Net Cash Outflow from Operating activities for the 12-month period ending 30 June 2020 was \$39.5 million.

PERIOD ENDED 30 JUNE	2020 \$'000	2019 \$'000
<b>Operating results</b>		
Revenue	190,730	206,870
Cost of Sales	[131,574]	[142,458]
Operating expenses	[30,545]	[26,577]
Other economic flows	[1,114]	[8,867]
Income tax equivalent	-	-
<b>Total costs</b>	<b>[163,233]</b>	<b>[177,901]</b>
<b>Comprehensive result</b>	<b>27,497</b>	<b>28,969</b>
<b>Financial status</b>		
Total assets	1,012,561	899,716
Total liabilities	[804,149]	[718,800]
<b>Total equity</b>	<b>208,412</b>	<b>180,915</b>



# PROJECT LIST 2019-20

PROJECT		LOCATION
MAP No.	CIVIC	
1	Ballarat Offsite Storage Module 2	Ballarat
2	Flinders Street Station Administration Building Exterior	Melbourne
3	Geelong Performing Arts Centre Stage 2	Geelong
4	Geelong Performing Arts Centre Stage 3	Geelong
5	Docklands Studios Melbourne Sound Stage 6	Docklands
6	Melbourne Arts Precinct, Public Realm	Southbank
7	Melbourne Arts Precinct, Arts Centre Melbourne	Southbank
8	Melbourne Arts Precinct, NGVC	Southbank
9	Melbourne Arts Precinct, 1 City Rd	Southbank
10	Melbourne Park Redevelopment – Stage 2	Melbourne
11	Melbourne Park Redevelopment – Stage 3	Melbourne
12	State Basketball Centre	Knox
13	State Library Victoria	Melbourne
14	State Netball and Hockey Centre	Parkville

PROJECT		LOCATION
MAP No.	PRECINCTS	
15	Arden	Arden
16	Docklands	Docklands
17	General Motors Holden (GMH) Precinct	Fishermans Bend
18	Junction Place	Wodonga
19	Revitalising Central Dandenong	Dandenong

PROJECT		LOCATION
MAP No.	PROPERTY DEVELOPMENT	
20	Alfie	Altona North
21	Aurora	Epping
22	Aurora Town Centre	Epping North
23	Ballarat GovHub	Ballarat
24	Ballarat West Employment Zone (BWEZ)	Ballarat
25	Cairnlea	Cairnlea
26	CIRQ	Point Cook
27	Fitzroy Gasworks	Fitzroy North
28	Jacksons Hill	Sunbury
29	Keilor Park	Keilor Park
30	Kew Residential Services Redevelopment	Kew
31	Knoxfield	Knox
32	Officer Town Centre	Officer
33	Officer Residential – Olio	Officer

34	Parkville Gardens	Parkville
36	Riverwalk	Werribee
36	Springvale South	Springvale
37	Stoney Creek	Sunshine North
38	Sunshine North	Sunshine North
39	Sydney Road	Coburg
40	Taylors Quarter	Taylors Lake
41	Valley Lake	Keilor East

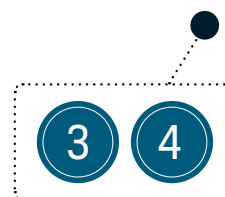
# PROJECT LOCATIONS

## BALLARAT



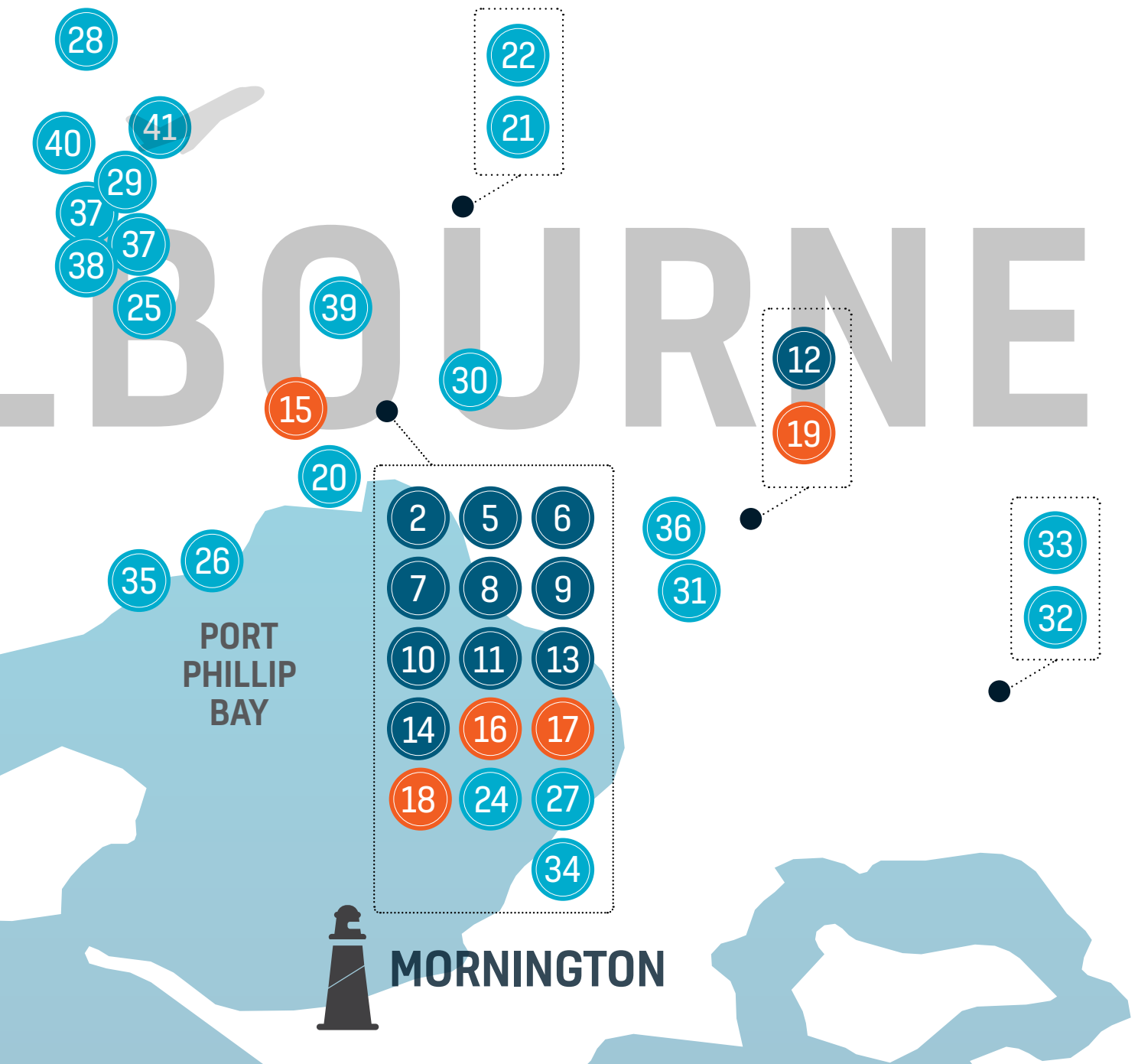
MEL

## GEELONG



-  PRECINCTS
-  CIVIC
-  PROPERTY





# OUR PEOPLE

At its core, Development Victoria's workplace fosters a spirit of purposeful collaboration in pursuit of delivering the highest quality services and project outcomes.

Our culture is built on diversity, honesty and accountability. We are proud to support a culture where our people thrive because of the diversity that they bring - this is recognised as a key to the success of the organisation. Collaboration, innovation and delivery are the core values that underpin all our work.

Contribution is valued from a diverse range of viewpoints and is strengthened by our gender-balanced workforce. In striving for excellence, employees are encouraged to prioritise their continued development through a wide variety of professional experiences and learning opportunities.

During 2019-2020, we undertook a range of initiatives, including:

- continuing to harness our Capability Framework, with a focus on "Leading with Purpose" - recognising that we all have leadership responsibilities that are best executed when we are clear on our purpose
- launching our new Mental Health and Wellbeing Plan, including Mental Health for Leaders training
- building a diverse and inclusive culture by introducing a Diversity and Inclusion working group and Women@DV committee, inviting employees across the organisation to participate
- continuing to implement initiatives to drive employee engagement, including a monthly roundtable with the CEO
- implementing a series of regular pulse checks to channel employee feedback across a range of areas including leadership communication, performance and development, diversity and inclusion and wellbeing. The feedback has led to refinements in strategies and practices in key areas.

## EMPLOYMENT AND CONDUCT

As a public agency, Development Victoria adheres to the Victorian Public Sector Employees Code of Conduct. The Victorian Public Sector Employment Principles, which provide for fair and reasonable treatment, merit in employment, equal employment opportunity, and reasonable avenues of redress, provided guidance for Development Victoria's employment policies and practices.

## OCCUPATIONAL HEALTH AND SAFETY (OHS)

Development Victoria's commitment to providing a safe and healthy working environment for employees, consultants, contractors and the wider community continues to be a key priority. This was underpinned by the continuous improvement of the Occupational Health and Safety Framework and increased engagement on Occupational Health and Safety (OHS) throughout the organisation.

To foster a proactive reporting culture that demonstrates a commitment to and delivery of a no-blame approach, Development Victoria continues to work with our projects, contractors and stakeholders to encourage early reporting of incidents and that thorough investigations are carried out to ensure that causes are identified and corrected to limit reoccurrence. A total of 70 incidents were reported for the reporting period.

An analysis of the data shows that of all incidents, just over half were safety related (41 incidents), 23 related to property, 5 were environmental, 1 involved a heritage asset. Of the safety incidents 20 per cent, (14) resulted in an injury (either first aid or medical treatment injury) and near misses accounted for 10 per cent (7).

The Development Victoria OHS Committee has Health and Safety Representatives from across the business and these meetings are well attended with 10 meetings held in the reporting period. There is a good level of engagement within the Committee with issues being addressed including incident findings, trends or concerns, presentation and discussion of "Health & Safety Moments" and training requirements.

Development Victoria has a wellness committee which continued its work during the transition and ongoing working from home due to coronavirus (COVID-19). This committee and the safety team implemented various programs to support employees in various areas including mental wellbeing, social wellbeing and connectedness, as well as physical safety and setup and has an ongoing program considering Development Victoria's evolving requirements as the way we work changes.



## OUR VALUES

### COLLABORATE



WE ARE STRONG  
AS A TEAM  
WE EMBRACE  
PARTNERSHIPS  
WE ARE  
PASSIONATE

### INNOVATE



WE FIND  
NEW WAYS  
WE STRIVE TO  
BE BETTER  
WE ARE EMPOWERED  
TO GROW AND ADAPT

### DELIVER



WE FIND COMPLETE  
SOLUTIONS  
WE ADD  
VALUE  
WE ARE ALL  
ACCOUNTABLE

## WORKFORCE DATA

Figure 1 Details of employment levels as at 30 June 2020

All employees		Ongoing			Fixed Term		
Headcount	FTE	Full-time Headcount	Part-time Headcount	FTE	Headcount	FTE	
Gender:							
Male	91	89.9	84	2	85.7	5	4.2
Female	107	101.32	86	13	94.34	8	6.98
Self-described	0	0	0	0	0	0	0
Total	198	191.22	170	15	180.04	13	11.18
Age							
Under 25	10	9.6	9	0	9	1	0.6
25-34	55	53.9	49	1	49.6	5	4.3
35-44	79	75.2	63	10	69.7	6	5.5
45-54	37	35.52	32	4	34.74	1	0.78
55-64	15	15	15	0	15	0	0
Over 64	2	2	2	0	2	0	0
Total	198	191.22	170	15	180.04	13	11.18
Classification							
Level 1	13	10.8	8	2	9	3	1.8
Level 2	49	47.58	40	2	41.1	7	6.48
Level 3	40	39.3	37	2	38.3	1	1
Level 4	12	11.54	9	2	10.54	1	1
Level 5	49	47.2	42	6	46.3	1	0.9
Executive	35	34.8	34	1	34.8	0	0
Total	198	191.22	170	15	180.04	13	11.18



# OUR SUSTAINABILITY STRATEGY

## LAUNCHING OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy has been developed to clearly articulate Development Victoria's commitments to sustainability and to deliver real and consistent outcomes.

The Strategy outlines the following three goals:

### 1. DELIVER BEST PRACTICE

Development Victoria will embed a focussed, contextually appropriate, and consistent best practice approach across our entire portfolio. This goal defines a baseline for our projects and is a starting point for alignment with our project partners across government. It has been designed to be easily integrated into existing ways of working and delivery, and to work specifically with other government policies and guidelines. The definition of this goal is embodied in a series of requirements that have been tested across the spectrum of industry performance, against Victorian State policy and on our own projects and covers themes in Resilience, Circular Economy, Integrated Water Cycle, Biodiversity, Energy and Emissions, Affordability, Healthy Living, Access to Amenity, and Diversity.

### 2. CARBON NEUTRAL BY 2030

This is a direct response to the Victorian Climate Change Act 2017, which stipulates that the long-term emissions reduction target for the state is an amount of net zero greenhouse gas emissions by the year 2050. The Act also addresses Climate Change and Climate Adaptation.

Our response to the Act is that we will align with our private sector Development Partners and the trajectory of the Green Building Council of Australia (GBCA) to deliver Carbon Neutral developments, within our level of control and influence, by 2030. Development Victoria aims to achieve organisational carbon neutrality in 2020 and for all our development by 2030.

### 3. INVEST IN TRANSFORMATION

Development Victoria will take a more formal, structured approach to innovation and respond to Victoria's Value Creation and Capture Framework (VCC) as well as key strategic priorities across Government and for our development partners. This goal is focussed on leadership and supporting market transformation through identifying collaboration opportunities on projects and reflecting our goals in the operations for our organisation.

We will seek to identify partnerships early in a project with a focus on amplifying outcomes that would be delivered through a business as usual approach. Our role presents a unique opportunity to engage with the private sector and government to research and test new ideas to support a market transformation towards a more sustainable economy.

## LOOKING AHEAD

We'll be working to embed best practice into all projects where practicable and to change our ways of working for new projects to achieve consistency in our approach and outcomes.

We will grow our collaboration within Government and across the private sector to elevate key opportunities on projects and within our organisation.

We will look to learn, share and contribute to continual growth towards a more sustainable Victoria



**Deliver Best Practice**



**Carbon Neutral by 2030**



**Invest in Transformation**

# ENGAGING WITH OUR COMMUNITIES

Development Victoria works closely with both community and stakeholders to ensure our projects achieve a balance of environmental, social, cultural and economic outcomes.

