

Victorian Planning Authority

ANNUAL REPORT

2020/2021



Aboriginal acknowledgement

The Victorian Planning Authority proudly acknowledges Victoria's Aboriginal community and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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Responsible body declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Planning Authority's Annual Report for the year ended 30 June 2021.



Jude Munro AO
Chair, Victorian Planning Authority

21 October 2021

Chair of the Victorian Planning Authority



The Victorian Planning Authority (VPA) Annual Report for the year ending 30 June 2021 tells a story of resilience, determination, and the ability to adapt to a difficult and dynamically changing environment.

The 2020/21 year has continued to bring unprecedented challenges for Victoria, highlighting the need for coordinated government action to unlock the potential of key precincts for new homes and jobs and the economic recovery they bring.

As part of the Victorian Government's response to coronavirus (COVID-19), in April 2020, the Treasurer and the Minister for Planning asked the VPA to accelerate a package of existing projects to unlock approximately \$17 billion in estimated economic value by mid-2021.

The VPA is working on the early completion of this Fast Track Program of 18 planning and infrastructure projects to unlock land for around 86,000 homes and 95,000 jobs across Victoria.

The VPA is working collaboratively with key partners to deliver the program, with a strong emphasis on shaping great urban places across the state.

This will help provide certainty for communities, a pipeline of development for industry and future jobs and homes for Victorians as the economy recovers from the impact of COVID-19.

We have strengthened our efforts as an economic enabler for Victoria, sharpening our focus and utilising our unique role and tools to bring zoned land to market sooner.

I would like to thank my Board colleagues, Stuart Moseley - our CEO, his executive team and all VPA employees for their commitment and perseverance.

I would also like to thank the Minister for Planning for his guidance and leadership, the Department of Environment, Land, Water and Planning (DELWP), partner agencies and our peak organisation colleagues for their support.

Our legislation, the *Victorian Planning Authority Act 2017* (the VPA Act) gives the VPA a primary objective to provide planning advice and assistance to the Minister for Planning, councils and other government agencies, and to support stronger infrastructure coordination.

During 2020/21 we worked hard to deliver growth planning outcomes for key areas across Victoria which are changing substantially as a consequence of COVID-19. Regional Victoria, already a focus for the VPA, is now more than top of mind as many Melburnians look for their 'sea or tree change' destination driven by the ability to work remotely.

We are also working hard on delivering better urban growth outcomes in housing affordability, decentralised employment opportunities, better infrastructure coordination and density done well in designated urban growth areas across the state.

A large factor in our success has been building stronger partnerships with all our stakeholders and the communities we are planning for change in. We have made a commitment to improving the efficiency and innovation of our precinct structure planning (PSP) process, the key method we use to plan future communities. This approach followed feedback from industry and from our own review into where we could improve efficiency and achieve better outcomes.

During the year, we continued to strengthen our corporate frameworks for managing risk, developing our staff and managing our projects in an uncertain, hybrid working environment.

This allowed us to continue to meet our commitments and build our capability while working remotely.

We bolstered our information management platforms and technology and developed a new Strategic Plan and People and Culture Strategy to guide the organisation for 2021-24.

On behalf of the Board I would like to reiterate my thanks to our Minister for his continued guidance and support of the VPA and our important work in supporting Victoria's economic recovery.

A handwritten signature in black ink, appearing to read 'Jude Munro', with a stylized flourish at the end.

Jude Munro AO
Chair, Victorian Planning Authority

VPA authorising environment, manner of establishment and relevant Ministers

The VPA is a State Government statutory authority established under the VPA Act.

Victoria's planning system provides the state-wide framework for use, development and protection of land in the interests of all Victorians as articulated in the *Planning and Environment Act 1987* (PEA).

Within this system, the VPA leads place-based strategic planning for growth in designated areas. Our focus is on integrated land-use, built form and infrastructure planning outcomes for significant precincts and places in growing Victorian cities, suburbs and regional towns.