We value transparency and inclusivity and are committed to providing opportunities for people to help shape the communities in which they live and work. Our approach is consistent with the Victorian Auditor-General's Office (VAGO) Better Practice Guide for Engagement (2015).

In 2020, due to the impact of coronavirus (COVID-19) and public gathering restrictions and community safety, we moved our face to face consultation online.

This year, we have worked with the community across the following projects:

- **BENDIGO GOVHUB - JULY 2019:**  
In partnership with Regional Development Victoria and other key project partners we led engagement activities for the new Bendigo GovHub. Feedback received from the community helped shaped key elements of the Concept Design, including the public realm, a focus on sustainable design with end-of-trip facilities and the delivery of state-of-the-art workspaces.
- **MELBOURNE PARK REDEVELOPMENT - AUGUST 2019:**  
Development Victoria provided a comprehensive presentation of the design and delivery components of Stage 3 to stakeholders. Stakeholders included Melbourne Cricket Club, Collingwood Football Club, Bicycle Network Victoria and the local community. Held across four sessions at Melbourne Park, the community and broader stakeholders were eager to see the redevelopment create a functional, positive and engaging space that expands the visitor experience in the precinct.
- **FITZROY GASWORKS - OCTOBER 2019:**  
We presented the key elements of the draft Development Plan for further community feedback on this important project. Community had their say through online surveys, street pop-ups, drop-in information sessions, letter box drop, social media and traditional advertising as well as a dedicated 1800 number and email address.
- **KNOXFIELD - LATE 2019 TO JUNE 2020:**  
This year saw the second phase of community engagement for the future Knoxfield development site. Using feedback, Development Victoria created a draft Masterplan for the site, to guide how the new neighbourhood will be developed into the future. In June 2020, Development Victoria sought feedback on the draft Masterplan to refine key elements, including parking, pedestrian and cycle paths, the improved wetland area, public open spaces and landscaping.
- **CAIRNLEA - APRIL 2020:**  
We led engagement at Cairnlea to understand the community's views and aspirations for the new neighbourhood. To acknowledge Cairnlea's diverse demographics, the fact sheet and online survey were translated into Vietnamese, Cantonese and Arabic.

- **GEELONG ARTS CENTRE - MAY 2020:**

Development Victoria sought feedback on the community's vision for the future use of the public spaces at the Geelong Arts Centre. Respondents provided feedback via an online survey about their aspirations for the spaces. The response to the engagement activities provides guidance and inspiration for the concept design of the Geelong Arts Centre Little Malop Street Redevelopment. There are plans to engage with all the stakeholders again at the concept design stage.

## TRADITIONAL OWNER ENGAGEMENT

Development Victoria acknowledges and respects Victorian Traditional Owners as the original custodians of Victoria's land and waters.

The organisation is committed to genuinely partnering, and meaningfully engaging with Victoria's Traditional Owners and Aboriginal communities to achieve Aboriginal economic development outcomes and reflect the world's oldest living culture in the projects we deliver.

In 2019 Development Victoria embarked on its reconciliation journey with the formation of a Reconciliation Action Plan (RAP) working group to develop a Reflect RAP.

Our RAP program focuses on building relationships with Aboriginal and Torres Strait Islander organisations, including Traditional Owner groups; fostering and embedding respect for Aboriginal and Torres Strait Islander peoples and their cultures in our workplace and among our workforce; and identifying and developing opportunities within our sphere of influence to improve socio-economic outcomes for Aboriginal and Torres Strait Islander peoples in Victoria.

A key component of this program of work has been the development and delivery of engagement processes with the Traditional Owners of the land on which we work.

Traditional Owner engagement processes undertaken in the 2019-20 financial year include the Melbourne Arts Precinct Transformation, Geelong Arts Centre Redevelopment, Bendigo GovHub, Ballarat West Employment Zone and Riverwalk.



# OTHER DISCLOSURES

## LOCAL JOBS FIRST – VICTORIA INDUSTRY PARTICIPATION POLICY (VIPP)

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and the Major Project Skills Guarantee (MSPG) which were previously administered separately.

Development Victoria has provided ongoing employee training, resources and support to enable delivery teams to comply with the requirements of the Local Jobs First Policy. Standard form procurement templates and contracts incorporate the Local Jobs First model clauses and instructions for bidders. Evaluation spreadsheets used by the delivery teams apply the mandatory Local Job First Policy weightings on all procurements and note that bidders who fail to submit a valid Local Industry Development Plan (LIDP) are to be excluded from the tender process.

- 12 Standard Local Jobs First projects were registered with ICN during the reporting period of which two of these projects have the Major Projects Skills Guarantee applied.
- Three Strategic Local Jobs First projects were registered with ICN during the reporting period.
- There are two ongoing strategic projects which were registered with ICN previously and migrated to the new Local Jobs First VMC.

No grants were provided during the reporting period.

## GOVERNMENT ADVERTISING EXPENDITURE

Development Victoria undertook four advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST) during the reporting period.

Details of government advertising expenditure (campaign with a media spend of \$100,000 or greater):

CAMPAIGN NAME	CAMPAIGN SUMMARY	START DATE	END DATE	ADVERTISING (MEDIA) EXPENDITURE 2019-20	CREATIVE AND CAMPAIGN DEVELOPMENT EXPENDITURE 2019-20	RESEARCH AND EVALUATION EXPENDITURE 2019-20
LUMA, Sunshine North	LUMA is a townhouse development in Sunshine North. Marketing activity, including advertising, was undertaken to drive property sales	January 2020	Will continue into 2020 -21	\$125,928	\$202,264	\$2,000
Acacia, Ballarat	Acacia is a land development in Ballarat. Marketing activity, including advertising, was undertaken to drive property sales.	April 2020	Will continue into 2020 -21	\$5,938	\$83,400	\$2,000
Riverwalk, Werribee	Riverwalk is a land development in Werribee. Marketing activity, including advertising, was undertaken to drive property sales.	July 2019	Will continue into 2020 -21	\$147,481	\$86,576	\$2,000
Alfie, Altona North	Alfie is a townhouse development in Altona North. Marketing activity, including advertising, was undertaken to drive property sales.	July 2019	Will continue into 2020 -21	\$135,764	\$37,441	\$2,000

## SPONSORSHIPS

Recipient	Purpose	AMOUNT (ex GST)
Naomi Milgrom Foundation	Sponsorship of the Living Cities Forum	\$75,000
Urban Development Institute of Australia (UDIA)	Sponsorship of the UDIA Awards for Excellence 2019	\$9,500
The National Association of Women in Construction (NAWIC)	Sponsorship of the NAWIC Lifecycle Series – Melbourne & Olympic Park Redevelopment	\$9,900



## CONSULTANCY EXPENDITURE (VALUED AT \$10,000 OR GREATER)

For the reporting period, there were eight consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during the reporting period in relation to these consultancies is \$340,845 (excluding GST). Details of individual consultancies are outlined below. All consultancies were completed within the relevant approved project fee and as at the date of this report it is not proposed to incur further expenditure on these consultancies.

CONSULTANT	PURPOSE	EXPENDITURE (Ex GST)
Allens	Professional Services & Advice	\$27,275
Deloitte Private Pty Ltd	Professional Services & Advice	\$15,750
Ernst & Young	Professional Services & Advice	\$12,433
Holding Redlich Trust Account	Professional Services & Advice	\$12,300
Minter Ellison	Professional Services & Advice	\$202,286
Pitcher Partners Consulting Pty Ltd	Professional Services & Advice	\$35,501
PricewaterhouseCoopers	Professional Services & Advice	\$15,300
The Trustee for Adapt Partners Unit Trust	Professional Services & Advice	\$20,000
<b>TOTAL</b>		<b>\$340,845</b>

## DETAILS OF CONSULTANCIES UNDER \$10,000

For the 12-month reporting period from 1 July 2019 to 30 June 2020, there were four consultancy engagements where the total fees payable for each consultancy was less than \$10,000.

The total expenditure incurred during the reporting period in relation to these consultancies was \$23,327 (excluding GST).

## INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2019-20 reporting period, Development Victoria had a total ICT expenditure of \$4 million, with the details shown below.

All operational ICT expenditure	ICT expenditure related projects to create or enhance ICT capabilities		
Business as Usual (BAU) ICT expenditure (Total)	Non-Business as Usual (Non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
\$3,618k	\$466k	\$42k	\$424k

ICT expenditure refers to Development Victoria's costs in providing business-enabling ICT services. This figure comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to projects that extend or enhance Development Victoria's current ICT offering. BAU ICT expenditure represents all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## FREEDOM OF INFORMATION (FOI)

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by Development Victoria.

Development Victoria's Freedom of Information (FOI) Part II Information Statement<sup>1</sup> describes Development Victoria's key services, functions, reports and outputs, and describes what material is held by Development Victoria, and what material is publicly available.

## FOI STATISTICS/TIMELINES

For the reporting period 1 July 2019 to 30 June 2020, Development Victoria received 11 requests.

Source of request	
FOI Requests from Members of Parliament	3
FOI Requests from media	6
Other FOI Requests	2
<b>TOTAL</b>	<b>11</b>
<b>Decisions made on FOI requests in 2019-20</b>	
Access granted in full	0
Access granted in part	2
Access refused	3
Documents not located/do not exist	2
Transferred to another agency	1
Other	3
<b>TOTAL</b>	<b>11</b>
<b>Processing time</b>	
Decision made in accordance with timeframes prescribed by the FOI Act	9
Decision made outside timeframes prescribed by the FOI Act	0
Currently being processed	1
Not applicable	1
<b>Decisions under review</b>	
Total FOI Commissioner reviews	4 (two decisions affirmed, one review withdrawn, one in progress)
Total VCAT Appeals	1 (currently in progress)

<sup>1</sup>Available at [https://www.development.vic.gov.au/about/policies-and-disclosures?page=freedom\\_of\\_information](https://www.development.vic.gov.au/about/policies-and-disclosures?page=freedom_of_information)

## MAKING A REQUEST

Requests for access to documents must be made in writing to:

Freedom of Information Officer  
Development Victoria  
GPO Box 2428  
Melbourne VIC 3001  
Email: [foi@development.vic.gov.au](mailto:foi@development.vic.gov.au)

When making an FOI request, applicants should ensure requests are in writing and clearly identify what types of material/documents are being sought. An application fee of \$29.60 applies (which may be waived in certain circumstances). Access charges may also be payable (for example, photocopying and search and retrieval charges).

## FURTHER INFORMATION

Further information regarding the operation and scope of FOI can be obtained from Development Victoria's website, [www.ovic.vic.gov.au](http://www.ovic.vic.gov.au), *Freedom of Information Act 1982* (Vic), and regulations made under that act.

## COMPLIANCE WITH THE *BUILDING ACT 1993*

The buildings occupied by Development Victoria comply with the building and maintenance provisions of the *Building Act 1993*. All new buildings and works to existing buildings carried out for or on behalf of Development Victoria also comply with the *Building Act 1993*.

## COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

In accordance with its governing Act, Development Victoria carried out its functions using commercial disciplines. The National Competition Policy required Development Victoria to act within a competitively neutral framework. This means that, except in respect of declared projects, and other than by having access to the list of surplus government sites published by the Department of Treasury and Finance, Development Victoria:

- operated in a competitive environment in an open market
- operated under the provisions of the *Financial Management Act 1994*, rather than the *Corporations Act 2001*
- was subject to State and Commonwealth regulations applying to private sector organisations
- was subject to State and Commonwealth taxes, including compliance with the National Tax Equivalent Regime
- was subject to all local government rates and charges or statutory equivalents.

Where the government decided that a commercial approach was not appropriate for a specific project, special provisions existed. The *Development Victoria Act 2003* provided for the Governor in Council, on the recommendation of the Minister, to declare a development, or proposed development, to be a declared project. Once established as such, Development Victoria exercised particular powers to facilitate the development of the declared projects.

### **COMPLIANCE WITH THE *PUBLIC INTEREST DISCLOSURES ACT 2012***

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters to be disclosed and rectifying action to be taken.

Development Victoria does not tolerate improper conduct by its employees or officers or reprisals against those who come forward to disclose such conduct. The organisation is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Development Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. Development Victoria will afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### **REPORTING PROCEDURES**

Disclosures of improper conduct or detrimental action by Development Victoria or any of its employees or officers must be made to the Independent Broad-based Anti-corruption Commission (IBAC):

Independent Broad-based Anti-corruption Commission  
Level 1, North Tower  
459 Collins Street  
Melbourne Vic 3000  
GPO Box 24234, Melbourne, VIC 3001  
Telephone: 1300 735 135  
Website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

The Protected Disclosures Policy and Procedures, which outline the procedures for the reporting of disclosures to the IBAC, are available on Development Victoria's website.

### **COMPLIANCE WITH *CARERS RECOGNITION ACT 2012***

Development Victoria takes all practical measures to comply with its obligations under the Act.

These include:

- incorporating a requirement for all employees to engage in discussions during their quarterly performance check-ins with their manager about workplace flexibility
- providing every employee with 4G enabled laptops and tablet devices, delivering physical flexibility in relation to working locations, which gives employees greater control over how they perform their roles
- celebrating significant dates on the annual calendar, such as International Women's Day, whereby we shared examples of people from across the organisation who utilise flexible working practices to balance their caring responsibilities

Over the last five years, 95% of employees who have taken parental leave, have returned to work, most initially in a part-time capacity.

Results from the 2019 People Matter Survey indicating that 87% of employees are confident that a request for flexible work arrangement would be given due consideration. This measure saw a 17% uplift from the previous year's survey.

### **COMPLIANCE WITH THE *DISABILITY ACT 2006***

Development Victoria has taken steps to affirm its position as an employer who values the rights of people with a disability.

This includes:

- compulsory workplace behaviour training that emphasises human rights and provides a refresher on anti-discrimination legislation and employer obligations
- upgrading office facilities to improve wheelchair accessibility following the employment of an employee who is a wheelchair user
- offering Mental Health First Aider training to all employees to better equip our people to provide support to others who experience mental health issues in the workplace
- undertaking an employee survey in relation to diversity in 2019 and 2020 that indicated that 6 per cent of our workforce identify as a person with a disability.

Results from the 2019 People Matter Survey indicating that the majority of employees believe there is a positive culture within the organisation in relation to employees with disabilities. This measure saw a 20% uplift from the previous year's survey.



## OFFICE BASED ENVIRONMENTAL IMPACTS

Over the past year Development Victoria has undertaken a number of initiatives to improve environmental performance within its office. In early 2019 a waste audit was completed indicating room for improvement. In response, new kitchen joinery was installed that clearly separates green, recycling and general waste streams with additional signage to assist employees. A follow up audit will be undertaken in late 2020 to measure improvements.

In addition, Development Victoria recently completed a full service of office lighting to ensure office lights are operating efficiently and automatically turn off after work hours. At 7pm each night, all lights switch off and revert to Motion Sensor activation. If activated by movement, lights then turn off after a further three hours.

Development Victoria has also performed an audit on the digital displays in the office to ensure these operate from sensors and are not staying on after hours. Development Victoria is also working on adding visual representation of water and electrical use to digital media within the office space in order to promote employees awareness.

## ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by Development Victoria and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- A statement that declarations of pecuniary interest have been duly completed by all relevant officers;
- Details of publications produced by Development Victoria about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by Development Victoria;
- Details of overseas visits undertaken;
- A general statement on industrial relations within Development Victoria and details of time lost through industrial accidents and disputes; and
- Details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

The information can be requested from:  
Freedom of Information Officer  
Development Victoria  
GPO Box 2428  
Melbourne VIC 3001





#### ADDITIONAL INFORMATION INCLUDED IN ANNUAL REPORT

Details of the following items have been included in this annual report, on the pages indicated below:

- The occupational, health and safety of employees (page 30)
- Commitment to employment and conduct principles (page 30)
- Committees of the Board of Development Victoria (page 22)

#### INFORMATION THAT IS NOT APPLICABLE

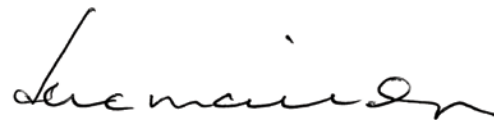
The following requirements were not relevant to Development Victoria for the reasons set out below:

- Details of shares held by senior officers (no shares have ever been issued in Development Victoria).
- Details of major external reviews carried out on Development Victoria (there were no major external reviews carried out on Development Victoria during the reporting period).
- Details of major research and development activities undertaken by Development Victoria (no such activities were carried out during the reporting period).
- Details of major promotional, public relations and marketing activities undertaken by Development Victoria to develop community awareness of the organisation and its services. (no such activities were undertaken during the reporting period).

#### ATTESTATION FOR FINANCIAL MANAGEMENT COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 5.1.4 DEVELOPMENT VICTORIA FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

Development Victoria is required to comply with the Standing Directions 2018 of the Financial Management Act, which set the standard for financial management by Victorian Government Agencies. Development Victoria undertakes an annual internal review of its performance against these Directions, reviewed by a formal Internal Audit programme. Development Victoria has not identified any Material Compliance Deficiencies in relation to the 2019-20 compliance year.

I James MacKenzie, on behalf of the Responsible Body, certify that Development Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



JAMES MACKENZIE,  
CHAIRPERSON

Melbourne, 8 September 2020



Artist Impression

# DEVELOPMENT VICTORIA FINANCIAL REPORT

## 12 MONTHS TO 30 JUNE 2020

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## Consolidated Comprehensive Operating Statement for the financial period ended 30 June 2020

		12 MONTHS TO 30 JUNE 2020	12 MONTHS TO 30 JUNE 2019
	NOTES	\$'000	\$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Land sales	2.2	181,561	196,296
Interest income	2.3	1,560	2,373
Other income	2.4	7,609	8,201
<b>Total income from transactions</b>		<b>190,730</b>	<b>206,870</b>
<b>Expenses from transactions</b>			
Costs of sales	3.2	[131,574]	[142,458]
Employee benefits	3.3.1	[17,066]	[15,931]
Depreciation and amortisation	4.1.2	[3,740]	[1,740]
Borrowing costs	3.4	[742]	[953]
Other operating expenses	3.5	[8,997]	[9,471]
<b>Total expenses from transactions</b>		<b>[162,119]</b>	<b>[170,553]</b>
Net result from transactions before income tax equivalent expense		28,611	36,317
Income tax equivalent (expense)/benefit	5.4	-	-
<b>Net result from transactions after income tax equivalent expense</b>		<b>28,611</b>	<b>36,317</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	8.1	-	[46]
Net gain/(loss) on financial instruments	8.1	[62]	80
Write off of impairments of land inventory	8.1	[962]	[8,867]
Other gains/(losses) from other economic flows	8.1	[90]	1,485
<b>Total other economic flows included in net result</b>		<b>[1,114]</b>	<b>[7,348]</b>
<b>Net result</b>		<b>27,497</b>	<b>28,969</b>
<b>Comprehensive result</b>		<b>27,497</b>	<b>28,969</b>

The accompanying notes form part of these financial statements.

## Consolidated Balance Sheet as at 30 June 2020

		30 JUNE 2020	30 JUNE 2019
	NOTES	\$'000	\$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	170,167	162,145
Receivables	5.1	45,864	52,897
<b>Total Financial Assets</b>		<b>216,031</b>	<b>215,042</b>
<b>Non-financial assets</b>			
Prepayments		1,123	1,011
Land inventory	5.3	777,032	678,933
Property, plant and equipment	4.1	18,043	4,312
Intangible assets	4.2	332	417
<b>Total non-financial Assets</b>		<b>796,530</b>	<b>684,673</b>
<b>Total Assets</b>		<b>1,012,561</b>	<b>899,716</b>
<b>Liabilities</b>			
Payables	5.2	175,943	155,843
Land sale deposits	5.5	24,512	25,523
Borrowings	6.1	533,291	482,305
Right-of-Use Lease Liability	6.2	14,661	-
Employee related provisions	5.6	5,253	4,244
Provisions	5.6	50,489	50,886
<b>Total liabilities</b>		<b>804,149</b>	<b>718,800</b>
<b>Net assets</b>		<b>208,412</b>	<b>180,915</b>
<b>Equity</b>			
Contributed capital		125,765	125,765
Accumulated surplus		82,647	55,150
<b>Net worth</b>		<b>208,412</b>	<b>180,915</b>

The accompanying notes form part of these financial statements.

## Cash Flow Statement for the financial period ended 30 June 2020

		12 MONTHS TO 30 JUNE 2020	12 MONTHS TO 30 JUNE 2019
	NOTES	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers	6.3	422,601	478,282
Goods and services tax recovered from the ATO		10,344	11,303
Interest received		1,648	2,632
<b>Total receipts</b>		<b>434,593</b>	<b>492,217</b>
<b>Payments</b>			
Payments to suppliers and employees	6.3	(436,633)	(396,152)
Interest and other costs of financials paid		(15,182)	(14,096)
Land purchases	5.3	(22,278)	(10,831)
<b>Total payments</b>		<b>(474,093)</b>	<b>(421,079)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.3.1	<b>(39,500)</b>	<b>71,138</b>
<b>Cash flows from investing activities</b>			
Receipts from cash deposits		-	17,000
Purchases of non-financial assets		(484)	(502)
<b>Net cash flows from/ (used in) investing activities</b>		<b>(484)</b>	<b>16,498</b>
<b>Cash flows from financing activities</b>			
Dividends paid	8.2	-	(9,400)
Borrowing costs	3.4	(742)	(953)
Proceeds from borrowings		50,987	3,362
Repayment of principal portion of lease liabilities	6.2	(2,239)	-
<b>Net cash flows from/ (used in) financial activities</b>		<b>48,006</b>	<b>(6,991)</b>
Net increase/(decrease) in cash and deposits		8,022	80,645
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>162,145</b>	<b>81,500</b>
<b>Cash and cash equivalents at the end of financial period</b>	6.3	<b>170,167</b>	<b>162,145</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity for the financial period ended 30 June 2020

	ACCUMULATED SURPLUS	CONTRIBUTIONS BY OWNER	TOTAL
NOTES			\$'000
Balance at 1 July 2018	35,581	125,765	161,346
Net result for the period	28,969	-	28,969
Dividend paid 8.2	(9,400)	-	(9,400)
<b>Balance at 30 June 2019</b>	<b>55,150</b>	<b>125,765</b>	<b>180,915</b>
Net Result for the year	27,497	-	27,497
<b>Balance at 30 June 2020</b>	<b>82,647</b>	<b>125,765</b>	<b>208,412</b>

The accompanying notes form part of these financial statements.



## 1. ABOUT THIS REPORT

Development Victoria is the Victorian government's property development agency established under an Act of Parliament and domiciled in Australia. Development Victoria is responsible for carrying out urban renewal projects and developing surplus government land.

Development Victoria's registered office is at Level 9, 8 Exhibition Street, Melbourne, Victoria, Australia.

This report covers the 12-month period from 1 July 2019 to 30 June 2020. Comparative information is included for the 12 months ending 30 June 2019.

### BASIS FOR PREPARATION

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

These consolidated financial statements have been prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in the notes associated with the item measured on a different basis.

These consolidated financial statements have been prepared on a going-concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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

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

These estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgments and assumptions made by management in the application of Australian Accounting Standards (AAS) that have significant effect on the financial statements and estimates relate to:

- provision for employee benefits (Refer to Note 3.3.2);
- the fair value of property, plant and equipment and leasehold improvements (Refer to Note 4.1.4);
- impairment and Net Realisable Value (NRV) inventory assessment (Refer to Note 5.3); and
- the provision for property and development related costs (Refer to Note 5.6).

Consistent with AASB 13 *Fair Value Measurement*, Development Victoria determines the policies and procedures for recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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

The Valuer-General Victoria (VGV) is Development Victoria's independent valuation agency.

All amounts in the financial statements for Development Victoria have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

### BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of Development Victoria and its subsidiaries at 30 June 2020. Control is achieved when Development Victoria is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Development Victoria controls an investee if, and only if, Development Victoria has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Development Victoria re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Development Victoria obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities are eliminated in full on consolidation.

In the financial year ending 30 June 2020, Development Victoria established three wholly owned unit trusts for the purposes of property management. As Development Victoria has full control over the three subsidiary trusts, they will be fully consolidated into the Development Victoria Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If Development Victoria were to dispose of or lose control of a subsidiary it would derecognize the related assets, liabilities and equity components, while any resultant gain or loss is recognised in Other Economic Flows of the Consolidated Comprehensive Operating Statement. Any investment retained would be retained at fair value.

## GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of the associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

## COMPLIANCE INFORMATION

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

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

## 2. FUNDING DELIVERY OF OUR SERVICES

### INTRODUCTION

This section presents the sources and amounts of income recognised by Development Victoria and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

#### Structure

2.1	Summary of income that funds the delivery of our services	47
2.2	Land sales	47
2.3	Interest income	48
2.4	Other income	48

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES		2020	2019
	NOTES	\$'000	\$'000
Land sales	2.2	181,561	196,296
Interest income	2.3	1,560	2,373
Other income	2.4	7,609	8,201
<b>Total income from transactions</b>		<b>190,730</b>	<b>206,870</b>

All income disclosed is net of returns, allowances, duties and taxes. Income is recognised to the extent that it is probable that the economic benefits will flow to Development Victoria and the income can be reliably measured at fair value.

In the year ending 30 June 2020, due to the impact of coronavirus (COVID-19) and in response to Federal and State Government directions, Development Victoria offered rental relief to tenants totalling \$3.1m.

2.2 LAND SALES	2020	2019
	\$'000	\$'000
Property Development Land Sales	138,995	131,171
Precinct Lands Sales	29,087	50,785
Project management fees	13,479	11,340
<b>Total land sales</b>	<b>181,561</b>	<b>196,296</b>

Development Victoria performs land development activities either as the land owner or through partnerships with other land owners or developers. Partnerships are in the form of partnering deeds, joint arrangements or development agreements, which govern contract obligations, depict the revenue and profit-sharing arrangements, and define the project governance structures.

Long term development agreements with stage-based performance obligations and payment terms are typically used for large scale precinctual land developments. The agreements commonly grant development rights over parcels of land through an initial land payment or deposit, with subsequent stage based land or revenue share payments and cost contributions for infrastructure works.

Outside of development agreements, land is transacted through land sale contracts under terms of an initial deposit and full payment on contract settlement, with any relevant revenue share distributions to partners determined on the date of settlement. Income is recognised in line with *AASB 15 Revenue from Contracts with Customers*.

Income from land sales is recognised by Development Victoria when:

- Development Victoria has identified a contract with a customer, which has separately identifiable performance obligations;
- Development Victoria retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land;
- the amount of income and the costs incurred or to be incurred in respect of the transaction can be reliably measured for each performance obligation; and
- Development Victoria has satisfied the contractual performance obligation. A performance obligation is deemed to be satisfied on transfer of land title, which is usually on the date of settlement. No further obligations exist after the transfer of the title.

Project management fees charged for time and materials are recognised on an accrual basis and relate mainly to infrastructure projects that Development Victoria manages on behalf of government clients.

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

2.3 INTEREST INCOME	2020	2019
	\$'000	\$'000
Interest from bank deposits	1,560	798
Interest from deposits with Treasury Corporate Victoria	-	1,575
<b>Total Interest from financial assets at amortised cost</b>	<b>1,560</b>	<b>2,373</b>
<b>Total interest income</b>	<b>1,560</b>	<b>2,373</b>

2.4 OTHER INCOME	2020	2019
	\$'000	\$'000
Property rental income	7,352	8,195
Other revenue	257	7
<b>Total other income</b>	<b>7,609</b>	<b>8,202</b>

Rental income reflects amounts due from lessees under operating leases and are recorded as receivables. Operating lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Finance lease receivables relate to rental properties with remaining lease terms of 1-5 years. The lessees do not have options to purchase the properties at the conclusion of the lease agreements.

Operating leases relate to properties held for the purposes of long-term development owned by Development Victoria with lease terms between one and five years. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that Development Victoria retains are not considered to be significant and properties are primarily held for development purposes rather than as long-term investment properties.

### 3. THE COST OF DELIVERING GOODS AND SERVICES

#### INTRODUCTION

This section presents the major components of expenditure incurred by Development Victoria in relation to operating activities during the reporting period, as well as any related obligations outstanding as at 30 June 2020.