Under the VPA Act we have a board of directors responsible for determining the general policies and strategic direction of the VPA, with a clear purpose to provide advice and assistance to the Minister for Planning and, from 22 June 2020, to the Minister for Transport Infrastructure, Minister for Suburban Rail Loop and Minister for Business Precincts.

The VPA is accountable to the Minister for Planning to deliver on the Statement of Expectations, and accompanying Ministerial Direction issued by the Minister to the Authority pursuant to Section 36(1) of the VPA Act. The current Statement of Expectations was issued by the Minister for Planning on 7 April 2019 and sets program-level priorities for the three years 2019/20-2021/22.

The Hon. Richard Wynne MP was the responsible Minister for the period from 1 July 2020 to 30 June 2021.

The VPA has functions and powers under the PEA. The VPA also has responsibilities as an interface body under the *Transport Integration Act 2010*.

Annual project responsibilities are approved each year by the Minister for Planning via the annual Business Plan and budget.

The Minister for Transport Infrastructure, Minister for Suburban Rail Loop and Minister for Business Precincts can also direct the VPA to undertake work pursuant to Section 36(1) of the VPA Act in so far as this relates to seeking advice in relation to their precinct-related powers and functions.

The Minister for Business Precincts issued a Ministerial Direction on 19 May 2021 pursuant to Section 36(1) of the VPA Act setting out priorities for the VPA's precinct related powers and functions for the period 2021/22-2022/23 inclusive.

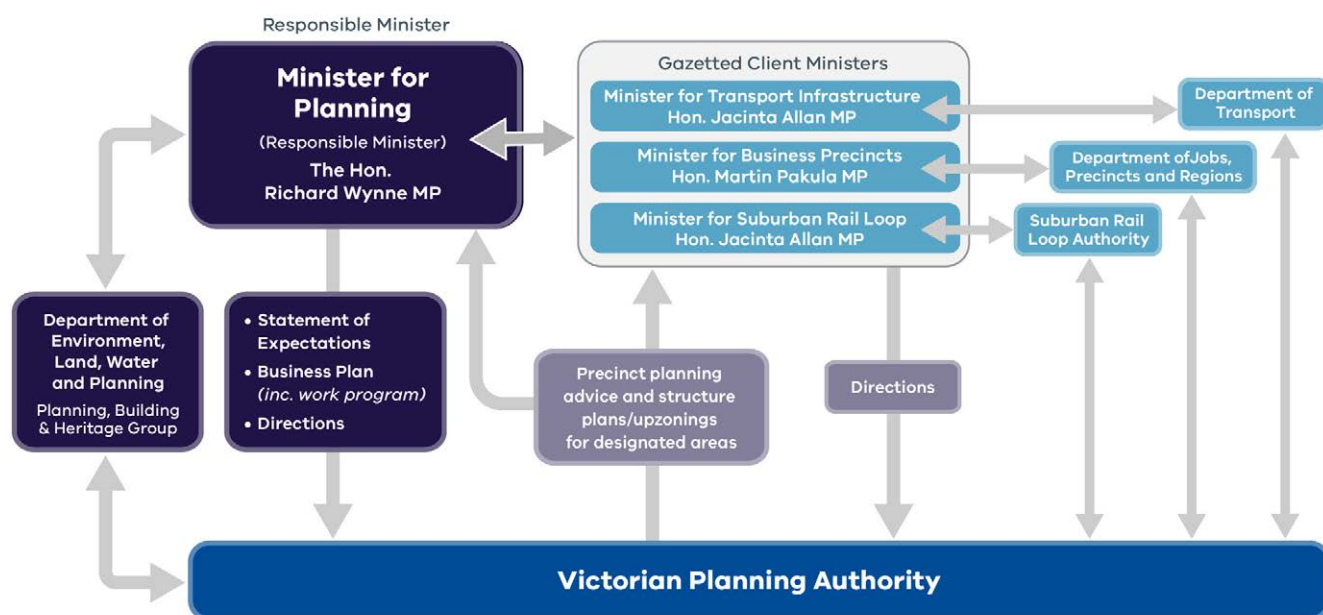


Figure 1 Authorising environment

Nominated VPA roles

The VPA's authorising environment is articulated in the annual Business Plan, approved by the Minister for Planning pursuant to Section 44 of the VPA Act. In accordance with the terms of the Ministerial Direction accompanying the Statement of Expectations, this has the effect of conferring statutory authorisation to undertake the role nominated for each project as set out below.