#### Structure

3.1 Expenses incurred in delivery of goods and services	48
3.2 Cost of sales	48
3.3 Employee benefits expenses	49
3.4 Borrowing cost	51
3.5 Other operating expenses	51

3.1 EXPENSES INCURRED IN DELIVERY OF GOODS AND SERVICES		2020	2019
	NOTES	\$'000	\$'000
Cost of sales	3.2	131,574	142,458
Employee benefit expenses	3.3.1	17,066	15,931
Borrowing costs	3.4	742	953
Other operating expenses	3.5	8,997	9,471
<b>Total expenses incurred in delivery of goods and services</b>		<b>158,379</b>	<b>168,814</b>

3.2 COST OF SALES	2020	2019
	\$'000	\$'000
Cost of land sales	113,963	128,090
Salaries, wages, long service leave and on costs	17,611	14,368
<b>Total cost of sales</b>	<b>131,574</b>	<b>142,458</b>



Cost of sales consists of all the supplies and effort (including salary costs) incurred in purchasing, developing and getting land into a saleable condition. This includes the direct purchase and development of a lot, together with the stage and estate infrastructure and amenity works that support the sale of a lot.

Costs comprise both historical costs incurred to date, together with future estimated costs that relate to the land being sold such as future estate works.

Cost of sales are calculated and allocated to each individual lot at the time of stage release, with the same proportion of costs allocated to all lots within that stage release.

The stage release calculation takes into account the unique attributes of that stage and estimated future costs at that time. Therefore, there may be some variance between the proportional allocations of indirect estate costs between stages.

### 3.3 EMPLOYEE BENEFITS EXPENSES

3.3.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT		2020	2019
	NOTES	\$'000	\$'000
Salaries and wages, annual and long service leave and on costs		13,275	13,001
Defined benefit superannuation expense	3.3.3	20	22
Defined contribution superannuation expense	3.3.3	2,970	2,599
Termination benefits		801	309
<b>Total employee expenses</b>		<b>17,066</b>	<b>15,931</b>

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Superannuation disclosed above are employer contributions to defined benefit and defined contribution superannuation plans that are paid or payable during the 12 month reporting period.

**Termination benefits** are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. Development Victoria recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.3.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET		2020	2019
		\$'000	\$'000
<b>Current Provisions</b>			
<b>Employee benefits - Annual leave</b>			
Unconditional and expected to be settled within 12 months		1,740	1,316
<b>Employee benefits - Long service leave</b>			
Unconditional and expected to be settled within 12 months		812	468
Unconditional and expected to be settled after 12 months		1,212	1,261
<b>On-costs</b>			
Unconditional and expected to be settled within 12 months		328	259
Unconditional and expected to be settled after 12 months		117	143
<b>Total current provisions for employee benefits (Note 5.6)</b>		<b>4,209</b>	<b>3,446</b>
<b>Non-current provisions:</b>			
Employee benefits		952	716
On-costs		92	81
<b>Total non-current provisions for employee benefits (Note 5.6)</b>		<b>1,044</b>	<b>797</b>
<b>Total provisions for employee benefit</b>		<b>5,253</b>	<b>4,244</b>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

## WAGES, SALARIES AND ANNUAL LEAVE

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

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

- nominal value if Development Victoria expects to wholly settle within 12 months; or
- present value if Development Victoria does not expect to wholly settle within 12 months.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

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

The components of the current LSL liability are measured at:

- nominal value - component that is expected to be wholly settled within 12 months; and
- present value - component that is not expected to be wholly settled within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

## 3.3.3 SUPERANNUATION CONTRIBUTIONS

Development Victoria employees are entitled to receive superannuation contributions and Development Victoria contributes to both defined benefit and defined contribution plans.

The defined benefit plan provides benefits based on years of service and final average salary. Employees under the Defined Benefit Scheme are entitled to defined lump-sum benefits on retirement, disability or death. The basis of determining the level of employer contributions is determined by the various actuaries of the defined benefit superannuation plan.

Development Victoria does not recognise any defined benefit liability in respect of the plan(s) because Development Victoria has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement.

The superannuation contributions made by Development Victoria are as follows:

SUPERANNUATION CONTRIBUTIONS	2020	2019
	\$'000	\$'000
<b>Paid contribution for the period</b>		
Defined benefit plan	20	20
Defined contribution plans	2,763	2,381
<b>Contribution outstanding at period end</b>		
Defined benefit plan	-	2
Defined contribution plans	207	218
<b>Total contribution outstanding at period end</b>	<b>207</b>	<b>220</b>

3.4 BORROWING COST	2020	2019
	\$'000	\$'000
Interest on loans from Treasury Corporation of Victoria	11,531	12,912
Financial accommodation levy	4,358	4,461
Right-of-Use Interest Expense	379	-
	16,268	17,373
Borrowing costs capitalised to inventories	(15,526)	(16,420)
<b>Total Borrowing costs</b>	<b>742</b>	<b>953</b>

**Borrowing costs** include interest on short-term and long-term borrowings, in accordance with AASB 123 *Borrowing Costs* applicable to for-profit public sector entities.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised to inventories. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Financial accommodation levy is an additional interest charged by the Treasurer (Department of Treasury and Finance) for providing Development Victoria with access to borrowing. The levy is based on the level of borrowing and a percentage rate determined by the Treasurer on an annual basis. Financial accommodation levy is capitalised to inventory when attributable to the acquisition or construction of a qualifying asset.

3.5 OTHER OPERATING EXPENSES	2020	2019
	\$'000	\$'000
Marketing expenses	3,879	2,052
Operating expenses	4,291	4,791
Lease rental expense		
Operating lease expenses	-	1,797
Insurance	827	831
<b>Total other operating expenses</b>	<b>8,997</b>	<b>9,471</b>

**Operating, Marketing and Insurance expenses** generally represent the day to day running costs incurred in normal operations and are recognised when they are incurred and reported in the financial period to which they relate.

**Operating lease expenses** are recognised as an expense in the Comprehensive Operating Statement on a straight-line basis over the lease term. The leased asset is not recognised in the balance sheet.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months;
- Low value leases – leases with the underlying asset's fair value is no more than \$10,000.

Variable lease payments are not included in the measurement of the lease liability. These payments are recognised in the period in which the event or condition that triggers those payments occurs.

## 4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

### INTRODUCTION

This section presents the investments that are utilised by Development Victoria to fulfil its objectives and conduct its activities and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

#### Structure

4.1	Total property, plant and equipment	51
4.2	Intangible assets	55
4.3	Investments and other financial assets	55

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT			2020
			\$'000
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Plant and equipment	2,012	[1,396]	616
Leasehold improvements	5,584	[2,456]	3,128
Buildings	575	[575]	-
Right-of-Use asset	16,783	[2,484]	14,299
<b>Total property, plant and equipment</b>	<b>24,955</b>	<b>[6,911]</b>	<b>18,043</b>

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT			2019
			\$'000
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Plant and equipment	1,921	[1,313]	608
Leasehold improvements	5,574	[1,870]	3,704
Buildings	575	[575]	-
<b>Total property, plant and equipment</b>	<b>8,070</b>	<b>[3,758]</b>	<b>4,312</b>

#### INITIAL RECOGNITION

Items of property, plant and equipment, 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 consideration, the cost is the asset's fair value at the date of acquisition.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease (under AASB 117 until 30 June 2019) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

4.1.1 TOTAL RIGHT-OF-USE ASSETS: BUILDINGS, PLANT, EQUIPMENT AND VEHICLES			2020
			\$'000
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Plant, equipment and vehicles	16,783	[2,484]	14,299
<b>Net carrying amount</b>	<b>16,783</b>	<b>[2,484]</b>	<b>14,299</b>

		2020
		\$'000
		PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE
Opening balance 1 July 2019		16,840
Additions		59
Depreciation		[2,600]
<b>Closing balance - 30 June 2020</b>		<b>14,299</b>

#### RIGHT-OF-USE ASSET ACQUIRED BY LESSEES - INITIAL MEASUREMENT

Development Victoria recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

#### RIGHT-OF-USE ASSET - SUBSEQUENT MEASUREMENT

Development Victoria depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.



## SUBSEQUENT MEASUREMENT

Property, plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

4.1.2 DEPRECIATION AND AMORTISATION	2020	2019
Charge for the period	\$'000	\$'000
Plant and equipment	340	291
Leasehold improvements	586	582
Capitalised software	214	867
Right-of-use asset	2,600	-
<b>Total cost of sales</b>	<b>3,740</b>	<b>1,740</b>

The table incorporates depreciation of right-of-use assets as AASB 16 Leases had been applied for the first time from 1 July 2019.

Depreciation is provided on property, plant and equipment, including freehold buildings.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Development Victoria obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Depreciation methods and rates used for each class of depreciable assets are:

Class of Assets	Useful life
Infrastructure	3 to 10 years
Buildings	4 to 40 years
Plant and equipment	3 to 10 years
Leasehold improvements	7 to 15 years
Capitalised software	5 years
Right-of-Use asset	2 to 10 years

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

## IMPAIRMENT

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

4.1.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT				2020
				\$'000
	RIGHT OF USE	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Carrying amount at the start of the financial period	-	607	3,704	4,311
Recognition of right-of-use assets on initial application of AASB 16	16,840	-	-	16,840
Adjusted balance at 1 July 2019	16,840	607	3,704	21,151
Additions	59	349	10	418
Depreciation	[2,600]	[340]	[586]	[3,526]
Carrying amount at the end of the financial period	14,299	616	3,128	18,043

4.1.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT				2019
				\$'000
	RIGHT OF USE	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Carrying amount at the start of the financial period	-	552	4,177	4,729
Additions	-	393	109	503
Disposals	-	[46]	-	[46]
Depreciation	-	[291]	[582]	[873]
<b>Carrying amount at the end of the financial period</b>	<b>-</b>	<b>608</b>	<b>3,704</b>	<b>4,312</b>

#### 4.1.4 PROPERTY, PLANT AND EQUIPMENT AT FAIR VALUE

##### Structure

The fair values of non-financial physical assets are determined as follows

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable

	2020 \$'000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
	GROSS CARRYING AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3
Right-of-Use asset	14,299	-	-	14,299
Plant and equipment	616	-	-	616
Leasehold improvements	3,128	-	-	3,128
<b>Total property, plant and equipment</b>	<b>18,043</b>	<b>-</b>	<b>-</b>	<b>18,043</b>

	2019 \$'000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
	GROSS CARRYING AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3
Plant and equipment	608	-	-	608
Leasehold improvements	3,704	-	-	3,704
<b>Total property, plant and equipment</b>	<b>4,312</b>	<b>-</b>	<b>-</b>	<b>4,312</b>

4.1.5 RECONCILIATION OF LEVEL 3 FAIR VALUE	2020			
	\$'000			
	RIGHT OF USE	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Opening balance	16,840	607	3,704	21,151
Purchases	59	349	10	418
Depreciation	[2,600]	[340]	[586]	[3,526]
<b>Closing balance</b>	<b>14,299</b>	<b>616</b>	<b>3,128</b>	<b>18,043</b>

4.1.5 RECONCILIATION OF LEVEL 3 FAIR VALUE	2019			
	\$'000			
	RIGHT OF USE	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Opening balance	-	552	4,177	4,729
Purchases	-	393	109	503
Disposals	-	[46]	-	[46]
Depreciation	-	[291]	[582]	[873]
<b>Closing balance</b>	<b>-</b>	<b>608</b>	<b>3,704</b>	<b>4,312</b>

Description of significant unobservable inputs to Level 3 valuations.

Fair value measurement at end of reporting period using:

2020	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVERAGE)	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Right-of-Use Plant & Equipment	Current replacement cost	Lease term	2 to 10 years	A significant increase or decrease in the estimated useful life of the asset is unlikely to occur as it is initially matched to the contractual lease term.
Plant & Equipment	Current replacement cost	Useful life of plant and equipment	2 to 10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Leasehold Improvements	Current replacement cost	Useful life of leasehold improvements	8 to 15 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

4.2 INTANGIBLE ASSETS	2020 \$'000	2019 \$'000
	SOFTWARE	SOFTWARE
<b>Gross Carrying Amount</b>		
Opening balance	4,139	4,152
Additions	129	-
Disposals	-	[13]
<b>Closing balance</b>	<b>4,268</b>	<b>4,139</b>
<b>Accumulated depreciation and amortisation</b>		
Opening balance	3,722	(2,869)
Amortisation of intangible non-produced assets	(214)	(866)
Disposals	-	13
<b>Closing balance</b>	<b>(3,936)</b>	<b>(3,722)</b>
<b>Net book value at end of the financial period</b>	<b>332</b>	<b>417</b>

### INITIAL RECOGNITION

When the recognition criteria in AASB 138 Intangible Assets are met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible** asset arising from development is recognised if, and only if, all of the following is demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use and sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### SUBSEQUENT MEASUREMENT

Intangible produced assets with finite lives are amortised on a straight-line basis over their useful lives. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives or 5 years, whichever is shorter.

### IMPAIRMENT OF INTANGIBLE ASSETS

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement.

## 5. OTHER ASSETS AND LIABILITIES

### INTRODUCTION

This section sets out the assets and liabilities that arose from Development Victoria's controlled operations.

#### Structure

5.1	Receivables	56
5.2	Payables	57
5.3	Inventories	58
5.4	Income and deferred tax	59
5.5	Land sale deposits	62
5.6	Provisions	62

5.1 RECEIVABLES	2020	2019
	\$'000	\$'000
<b>Contractual</b>		
Trade receivables	15,048	17,681
Provision for estimated credit loss	(104)	(104)
Amounts receivable under development agreements	28,606	26,156
Other receivables	404	3,867
<b>Statutory</b>		
GST input tax credit recoverable	1,910	5,297
<b>Total receivables</b>	<b>45,864</b>	<b>52,897</b>
<i>Represented by:</i>		
Current receivables	40,009	40,593
Non-current receivables	5,855	12,304
<b>Total receivables</b>	<b>45,864</b>	<b>52,897</b>

#### Receivables consist of:

- contractual receivables, such as debtors in relation to the sale of land and services; and
- statutory receivables include amounts owing from Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as 'receivables' (refer to 7.1.1). They are initially recognised at fair value plus attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Development Victoria applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Amounts receivable under development agreements relate to revenue recognised at stage release with payment terms aligned to future project milestones as determined by the developer, and are carried at nominal amounts.

**GST input tax credit recoverable** is the gross amount of GST recoverable from the taxation authority and is included as part of receivables balance. AASB interpretation 1031 provides that revenue, expenses and assets must be recognised, net of the amount of GST, except where GST relating to the expenditure items is not recoverable from the taxation authority, in which case the item is recognised as GST inclusive.

#### Leases Receivables

Development Victoria's accounting policy under AASB 16 has not changed from the comparative period.

As a lessor, Development Victoria classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

#### Expected Credit Loss

Receivables are assessed for bad and doubtful debts on a regular basis. An expected credit loss provision for doubtful debts is recognised and reviewed annually in line with AASB 9 Financial Instruments, see note 7.1.2.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in expected credit loss, are classified as other economic flows included in net result.



AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES							\$'000
2020	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED				
			LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	GREATER THAN 1 YEAR	IMPAIRMENT
Trade receivables	15,048	537	11,170	84	3,153	-	104
Amounts receivable under development	28,606	28,606	-	-	-	-	-
Other receivables	404	404	-	-	-	-	-
<b>Total</b>	<b>44,058</b>	<b>29,547</b>	<b>11,170</b>	<b>84</b>	<b>3,153</b>	<b>-</b>	<b>104</b>

AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES							\$'000
2019	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED				
			LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	GREATER THAN 1 YEAR	EXPECTED CREDIT LOSS
Trade receivables	17,681	7,774	8,020	69	1,642	72	104
Amounts receivable under development	26,156	26,156	-	-	-	-	-
Other receivables	3,867	3,867	-	-	-	-	-
<b>Total</b>	<b>47,704</b>	<b>37,797</b>	<b>8,020</b>	<b>69</b>	<b>1,642</b>	<b>72</b>	<b>104</b>

Note: The disclosure above excludes statutory payables (e.g. amounts arising to Victorian Government and GST taxes payable).

Further analysis of Expected Credit Loss (ECL) is undertaken at Note 7.1.

There are no financial assets that had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 PAYABLES	2020	2019
	\$'000	\$'000
<b>Contractual</b>		
Trade payables	2,335	10,083
Other creditors	151,216	131,320
Accrued expenses	6,430	6,498
Deferred income	-	45
<b>Total contractual payables</b>	<b>159,981</b>	<b>147,946</b>
<b>Statutory</b>		
Accrued expenses	864	7,491
Other taxes payable	15,098	406
<b>Total statutory payables</b>	<b>15,962</b>	<b>7,897</b>
<b>Total payables</b>	<b>175,943</b>	<b>155,843</b>
<i>Represented by:</i>		
Current payables	175,895	155,797
Non-current payables	48	46
<b>Total payables</b>	<b>175,943</b>	<b>155,843</b>

Payables consist of:

- **contractual payables**, such as trade payables, accrued expenses and deferred income. Trade payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Development Victoria prior to the end of the financial year that are unpaid; and
- **statutory payables**, such as Goods and Services Tax and Fringe Benefits Tax. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

(a) Trade payables and accrued expenses

These amounts represent liabilities for goods and services provided to Development Victoria prior to the end of the financial period which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(b) Other creditors

These amounts relate to amounts payable to developers and others under development agreements on achievement of agreed milestones.

(c) Deferred income

These amounts represent income under development agreements where milestones for revenue recognition have not been met.

AGEING ANALYSIS OF CONTRACTUAL PAYABLES			\$'000			
2020	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			
			LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	GREATER THAN 1 YEAR
Trade payables	2,335	553	1,747	30	5	-
Other creditors	151,215	151,215	-	-	-	-
Accrued expenses	6,430	6,430	-	-	-	-
Deferred income	-	-	-	-	-	-
	<b>159,980</b>	<b>158,198</b>	<b>1,747</b>	<b>30</b>	<b>5</b>	<b>-</b>

AGEING ANALYSIS OF CONTRACTUAL PAYABLES			\$'000			
2019	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			
			LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	GREATER THAN 1 YEAR
Trade payables	10,083	9,737	256	88	2	-
Other creditors	131,320	131,320	-	-	-	-
Accrued expenses	6,498	6,498	-	-	-	-
Deferred income	45	45	-	-	-	-
	<b>147,946</b>	<b>147,600</b>	<b>256</b>	<b>88</b>	<b>2</b>	<b>-</b>

5.3 INVENTORIES	2020	2019
	\$'000	\$'000
<b>Inventories</b>		
Development properties	172,524	198,976
Land under development	372,566	307,272
Undeveloped land	231,942	172,685
<b>Total inventories</b>	<b>777,032</b>	<b>678,933</b>

Inventories include development properties, land under development (including work in progress) and undeveloped land and is valued at the lower of cost or net realisable value.

Cost includes:

- (a) the cost of acquiring the land and buildings;
- (b) land improvement costs;
- (c) borrowing costs directly attributable to the acquisition of land or construction of a building; and
- (d) other costs that can be directly attributed to the project.

Overhead allocations and salaries are not capitalised into inventory.

Net realisable value is determined on each individual project based on the expected net cash flows from the development and sale of land in the ordinary course of business, as determined in the Development Victoria Corporate Plan, discounted to their present values using a market-determined, risk adjusted rate.

The ordinary course of business delivery method and assumptions for each project are subject to changes in market conditions, policy or corporate strategy which would change the net realisable value. Where the net realisable value of a project is below the current inventory value, the difference is recognised as an impairment of land inventory and shown as Other Economic Flows in the Comprehensive Operating Statement.

A land inventory impairment can be reversed by either:

- the sale of inventory from the project. A proportional amount of impairment is released into the Comprehensive Operating Statement at the point of settlement, reducing the cost of goods sold; or
- an increase in the net realisable value at subsequent annual inventory assessments that may result in some or all of the impairment for a project being reversed.

Inventory cannot be valued higher than cost. A net realisable value assessment of inventory is therefore only to identify any impairment or reversals of previous impairments. If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, then the impairment loss is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been previously recorded.

Management has undertaken an assessment of inventory impairment in the year and recognised a \$0.9m (2019: \$8.8m) related to the Sydney Road project, relating to a remeasurement of associated future income.

Of the \$114.7m capitalised in the period, \$15.5 million relates to borrowing costs, \$10.4m relates to purchase of land and \$88.8m relates to payments Development Victoria's suppliers.

In accordance with AASB 101 *Presentation of Financial Statements*, land held as inventory is disclosed as a current asset even though it is not expected to be realised within 12 months.

## 5.4 INCOME AND DEFERRED TAX

Development Victoria is exempt from income tax in accordance with section 50-25 of the *Income Tax Assessment Act 1997*. Development Victoria is subject to the National Tax Equivalent Regime pursuant to section 88 of the *State Owned Enterprises Act 1992*. Any activity relating to the Docklands area or the Revitalising Central Dandenong project is exempt from the National Tax Equivalent Regime in accordance with section 67 of the *Development Victoria Act 2003*.

Income tax expense represents the sum of the tax currently payable and deferred tax.

### (a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the Comprehensive Operating Statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### (b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Development Victoria expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and Development Victoria intends to settle its current tax assets and liabilities on a net basis.

**(a) Income tax equivalent (expense)/benefit**

The major components of the income tax equivalent expense are:

<i>Current income tax</i>		
Current income tax charge	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
Effect of temporary differences not recognised as deferred tax assets and liabilities	-	-
<b>Income tax equivalent expense/(benefit) reported in the Comprehensive Operating Statement</b>	<b>-</b>	<b>-</b>

**(b) Amounts charged or credited directly to equity**

No deferred income tax related items were charged directly to equity.

**(c) Numerical reconciliation between aggregate tax expense recognised in the comprehensive operating statement and tax expense calculated per the statutory income tax rate**

**2020  
\$'000**

Accounting profit/(loss) from continuing activities before income tax equivalent expense	28,611
Accounting profit/(loss) from ordinary activities subject to income tax equivalent expense	15,216
Prima facie income tax calculated at 30%	4,565
Effect of tax losses not recognised as deferred tax assets	-
Effect of temporary differences not recognised as deferred tax assets and liabilities	(4,565)
<b>Aggregate income tax equivalent expense/(benefit)</b>	<b>-</b>

	<b>2020 \$'000</b>	<b>2020 \$'000</b>
<b>(d) Recognised deferred tax assets and liabilities</b>	<b>Current income tax</b>	<b>Deferred income tax</b>
Opening balance	-	-
Charged to income	-	-
Other payment	-	-
Closing balance	-	-
Tax equivalent expense in the Comprehensive Operating Statement		
Amounts recognised in the balance sheet:		-
Current tax assets		-
Current tax liabilities		-
Deferred tax asset		14,008
Deferred tax liability		(14,008)
		-

**(e) Unrecognised deferred tax assets**

Unused tax losses for which no deferred tax assets have been recognised are \$22,021,000.

**(a) Income tax equivalent (expense)/benefit**

The major components of the income tax equivalent expense are:

<i>Current income tax</i>		
Current income tax charge	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
Effect of temporary differences not recognised as deferred tax assets and liabilities	-	-
<b>Income tax equivalent expense/(benefit) reported in the Comprehensive Operating Statement</b>	<b>-</b>	<b>-</b>

**(b) Amounts charged or credited directly to equity**

No deferred income tax related items were charged directly to equity.

**(c) Numerical reconciliation between aggregate tax expense recognised in the comprehensive operating statement and tax expense calculated per the statutory income tax rate****2019  
\$'000**

Accounting profit/(loss) from continuing activities before income tax equivalent expense	28,969
Accounting profit/(loss) from ordinary activities subject to income tax equivalent expense	11,365
Prima facie income tax calculated at 30%	3,410
Effect of tax losses not recognised as deferred tax assets	-
Effect of temporary differences not recognised as deferred tax assets and liabilities	(3,410)
<b>Aggregate income tax equivalent expense/(benefit)</b>	<b>-</b>

	<b>2019 \$'000</b>	<b>2019 \$'000</b>
<b>(d) Recognised deferred tax assets and liabilities</b>	<b>Current income tax</b>	<b>Deferred income tax</b>
Opening balance	-	-
Charged to income	-	-
Other payment	-	-
Closing balance	-	-
Tax equivalent expense in the Comprehensive Operating Statement		
Amounts recognised in the balance sheet:		-
Current tax assets		-
Current tax liabilities		-
Deferred tax asset		10,767
Deferred tax liability		(10,767)
		-

**(e) Unrecognised deferred tax assets**

Unused tax losses for which no deferred tax assets have been recognised are \$26,332,000.



5.5 LAND SALE DEPOSITS	2020	2019
	\$'000	\$'000
Land sale deposits	24,512	25,523
<b>Total land sale deposits</b>	<b>24,512</b>	<b>25,523</b>
<i>Represented by:</i>		
Current payables	2,397	3,005
Non-current payables	22,115	22,518
<b>Total land sale deposits</b>	<b>24,512</b>	<b>25,523</b>

Development Victoria has two distinct types of land sales, precinct land sales and residential land sales.

For precinct land sales, land sale deposits represent non-interest bearing deposits received for land sales and associated trunk infrastructure from developers in accordance with their relevant precinct development agreements. Upon the associated stage release of part or all of a precinct these amounts are subsequently recognised as income.

For residential land sales, these amounts represent non-interest bearing deposits and are recognised as revenue once the land is settled and when the risks and rewards of ownership no longer lie with Development Victoria and Development Victoria has no continuing managerial involvement in the land to the degree usually associated with ownership.

5.6 PROVISIONS	2020	2019
	\$'000	\$'000
<b>Current provisions</b>		
Property and development related costs (a)	19,451	17,021
Onerous contracts	4,209	3,447
Employee benefits	500	3,900
<b>Total current provisions</b>	<b>24,160</b>	<b>24,368</b>
<b>Non-current provisions</b>		
Property and development related costs (a)	29,995	29,442
Other provision	543	523
Employee benefits	1,044	797
<b>Total non-current provisions</b>	<b>31,582</b>	<b>30,762</b>
<b>Total provisions</b>	<b>55,742</b>	<b>55,130</b>
<b>Employee related provisions</b>	<b>5,253</b>	<b>4,244</b>
<b>Provisions</b>	<b>50,489</b>	<b>50,886</b>

(a) Property and development related costs relate to present obligations to carry out future development works under relevant planning permits or development agreements. The property and development related costs of \$49 million relates to Docklands infrastructure of \$31.6 million and development project portfolio of \$17.4 million.

RECONCILIATION OF MOVEMENT IN PROVISIONS	2020				
	PROPERTY AND DEVELOPMENT RELATED COSTS	ONEROUS CONTRACTS	EMPLOYEE BENEFITS	OTHER PROVISIONS	\$'000
Opening balance	46,463	-	4,243	4,423	55,129
Additional provisions recognised	42,472	-	2,845	-	45,317
Amounts utilised during the year	[39,489]	-	[1,925]	[3,380]	[44,794]
Reductions resulting from remeasurement	-	-	90	-	90
<b>Closing balance</b>	<b>49,446</b>	<b>-</b>	<b>5,253</b>	<b>1,043</b>	<b>55,742</b>

When some or all of the economic benefits required to settle a provision are expected to be received 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.

## 6. HOW WE FINANCE OUR OPERATIONS

### INTRODUCTION

This section provides information on the sources of finance utilised by Development Victoria during its operations and other information related to financing activities of Development Victoria. This section also includes disclosures of balances that are financial instruments [such as borrowings and cash balances]. Notes 7.1 and 7.2 provide additional, specific financial instrument disclosures.

#### Structure

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6.1 BORROWINGS	2020	2019
	\$'000	\$'000
<b>Current borrowings</b>		
Loans from Treasury Corporation of Victoria	239,791	128,805
<b>Total current borrowings</b>	<b>239,791</b>	<b>128,805</b>
<b>Non-current borrowings</b>		
Loans from Treasury Corporation of Victoria	293,500	353,500
<b>Total non-current borrowings</b>	<b>293,500</b>	<b>353,500</b>
<b>Total borrowings</b>	<b>533,291</b>	<b>482,305</b>

Borrowings refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV) and are carried at their principal amounts.

Borrowings are classified as financial instruments. The measurement basis subsequent to initial recognition depends on whether Development Victoria has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. Development Victoria determines the classification of its interest bearing liabilities at initial recognition.

Development Victoria has designated certain financial liability at amortised cost at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. And they are subsequently measured at fair value with changes in fair value relating to Development Victoria's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit loss but are transferred to retained earnings when realised.

**Defaults and breaches:** During the financial period, there were no defaults or breaches on any of the loans.

All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred, and subsequently measured at fair value with changes in fair value relating to Development Victoria's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit loss but are transferred to retained earnings when realised.