Authorisations will fall into one of the following roles, dependent upon the project and activity undertaken as per Figure 1.

The Board of the VPA is committed to ensuring that the VPA is empowered to deliver for government and for our stakeholders. This means we have a preference in most projects to act as planning authority or as provider to government.

The VPA is also empowered by Ministerial Direction No 18 (Victorian Planning Authority Advice on Planning Scheme Amendments), issued by the Minister for Planning on 28 January 2018. This direction requires councils to have regard to the advice of the VPA in situations where the VPA is authorised to act in roles other than planning authority, or when a council is proposing to alter an approved plan that has been prepared by the VPA.

The VPA also has responsibilities as an interface body under the *Transport Integration Act 2010*. This act requires that an interface body must have regard to the transport system objectives when exercising powers and performing functions under any interface legislation that is likely to have a significant impact on the transport system.

PLANNING AUTHORITY

The VPA is the appointed planning authority, with the mandate to lead the project and deliver the outcome (including recommending a planning scheme amendment to the Minister), in partnership with the relevant council(s) and government agencies.

ADVISOR

The VPA provides advice, finance or technical support to a council or government agency preparing planning documents or frameworks. The VPA advises and influences these planning documents but does not determine the content.

PROVIDER

The VPA has the lead role to prepare a plan or other report for provision to the relevant planning authority, or to a client Minister or government agency, working in partnership with the relevant council(s) and government agencies. In this role the VPA submits its report or plan to the planning authority to progress through the statutory process.

FACILITATOR

The VPA assists a council or government agency with their work, provides a grant or general advice about how planning policies need to be considered. This could include participation in a steering committee or project group.

This includes an ongoing watching brief role for the VPA where the VPA has completed its role.

Figure 2 Role of the VPA



The VPA, as the Victorian Government's specialist strategic spatial planning agency, is playing an important role contributing to the post-coronavirus (COVID-19) economic recovery.

As Victoria's lead agency for spatial planning and infrastructure coordination in designated growth areas across the state, we are at the forefront of Victoria's planning and development sector response to navigate the impacts of COVID-19.

This is a challenging time for the planning system — one both of great uncertainty and significant opportunity. More than a year into the COVID-19 pandemic, we know that it has accelerated social, environmental, and economic change and altered how Victorians live, work, and interact with their built environment.

The VPA has identified priority opportunities for the planning and development sector to:

- Continue to position planning as an economic enabler
- Provide planning that responds rapidly to market changes
- Support liveability and resilience
- Support connectivity
- Improve the implementation of VPA-prepared plans
- Advocate for governance and planning system improvements.

In 2020/21 we have continued to deliver on our strategic priorities and work program, and in reflecting on the challenges and trends, an increased focus on achieving key outcomes, particularly density done well, suburban and regional jobs, better aligning development and infrastructure and growing regional cities and towns.

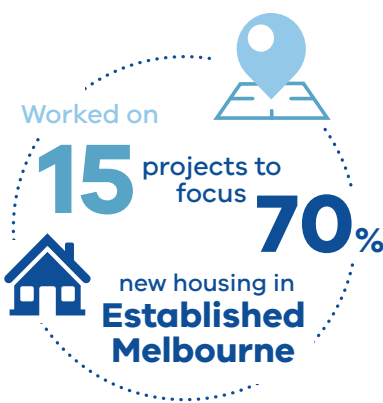
Despite the challenging environment we are all operating in, the planning and development sector continues to deliver and thrive while adapting to some profoundly changed fundamentals.

We contributed to the Building Victoria's Recovery Taskforce (BVRT) established by the Minister for Planning and the Treasurer to investigate planning and investment opportunities to boost Victoria's building and development industry over the short, medium and long term. We prioritised delivery of our Fast Track Program, which in some cases has meant that we have needed to slow or pause other projects. As projects moved towards completion we looked to identify the next projects to include in the pipeline, including consideration of the funding and the authorising environments that go with them.

The VPA also continued to progress planning for an additional 50,000 residential lots and the capacity for 50,000 new jobs in outer Melbourne. These are expected to be progressively delivered over the next two years.

The VPA allocated \$2.7 million in funding to 22 council-led projects under the government's very successful Streamlining for Growth (SFG) program, which focuses on supporting projects that unlock and accelerate the delivery of residential and employment land across Victoria.

1. KEY ACHIEVEMENTS THIS YEAR



Other highlights over the year included:

- Continuing to progress many key projects in regional Victoria and in Melbourne renewal precincts including support for the Suburban Rail Loop.
- A new focus on identifying a prioritised and criteria-driven program of high-impact planning projects in established Melbourne, regional cities and peri-urban towns.
- Recognition of the new Alternate Delivery pilot program to test this alternate PSP delivery pathway.
- Supporting the Victorian Government through delivery of the Unlocking New Communities and Affordable Housing and SFG-funded projects.
- Support for a new pre-commencement phase to better classify projects that are undergoing preliminary investigations and discussions.
- Ongoing support for better infrastructure coordination and delivery.
- Support for our financial sustainability approach.
- Investing in the organisation by further developing our approach to hybrid working and flexibility through our *Way We Work* document, ensuring we remain an employer of choice.
- Development of a new Strategic Plan, People & Culture Strategy and IT Strategy which will underpin our *Way We Work* objectives.
- Continuation of our PSP reform package.
- Support and contribution to planning reform work underway in government.

2. ACROSS VICTORIA – OUR WORKING LANDSCAPE

The VPA has a statewide remit to operate in designated growth areas around Victoria. Our work program and focus includes programs the Minister for Planning has directed us to develop and manage, as follows:

- Transport precincts and business precincts (priority precincts)
- Urban renewal in Melbourne
- Melbourne growth corridors
- Regional cities and towns
- Infrastructure planning and coordination (including GAIC)
- Streamlining plan delivery
- Planning solutions, innovation and partnerships
- Organisational capability and capacity.

During 2020/21 we prioritised the VPA Fast Track Program and worked in the designated areas identified through these programs.

3. VPA FAST TRACK PROGRAM PROGRESS

As part of the Victorian Government's response to COVID-19, the VPA was charged with the responsibility by the Treasurer and the Minister for Planning to accelerate 19 projects on our existing work program.

The VPA was to unlock economic benefit by identifying already progressed and well-advanced projects through the planning and development pipeline to permit and shovel ready stages.

The program was established on the basis of three requirements that the VPA needed to enable the program's success:

- Supplementary funding
- Streamlined planning decision making and review pathways
- Support to resolve key decisions from agencies.

Over 2020/21, the VPA has worked closely with DELWP to shepherd projects through to the Minister for approval, including referral of matters to the VPA Projects Standing Advisory Committee (SAC). The VPA SAC is the centrepiece of the new approval pathway for the Fast Track Program. The SAC has proven to be an effective forum for quicker resolution of outstanding submissions and showcased different methods of assessment such as round tables and conferences rather than just public hearings.

While operating in a COVID-19 environment has been challenging and impacted on the delivery time for some Fast Track projects, all have a clear pathway for completion.