All interest bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Development Victoria has categorised its interest bearing liabilities as financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

MATURITY ANALYSIS OF BORROWINGS							
2020	MATURITY DATES						
	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1- 5 YEARS	5+ YEARS
Loans from TCV	533,291	533,291	84,791	60,000	95,000	271,500	22,000
<b>Total</b>	<b>533,291</b>	<b>533,291</b>	<b>84,791</b>	<b>60,000</b>	<b>95,000</b>	<b>271,500</b>	<b>22,000</b>

MATURITY ANALYSIS OF BORROWINGS							
2019	MATURITY DATES						
	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1- 5 YEARS	5+ YEARS
Loans from TCV	482,305	482,305	45,905	35,000	47,900	310,000	43,500
<b>Total</b>	<b>482,305</b>	<b>482,305</b>	<b>45,905</b>	<b>35,000</b>	<b>47,900</b>	<b>310,000</b>	<b>43,500</b>

Interest expense includes costs incurred in connection with the borrowing of funds which includes interest on bank overdrafts, and short term and long term borrowings.

Interest expense is recognised in the period in which it is incurred.

INTEREST EXPENSE INCLUDING CAPITALISED BORROWING COST	2020	2019
	\$'000	\$'000
Interest on government loans	15,889	17,373
<b>Total interest expense</b>	<b>15,889</b>	<b>17,373</b>

## 6.2 LEASES

Information about leases for which Development Victoria is a lessee is presented below.

### *Development Victoria's leasing activities*

Development Victoria leases various properties, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date. Lease payments for properties are renegotiated every five years to reflect market rentals.

Leases with values under \$10,000 are considered leases of low-value items. Leases with a duration of one year or less are considered short-term leases. Development Victoria has elected not to recognise right-of-use assets and lease liabilities for these leases.

### 6.2.1 RIGHT-OF-USE ASSETS

Right-of-use assets are presented in note 4.1.1.

### 6.2.2 AMOUNTS RECOGNISED IN THE CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

The following amounts are recognised in the Consolidated Comprehensive Operating Statement relating to leases:

	2020
	\$'000
Interest expense on lease liabilities	379
Expenses relating to short term leases	-
Expenses relating to leases of low value assts	-
<b>Total amount recognised in the Consolidated Comprehensive Operating Statement</b>	<b>379</b>

### 6.2.3 AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOWS

The following amounts are recognised in the Statement of Cash flows for the year ending 30 June 2020 relating to leases.

	2020
	\$'000
<b>Total cash outflow for leases</b>	<b>(2,618)</b>

For any new contracts entered into on or after 1 July 2019, Development Victoria considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Development Victoria assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Development Victoria and for which the supplier does not have substantive substitution rights;
- Whether Development Victoria has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Development Victoria has the right to direct the use of the identified asset throughout the period of use; and
- Whether Development Victoria has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

## **SEPARATION OF LEASE AND NON-LEASE COMPONENTS**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

## **RECOGNITION AND MEASUREMENT OF LEASES AS A LESSEE (UNDER AASB 16 FROM 1 JULY 2019)**

### ***Lease Liability - initial measurement***

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Development Victoria's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

### ***Lease Liability - subsequent measurement***

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

### **Short-term leases and leases of low-value assets**

Development Victoria has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### ***Presentation of right-of-use assets and lease liabilities***

Development Victoria presents right-of-use assets as 'property plant equipment' or 'motor vehicles' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

### ***Recognition and measurement of leases (under AASB 117 until 30 June 2019)***

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Development Victoria determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Development Victoria as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the Consolidated Comprehensive Operating Statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Development Victoria's balance sheet. Operating lease payments were recognised as an operating expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

### 6.3 CASH FLOW INFORMATION AND BALANCES

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

	2020	2019
Cash at bank and on hand	170,167	162,145
<b>Cash and cash equivalents</b>	<b>170,167</b>	<b>162,145</b>

6.3.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
	\$'000	\$'000

Net result for the period	27,497	28,969
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#### Non-cash movements:

Depreciation and amortisation of non-current assets	1,140	1,740
Depreciation of right-of-use assets	2,600	-
Net (gain)/loss on non-financial assets	-	46
Net (gain)/loss on financial instruments	62	(80)
Write off of impairments of land inventory	962	8,867
Other (gains)/losses from other economic flows	90	(1,485)

#### Movements included in investing and financing activities:

Borrowing costs expensed not relating to operating activities	363	953
Right-of-use asset Interest Expense	379	-

#### Movements in assets and liabilities:

(Increase)/decrease in receivables	6,970	6,970
(Increase)/decrease in prepayments	(112)	(112)
(Increase)/decrease in land inventory	(99,061)	(99,061)
Increase/(decrease) in payables	20,099	20,099
Increase/(decrease) in land sale deposits	(1,011)	(1,011)
Increase/(decrease) in employee related provisions	919	919
Increase/(decrease) in provisions	(397)	(397)
<b>Net cash flows from/(used in) operating activities</b>	<b>(39,500)</b>	<b>71,138</b>

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the above reconciliation.

Cash flows are included in the cash flow statement on 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 are presented as operating cash flows.

Development Victoria delivers major project development and delivery services to clients within the Victorian State Government. All work is completed on a fee-for-service basis, with only consultancy fees associated with projects recognised as revenue. Development Victoria includes cash received from such clients within the receipts from customers line of the cash flow.



## 6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include those operating and capital commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4.1 TOTAL COMMITMENTS PAYABLE	\$'000			
NOMINAL AMOUNTS 2020	LESS THAN 1 YEAR	1-5 YEARS	5+ YEARS	TOTAL
Capital commitments payable (a)	149,460	-	-	149,460
<b>Total commitments (inclusive of GST)</b>	<b>149,460</b>	<b>-</b>	<b>-</b>	<b>149,460</b>
Less GST receivable	6,796	-	-	6,796
<b>Total commitments (exclusive of GST)</b>	<b>142,664</b>	<b>-</b>	<b>-</b>	<b>142,664</b>

6.4.1 TOTAL COMMITMENTS PAYABLE	\$'000			
NOMINAL AMOUNTS 2019	LESS THAN 1 YEAR	1-5 YEARS	5+ YEARS	TOTAL
Operating and lease commitments payable	2,753	9,402	6,355	18,510
Capital commitments payable (a)	-	74,760	-	74,760
<b>Total commitments (inclusive of GST)</b>	<b>2,753</b>	<b>84,162</b>	<b>6,355</b>	<b>93,270</b>
Less GST receivable	250	7,651	577	8,478
<b>Total commitments (exclusive of GST)</b>	<b>2,503</b>	<b>76,511</b>	<b>5,778</b>	<b>84,792</b>

(a) Capital commitments relate to a contractual obligation at 30 June 2020 to purchase land after 30 June 2020.

## 7. RISK, CONTINGENCIES AND JUDGEMENTS

### INTRODUCTION

Development Victoria is exposed to risk from its activities and outside factors. In addition, it is necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Development Victoria related mainly to fair value determination.

#### Structure

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### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

#### INTRODUCTION

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

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

#### CATEGORIES OF FINANCIAL ASSETS UNDER AASB 9

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Development Victoria to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The following assets are recognised in this category:

- cash and deposits; and
- receivables.

##### Categories of financial liabilities

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

Development Victoria recognises the following liabilities in this category:

- payables;
- borrowings.

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; or

- the rights to receive cash flows from the asset have expired; or
- Development Victoria retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Development Victoria has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Development Victoria has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Development Victoria's continuing involvement in the asset.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

**Reclassification of financial instruments:** Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Development Victoria's business model for managing its financial assets has changes such that its previous model would no longer apply.

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION	\$'000		
	FINANCIAL ASSETS AT AMORTISED COST (AC)	FINANCIAL LIABILITIES AT AMORTISED COST (AC)	
2020			TOTAL
<b>Contractual financial assets</b>			
Cash and deposits	170,167	-	170,167
<b>Receivables</b>			
Sale of goods and services	44,059	-	44,059
<b>Total contractual financial assets</b>	<b>214,226</b>	<b>-</b>	<b>214,226</b>
<b>Contractual financial liabilities</b>			
<b>Payables</b>			
Supplies and services	-	159,980	159,980
<b>Borrowings</b>			
Right-of-use Lease liability	-	14,661	14,661
Loans from TCV	-	533,291	533,291
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>707,932</b>	<b>707,932</b>

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION	\$'000		
	FINANCIAL ASSETS AT AMORTISED COST (AC)	FINANCIAL LIABILITIES AT AMORTISED COST (AC)	
2019			TOTAL
<b>Contractual financial assets</b>			
Cash and deposits	162,145	-	162,145
<b>Receivables</b>			
Sale of goods and services	47,704	-	47,704
<b>Total contractual financial assets</b>	<b>209,849</b>	<b>-</b>	<b>209,849</b>
<b>Contractual financial liabilities</b>			
<b>Payables</b>			
Supplies and services	-	120,359	120,359
<b>Borrowings</b>			
Loans from TCV	-	482,305	482,305
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>602,664</b>	<b>602,664</b>

The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and taxes payable).

### 7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Development Victoria has minimal exposure to credit risk, liquidity risk and market risk (i.e. interest rate risk).

Development Victoria's Debt and Treasury Management policy sets out to manage these risks and the associated volatility of its financial performance.

Risk management is carried out by Finance under policies approved by the Board.

#### Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Credit risk arises from the contractual financial assets of Development Victoria, which comprise cash and deposits and non-statutory receivables. Development Victoria's exposure to credit risk arises from the potential default of a counter party in their contractual obligations resulting in financial loss to Development Victoria.

Credit risk is measured at fair value and is monitored monthly by the CFO and the Finance team.

Development Victoria's maximum credit risk exposure is indicated by the carrying amounts of its financial assets. Development Victoria does not have any significant concentrations of credit risk as it undertakes transactions with a large number of customers in the residential property market.

In addition, Development Victoria does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. Development Victoria's policy is to only deal with banks with high credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Development Victoria's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There are no material financial assets which are individually determined to be impaired.

CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PASSED DUE NOR IMPAIRED				\$'000
2020	GOVERNMENT AGENCIES (AAA RATING)	(MIN BBB CREDIT RATING)	OTHER	TOTAL
Cash and deposits	170,167		-	170,167
Trade & other receivables [a]	-		15,452	15,452
Amounts receivable under development agreements	-		28,607	28,607
<b>Total contractual financial assets</b>	<b>170,167</b>		<b>44,059</b>	<b>214,226</b>

CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PASSED DUE NOR IMPAIRED				\$'000
2019	GOVERNMENT AGENCIES (AAA RATING)	(MIN BBB CREDIT RATING)	OTHER	TOTAL
Cash and deposits	162,145		-	162,145
Trade & other receivables [a]	-		21,548	21,548
Amounts receivable under development agreements	-		26,156	26,156
<b>Total contractual financial assets</b>	<b>162,145</b>		<b>47,704</b>	<b>209,848</b>

Notes:

[a] The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and taxes payable).

#### Impairment of financial assets under AASB 9

Development Victoria records the allowance for expected credit loss for the relevant financial instruments with AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes Development Victoria's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

#### Contractual receivables at amortised cost

Development Victoria applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Development Victoria has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Development Victoria's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Development Victoria determines the opening loss allowance and the closing loss allowance at end of the financial year as follows:

							\$'000
30 JUNE 2020	CURRENT	31-60 DAYS	61-90 DAYS	91-365 DAYS	365+ DAYS	TOTAL	
Expected Loss Rate	0%	0%	0%	1%	55%		
Gross carrying amount of contractual receivables	29,549	11,170	84	3,250	6	44,059	
<b>Loss allowance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>6</b>	<b>104</b>	

							\$'000
1 JULY 2019	CURRENT	31-60 DAYS	61-90 DAYS	91-365 DAYS	365+ DAYS	TOTAL	
Expected Loss Rate	0%	0%	0%	3%	100%		
Gross carrying amount of contractual receivables	37,398	8,020	69	1,659	159	47,704	
<b>Loss allowance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>87</b>	<b>104</b>	

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	\$'000	
	2020	2019
Balance at beginning of the year	(104)	(184)
AASB 9 adjustment	-	89
Opening Loss allowance	-	(95)
<b>Increase in provision recognised in the net result</b>	<b>-</b>	<b>(9)</b>
<b>Balance at end of year</b>	<b>(104)</b>	<b>(104)</b>

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

#### Statutory receivables at amortised cost

Development Victoria's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

#### Financial instruments: Liquidity risk

Liquidity risk is the risk that Development Victoria would be unable to meet its financial obligations as and when they fall due.

Development Victoria operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of dispute, making payments within 30 days from date of resolution.

Development Victoria's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

Development Victoria manages liquidity risk by:

- maintaining an adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Development Victoria's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

#### Financial instruments: Market risk

Development Victoria in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and/or net worth of Development Victoria. These market risks primarily relate to foreign currency risk, equity price risk and interest rate risk. Development Victoria does not hold equity investments and is therefore not subject to related price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### Interest Rate Risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Development Victoria has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Development Victoria manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and Development Victoria's sensitivity to interest rate risk are set out below.

#### Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Development Victoria believes that a movement of 100 basis points up and down in market interest rates (AUD) is 'reasonably possible' over the next 12 months.



INTEREST RATE RISK SENSITIVITY					
	\$'000	DECREASE BY 100 BASIS POINTS		INCREASE BY 100 BASIS POINTS	
2020	CARRYING AMOUNT	COMPREHENSIVE RESULT	EQUITY	COMPREHENSIVE RESULT	EQUITY
<b>Contractual financial assets:</b>					
Cash and cash deposits [a]	170,167	(1,702)	(1,702)	1,702	1,702
Receivables [c]	44,059	-	-	-	-
<b>Contractual financial liabilities:</b>					
Payables [c]	159,980	-	-	-	-
Right-of-use Lease liability	14,661	-	-	-	-
Borrowings [b]	533,291	(848)	(848)	848	848
<b>Total impact</b>		<b>(2,550)</b>	<b>(2,550)</b>	<b>2,550</b>	<b>2,550</b>

INTEREST RATE RISK SENSITIVITY					
	\$'000	DECREASE BY 100 BASIS POINTS		INCREASE BY 100 BASIS POINTS	
2019	CARRYING AMOUNT	COMPREHENSIVE RESULT	EQUITY	COMPREHENSIVE RESULT	EQUITY
<b>Contractual financial assets:</b>					
Cash and cash deposits [a]	162,145	(1,621)	(1,621)	1,621	1,621
Receivables [c]	47,704	-	-	-	-
<b>Contractual financial liabilities:</b>					
Payables [c]	147,946	-	-	-	-
Borrowings [b]	482,305	(459)	(459)	459	459
<b>Total impact</b>		<b>(2,080)</b>	<b>(2,080)</b>	<b>2,080</b>	<b>2,080</b>

Notes:

- [a] Sensitivity of cash and cash equivalents to a one per cent movement in market interest rate. All interest bearing balances are short term investments and subject to sensitivity: (\$170,167m x 0.01 = \$1.70m).
- [b] Sensitivity of borrowings to a one per cent movement in market interest rate. Only the liabilities with a variable rate (\$84.8m) are subject to the sensitivity.
- [c] The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and taxes payable).

The tables that follow show the impact on Development Victoria's net result and equity for each category of financial instrument held at the end of the reporting period, if the above movements were to occur.

INTEREST RATE RISK EXPOSURE OF FINANCIAL INSTRUMENTS					\$'000
2020	WEIGHTED AVERAGE INTEREST RATE %	TOTAL CARRYING AMOUNT PER BALANCE SHEET	FIXED INTEREST RATE	FLOATING INTEREST RATE	NON- INTEREST BEARING
<b>Financial assets</b>					
Cash and deposits	1.05%	170,167	-	170,167	-
<b>Receivables (a)</b>					
Trade receivables		15,048	-	-	15,048
Amounts receivable under development agreements		28,607	-	-	28,607
Other receivables		404	-	-	404
<b>Total contractual financial assets</b>		<b>214,226</b>	<b>-</b>	<b>170,167</b>	<b>44,059</b>
<b>Financial liabilities</b>					
<b>Payables (b)</b>					
Trade & other payables		159,980	-	-	159,980
<b>Borrowings</b>					
Right-of-use Lease liability	2.13%	14,661	14,661	-	-
Loans from TCV	2.83%	533,291	448,500	84,791	-
<b>Total contractual financial liabilities</b>		<b>707,932</b>	<b>463,161</b>	<b>84,791</b>	<b>159,980</b>

INTEREST RATE RISK EXPOSURE OF FINANCIAL INSTRUMENTS					\$'000
2019	WEIGHTED AVERAGE INTEREST RATE %	TOTAL CARRYING AMOUNT PER BALANCE SHEET	FIXED INTEREST RATE	FLOATING INTEREST RATE	NON- INTEREST BEARING
<b>Financial assets</b>					
Cash and deposits	1.40%	162,145	-	162,145	-
<b>Receivables (a)</b>					
Trade receivables		17,681	-	-	17,681
Amounts receivable under development agreements		26,156	-	-	26,156
Other receivables		3,867	-	-	3,867
Investments - Term deposits		-	-	-	-
<b>Total contractual financial assets</b>		<b>209,849</b>	<b>-</b>	<b>162,145</b>	<b>47,704</b>
<b>Financial liabilities</b>					
<b>Payables (b)</b>					
Trade & other payables		147,946	-	-	147,946
<b>Borrowings</b>					
Loans from TCV	3.71%	482,305	436,400	45,905	-
<b>Total contractual financial liabilities</b>		<b>630,251</b>	<b>436,400</b>	<b>45,905</b>	<b>147,946</b>

Notes:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and taxes payable)

(b) Maturity analysis is presented using the contractual undiscounted cash flows

## 7.2 FAIR VALUE DETERMINATION

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Development Victoria.

This section sets out information on how Development Victoria determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result; and
- property, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

Development Victoria determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value estimation

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

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

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

The Valuer-General Victoria (VGV) is Development Victoria's independent valuation agency.

### 7.2.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

Development Victoria currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short term nature or with the expectation that they will be paid in full by the end of the 2020 reporting period.

These financial instruments include:

FINANCIAL ASSETS	FINANCIAL LIABILITIES
<b>Cash and deposits</b>	<b>Payables</b>
<b>Receivables:</b>	• Supplies and services
• Sales of goods and services	• Amounts payable to government and agencies
• Receivables	• Other payables
	<b>Borrowings:</b>
	• Loans from TCV

Where the fair value of financial instruments is different from the carrying amounts, the following information has been included to disclose the difference:

FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST				\$'000
	CARRYING AMOUNT 2020	FAIR VAUE 2020	CARRYING AMOUNT 2019	FAIR VAUE 2019
<b>Financial liabilities</b>				
<b>Payables</b>				
Loans from TCV	533,291	549,348	482,305	497,934

### 7.3 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

QUANTIFIABLE CONTINGENT ASSETS	2020	2019
	\$'000	\$'000
<b>Contingent assets</b>		
Bank guarantees (a)	73,251	77,484
<b>Total</b>	<b>73,251</b>	<b>77,484</b>

Note:

(a) The bank guarantees provided to Development Victoria relate to stage development and performance securities.

#### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;
- present obligations that arise from past events but are not recognised because the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities are potential obligations that arise from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services; and
- performance guarantees, warranties, letters of comfort and deeds in respect of certain obligations.

QUANTIFIABLE CONTINGENT LIABILITIES	2020	2019
	\$'000	\$'000
Bank guarantees (a)	18,153	20,884
<b>Total</b>	<b>18,153</b>	<b>20,884</b>

Note:

(a) Bank guarantees have been issued by Development Victoria's bankers to municipalities and other government bodies for satisfactory performance of works undertaken by Development Victoria. If a body is not satisfied with Development Victoria's performance, it may claim against the relevant guarantee.

## 8. OTHER DISCLOSURES

### INTRODUCTION

This section includes those additional disclosures required by accounting standards or otherwise, that are material, for the understanding of this financial report.

#### Structure

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### 8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

	2020	2019
	\$'000	\$'000
<b>Net gain/(loss) on non-financial assets</b>		
Disposal of property plant and equipment (including intangible assets)	-	[46]
Write back of previous impairments of land inventory/(Impairment of land inventory) [c]	[962]	[8,867]
<b>Total net gain/(loss) on non-financial assets (a)</b>	<b>[962]</b>	<b>[8,913]</b>
<b>Net gain/(loss) on financial instruments</b>		
Impairment of:		
Loans and Receivables	[62]	80
<b>Total net gain/(loss) on financial instruments</b>	<b>[62]</b>	<b>80</b>
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service liability	[90]	1,485
<b>Total other gains/(losses) from other economic flows (b)</b>	<b>[90]</b>	<b>1,485</b>
<b>Total</b>	<b>[1,114]</b>	<b>[7,348]</b>

Notes:

- (a) Net gain/(loss) on disposal of non-financial assets is recognised at the date of disposal and is determined after deducting the proceeds from disposal from the carrying value of the asset at the time.
- (b) Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rate
- (c) Impairment of land inventory relating to the Sydney Road project, further to re-measurement of future revenues.



## 8.2 DIVIDENDS PAID

An obligation to pay a dividend only arises after a formal determination is made by the Treasurer of the State of Victoria following consultation between Development Victoria's Board, the Minister for Planning and the Treasurer.

PAID	2020
	\$'000
Nil	-
<b>Total dividends paid</b>	<b>-</b>

PAID	2019
	\$'000
Development Victoria paid 2017-18 Declared Project Dividends on 29 October 2018, in accordance with a consultation letter from the Treasurer of the State of Victoria dated 4 October 2018.	9,400
<b>Total dividends paid</b>	<b>9,400</b>

## 8.3 SUBSIDIARIES

In the 2019/20 financial year, Development Victoria established three wholly owned Australian subsidiary unit trusts for the purposes of property development activities in the normal course of business. Development Victoria holds all 10 units at a value of \$1 per unit, in each trust.

The consolidated financial statements of the Development Victoria Group include:

	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	2020	2019
Trust 1	Property Management	Australia	100%	-
Trust 2	Property Management	Australia	100%	-
Trust 3	Property Management	Australia	100%	-

## 8.4 JOINT OPERATIONS

Development Victoria has one joint operation, which is considered material. Project details are:

### Riverwalk - Werribee, Victoria

This 197 hectare site was previously the Werribee Treatment Plant. The land is owned by Melbourne Water which has entered into a Partnering Deed with Development Victoria for Development Victoria to develop the land to deliver an estimated 2,260 residual lots at the completion of the project. Development Victoria is responsible for all development costs, and the profit share percentage between Development Victoria and Melbourne Water was agreed in the Partnering Deed. There is a Project Control Group with equal membership and voting rights for both Development Victoria and Melbourne Water.

## 8.5 CHANGE IN ACCOUNTING POLICIES

Development Victoria is applying AASB 16 *Leases* for the first time in the year ending 30 June 2020.

### AASB 16 *Leases*

Development Victoria has applied AASB 16 with a date of initial application of 1 July 2019.

Development Victoria has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Development Victoria determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 determining whether an arrangement contains a Lease. Under AASB 16, Development Victoria assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.2.

On transition to AASB 16, Development Victoria has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

### *Leases classified as operating leases under AASB 117*

As a lessee, Development Victoria previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Development Victoria. Under AASB 16, Development Victoria recognises right-of-use assets and lease liabilities for all leases except where exemption is applied in respect of short-term and low-value leases.

On adoption of AASB 16, Development Victoria recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using Development Victoria's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Development Victoria has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

#### **Leases as a Lessor**

Development Victoria is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. Development Victoria accounted for its leases in accordance with AASB 16 from the date of initial application.

#### **Impacts on financial statements**

On transition to AASB 16, Development Victoria recognised \$16.8 million of right-of-use assets and \$16.8 million of lease liabilities.

When measuring lease liabilities, Development Victoria discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.13 per cent.

	1 JULY 2019
Total operating lease commitments disclosed at 30 June 2019	19,004
<b>Discounted using the incremental borrowing rate at 1 July 2019</b>	<b>16,840</b>
Recognition exemption for:	
Leases of low-value assets	-
<b>Total dividends paid</b>	<b>16,840</b>

### **8.5.1 TRANSITION IMPACT**

#### **Transition impact**

This note explains the impact of the adoption of AASB 16 *Leases*, adopted for the first time from 1 July 2019.

Impact on the balance sheet is illustrated with the following reconciliation between the carrying amounts at 30 June 2019 and the new accounting standards at 1 July 2019:

BALANCE SHEET	NOTES	BEFORE NEW ACCOUNTING STANDARDS CLOSING 30 JUNE 2019	IMPACT OF AASB 16	AFTER NEW ACCOUNTING STANDARDS OPENING 1 JULY 2020
Total financial asset		215,042	-	215,042
Total non-financial assets	8.4	684,673	16,840	701,513
<b>Total assets</b>		<b>899,715</b>	<b>16,840</b>	<b>916,555</b>
Payables and contract liabilities		181,366	-	181,366
Borrowings	6.1	482,305	16,840	499,145
Other liabilities		55,130	-	55,130
<b>Total liabilities</b>		<b>718,801</b>	<b>16,840</b>	<b>735,641</b>

## 8.6 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act* 1994, the following disclosures are made regarding Responsible Persons for the reporting period.

The persons who held the positions of Ministers and Accountable Officer in Development Victoria are as follows:

Name	Position	Relevant period (2019 - 2020)
The Hon. Gavin Jennings	Minister for Priority Precincts	1 July 2019 to 23 March 2020
The Hon. Jacinta Allan	Minister for Priority Precincts	24 March 2020 to 22 June 2020
The Hon. Jacinta Allan	Minister for Transport Infrastructure	22 June 2020 to 30 June 2020
James MacKenzie	Chairperson	1 July 2019 to 30 June 2020
Graeme Parton	Acting Deputy Chairperson	1 July 2019 to 2 September 2019
Graeme Parton	Deputy Chairperson	3 September 2019 to 30 June 2020
Rebecca Casson	Board member	1 July 2019 to 1 December 2019
Natalie MacDonald	Board member	1 July 2019 to 30 June 2020
Lou Farinotti	Board member	1 July 2019 to 30 June 2020
Megan Haas	Board member	1 July 2019 to 30 June 2020
Jacqui Walters	Board member	1 July 2019 to 30 June 2020
James Flintoft	Board member	3 September 2019 to 30 June 2020
Angela Skandarajah	Chief Executive Officer (Accountable Officer)	1 July 2019 to 30 June 2020

## 8.7 REMUNERATION

Remuneration received or receivable by the Accountable Officer in connection with the management of Development Victoria during the 12 month reporting period is listed below. The CEO's remuneration was in the range: \$470,000 - \$479,000 for the reporting period (2019: \$420,000 - \$429,000).

During this financial period Development Victoria has paid insurance premiums in respect of directors and officers liability insurance for the Directors and Officers of Development Victoria.

### 8.7.1 REMUNERATION OF RESPONSIBLE PERSONS

Remuneration received or receivable by the responsible officers, excluding the Accountable Officer and Minister, during the reporting period was in the range:

	12 month period 2020	12 month period 2019
\$0	0	2
\$1 - \$9,999	0	2
\$30,000 - \$39,999	1	2
\$40,000 - \$49,999	1	4
\$50,000 - \$59,999	4	0
\$70,000 - \$79,999	0	0
\$100,000 - \$119,999	1	1
\$130,000 - \$139,999	1	0
<b>Total number of responsible persons</b>	<b>8</b>	<b>11</b>
<b>Total remuneration (\$'000)</b>	<b>392</b>	<b>348</b>

Remuneration of the relevant Minister is included in the financial statements of the Department of Parliamentary Services.

## 8.7.2 REMUNERATION OF EXECUTIVES

The total remuneration of executive officers, other than the CEO, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of Development Victoria, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include superannuation entitlements, pensions, post-employment life insurance, post-employment health care and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	FINANCIAL YEAR	12 MONTH PERIOD
REMUNERATION OF EXECUTIVE OFFICERS	2020	2019
Short-term employee benefit	9,434	7,445
Post-employment benefit	898	706
Other long-term benefit	347	396
Termination benefit	709	-
<b>Total remuneration (a)</b>	<b>11,388</b>	<b>8,547</b>
<b>Total number of executives</b>	<b>41</b>	<b>39</b>
<b>Total annualised employee equivalent (AEE) (b)</b>	<b>40.80</b>	<b>29.15</b>

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Development Victoria under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Refer to Note 8.8)

(b) Annualised employee equivalent (AAE) is based on the time fraction worked over the reporting period

## 8.8 RELATED PARTIES

Development Victoria is a wholly owned and controlled entity of the State of Victoria.

Related parties of Development Victoria include:

- all key management personnel and their close family members and personal business interests;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis

### Significant transactions with government-related entities

During the financial period, the following aggregate transactions were undertaken and balances held with other Victorian Government controlled entities. These transactions were undertaken in the ordinary course of operations.

GOVERNMENT-RELATED ENTITIES	NATURE OF TRANSACTION	2020 \$'000	2019 \$'000
<b>Revenue</b>			
Department of Education and Training	Land sales revenue	-	27,307
Department of Jobs, Precincts and Regions	Capital provided towards civic infrastructure projects	24,209	17,565
Department of Jobs, Precincts and Regions	Project cost recovery	2,261	20,419
Melbourne and Olympic Parks Trust	Capital provided towards civic infrastructure projects	134,019	133,649
Department of Health and Human Services Victoria	Project cost recovery	355	-
Department of Health and Human Services Victoria	Cost reimbursements for staff secondments	213	-
Department of Health and Human Services Victoria	Capital provided towards civic infrastructure projects	-	219
State Library Victoria	Capital provided towards civic infrastructure projects	20,494	52,564
Victorian Arts Centre Trust	Capital provided towards civic infrastructure projects	-	395
Kardinia Park Stadium Trust	Capital provided towards civic infrastructure projects	-	2,023

GOVERNMENT-RELATED ENTITIES	NATURE OF TRANSACTION	2020 \$'000	2019 \$'000
<b>Revenue</b>			
State Sport Centres Trust	Capital provided towards civic infrastructure projects	41,409	15,860
Department of Transport	Cost reimbursements for staff secondments	-	521
Department of Transport	Capital provided towards civic infrastructure projects	-	24,076
Department of Transport	Rental Revenue	334	-
Department of Premier and Cabinet	Project Cost Recovery	151	2,036
Yarra Valley Water	Authority contributions towards infrastructure costs	-	8,388
Suburban Rail Loop Authority	Cost reimbursements for staff secondments	238	-
Regional Development Victoria	Project Cost Recovery	13,352	-
<b>Expenditure</b>			
City West Water	Authority Fees	975	-
Council of Trustees of the National Gallery of Victoria	Project Costs	3,850	-
Department of Education and Training	Utility Contribution	-	15,000
Department of Education and Training	Project Costs	8,000	-
Department of Environment, Land Water and Planning	Authority Fees	223	-
Department of Environment, Land Water and Planning	Land Valuations	885	335
Department of Health and Human Services	Utility Contribution	-	519
Department of Health and Human Services	Project Costs	6,294	-
Department of Jobs, Precincts and Regions	Project cost recovery	915	-
Department of Transport	Project Costs	2,362	688
Department of Treasury and Finance	Recovery of Costs	366	688
Department of Treasury and Finance	Dividends	-	9,400
Department of Treasury and Finance	Financial accommodation levy	4,337	4,401
Department of Treasury and Finance	Land acquisition payments	-	7,552
Department of Treasury and Finance	Local government rate related charges & other charges	908	932
Melbourne and Olympic Parks Trust	Project Costs	1,086	-
Melbourne Water Corporation	Revenue share from development agreements	6,309	14,132
Melbourne Water Corporation	Authority Contribution	-	1,140
State Library of Victoria	Project Costs	2,459	1,506
State Sport Centres Trust	Project Costs	152	-
State Revenue Office	Land Tax Assessment	-	6,870
State Revenue Office	Congestion Levy	-	8,247
Victorian Auditor General Office	Audit Fees	142	138
Victorian Managed Insurance Authority	Insurances	1,016	899
Victorian Planning Authority	Authority Contribution	392	-
Victorian Rail Track	Project Costs	200	-
<b>Other</b>			
Treasury Corporation of Victoria (TCV)	Borrowings	533,291	482,305

Development Victoria delivers major project development and delivery services to clients within the Victorian State Government. This service may involve the delivery of projects end to end on behalf of a client department or client Minister and typically includes the development of a project business case to support a funding request by the client department through to project delivery. All work is completed on a fee-for-service basis, with only consultancy fees associated with projects recognised as revenue. Although Development Victoria administers project budgets on behalf of clients, the budget risk remains with the client agency.

Key management personnel of Development Victoria include the named responsible persons members of Development Victoria's Board, the Chief Executive Officer as disclosed in Note 8.5, and members of the Senior Executive Team, which includes:

KEY MANAGEMENT PERSONNEL	POSITION TITLE	2019-2020
The Hon. Gavin Jennings	Minister for Priority Precincts	1 July 2019 to 23 March 2020
The Hon. Jacinta Allan	Minister for Priority Precincts	24 March 2020 to 22 June 2020
The Hon. Jacinta Allan	Minister for Transport Infrastructure	22 June 2020 to 30 June 2020
James MacKenzie	Chairperson	1 July 2019 to 30 June 2020
Graeme Parton	Acting Deputy Chairperson	1 July 2019 to 2 September 2019
Graeme Parton	Deputy Chairperson	3 September 2019 to 30 June 2020
Rebecca Casson	Board member	1 July 2019 to 1 December 2019
Natalie MacDonald	Board member	1 July 2019 to 30 June 2020
Lou Farinotti	Board member	1 July 2019 to 30 June 2020
Megan Haas	Board member	1 July 2019 to 30 June 2020
Jacqui Walters	Board member	1 July 2019 to 30 June 2020
James Flintoft	Board member	3 September 2019 to 30 June 2020
Angela Skandarajah	Chief Executive Officer (Accountable Officer)	1 July 2019 to 30 June 2020
Manny Bikakis	CFO and Group Head Operations	1 July 2019 to 28 March 2020
Geoff Ward	Group Head Precincts	1 July 2019 to 30 June 2020
Neil Anderson	Group Head - Property Development	1 July 2019 to 13 March 2020
Tom Considine	Group Head - Strategy and Civic Infrastructure	1 July 2019 to 28 March 2020
Manny Bikakis	Acting Group Head - Property Development	29 March 2020 to 30 June 2020
André Van Baalen	Acting CFO and Group Head Operations	29 March 2020 to 30 June 2020
Hannah Clement	Acting Group Head - Civic Infrastructure	29 March 2020 to 30 June 2020
Brad Scott	Acting Senior Development Director - Advisory Services	29 March 2020 to 30 June 2020
Kathryn Lord	Acting Senior Development Director - Acquisitions	29 March 2020 to 30 June 2020
Julie Browning	Executive Director - Corporate Affairs and Engagement	20 April 2020 to 30 June 2020
Caroline Monzon	Executive Director - People and Culture	1 May 2020 to 30 June 2020

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and *Superannuation Act 1968* and is reported within Department of Parliamentary Services' Financial Report.

	2020	2019
COMPENSATION OF KMPS	\$'000	\$'000
Short - term benefits	3,106	2,294
Post-employment benefits	258	161
Other long-term benefits	105	41
Termination benefits	254	-
<b>Total compensation [a]</b>	<b>3,723</b>	<b>2,496</b>

Note:

[a] Note that KMPS (excluding the CEO) are also reported in the disclosure of remuneration of executive officers (Note 8.7).



### Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Development Victoria has prepared the related party disclosures for the year based on reasonable enquiries made by management in relation to the portfolio ministers and their related parties and the information available to the organisation.

Outside the normal citizen type transactions with Development Victoria, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

The following Board directors were employees of Victorian Government Departments during the reporting period:

**Mr James MacKenzie:** Chairman of Victorian Funds Management Corporation (VPMC) and Chair of the Suburban Rail Loop Authority.

Transactions with these entities are reported under Significant transactions with government-related entities above.

## 8.9 REMUNERATION OF AUDITORS

	2020 \$'000	2019 \$'000
<b>Remuneration of the Victorian Auditor-General's Office for:</b>		
Audit of the financial statements	142	138
<b>Total remuneration of Victorian Auditor-General's Office</b>	<b>142</b>	<b>138</b>
Other non-audit services (a)		
<b>Total remuneration of non-audit services</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>142</b>	<b>138</b>

(a) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

## 8.10 SUBSEQUENT EVENTS

Management has evaluated up to the date of 8th September 2020 and no subsequent events have been identified.

## 8.11 DEED OF SUPPORT

In fulfilling its objectives, Development Victoria executes development agreements from time to time and requires funding in order to carry out its rights and obligations under those development agreements.

Development Victoria also requires funding from time to time to meet other costs incurred in carrying out the functions under the *Development Victoria Act 2003*.

The Treasurer of the State of Victoria has provided a Deed of Support in favour of Development Victoria in respect of the loans for the Docklands project from Treasury Corporation of Victoria (TCV). In the event of delayed receipts from developers or other prescribed events of support, the Treasurer will provide appropriate financial support to Development Victoria to avoid Development Victoria's default under its TCV borrowing obligations.

TCV's loans to Development Victoria in respect of the General Fund have the benefit of a guarantee from the Government of Victoria under section 13(2) of the *Borrowing and Investment Powers Act 1987*.

## 8.12 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The table below outlines the accounting pronouncements that have been issued but not effective for 2019-20, applicable to Development Victoria, which may result in potential impacts on public sector reporting for future reporting periods.

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS COMMENCING AFTER	IMPACT ON ENTITY FINANCIAL STATEMENTS
<i>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</i>	Amends AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020	Not anticipated to be a material impact upon Development Victoria's financial statements.
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Amends AASB 101 Presentation of Financial Statements	1 January 2022	Not anticipated to be a material impact upon Development Victoria's financial statements.

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

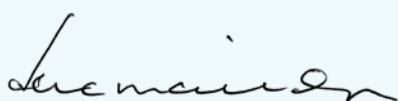
### DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for Development Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 2020 and financial position of Development Victoria at 30 June 2020.

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

We authorise the attachments statements for issue on 8th September 2020.



**James MacKenzie**  
Chairperson



**André van Baalen**  
Acting Group Head, Operations



**Angela Skandarajah**  
Chief Executive Officer

## Independent Auditor's Report

### To the Board of Development Victoria

<b>Opinion</b>	<p>I have audited the financial report of Development Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other information</b>	<p>The Board of the authority are responsible for the other information, which comprises the information in the authority's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board are responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

## AUDITOR GENERAL'S REPORT

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"><li>• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li><li>• obtain an understanding of internal control relevant to the audit 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 authority's internal control</li><li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board</li><li>• conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.</li><li>• evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.</li></ul> <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE  
11 September 2020



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# DISCLOSURE INDEX

Development Victoria's annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of Development Victoria's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
<b>POINT OF OPERATIONS</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	4-5
FRD 22H	Purpose, functions, powers and duties	4-5
FRD 8D	Department objectives, indicators and outputs	4-5
FRD 22H	Key initiatives and projects	26-29
FRD 22H	Nature and range of services	4-5
<b>Management and structure</b>		
FRD 22H	Organisational structure	23-24
Legislation	Requirement	Page reference
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	8-19
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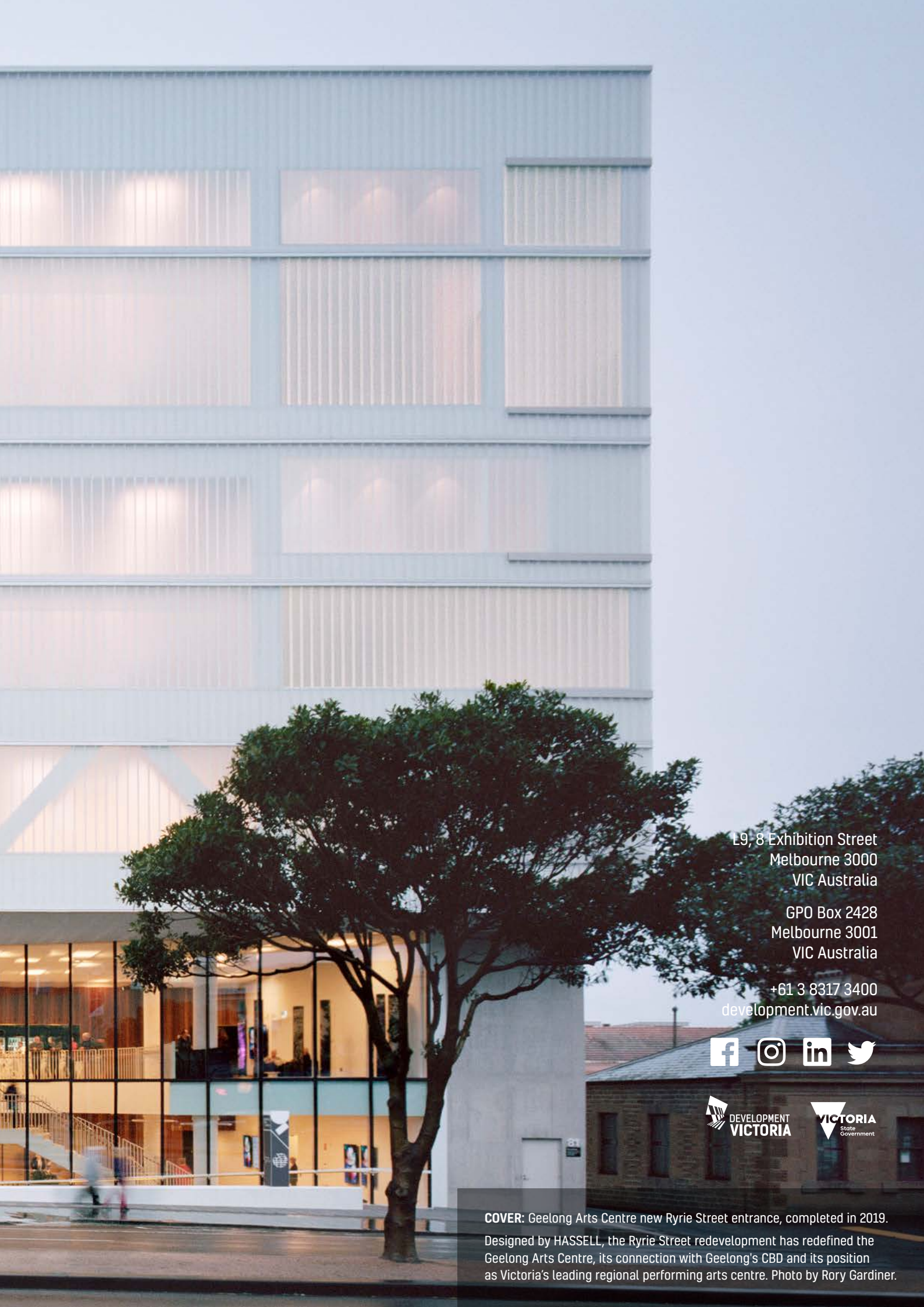












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**COVER:** Geelong Arts Centre new Ryrie Street entrance, completed in 2019. Designed by HASSELL, the Ryrie Street redevelopment has redefined the Geelong Arts Centre, its connection with Geelong's CBD and its position as Victoria's leading regional performing arts centre. Photo by Rory Gardiner.