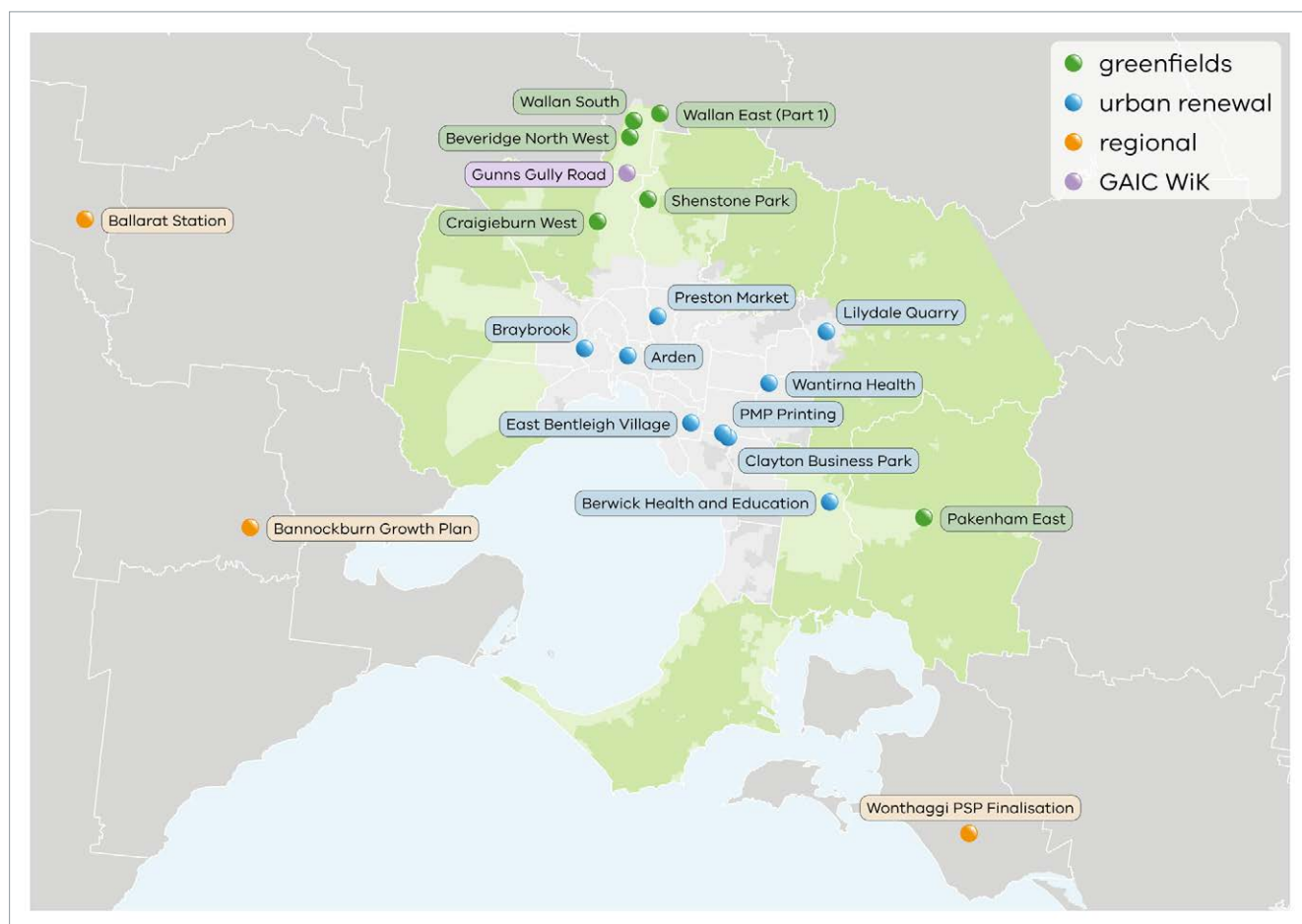


Figure 3 Fast Track Program

It is noted that the Clayton Business Park was part of the original 19 projects on the VPA Fast Track Program. Though this project has been finalised – it was decided that this project will not proceed further at this stage.

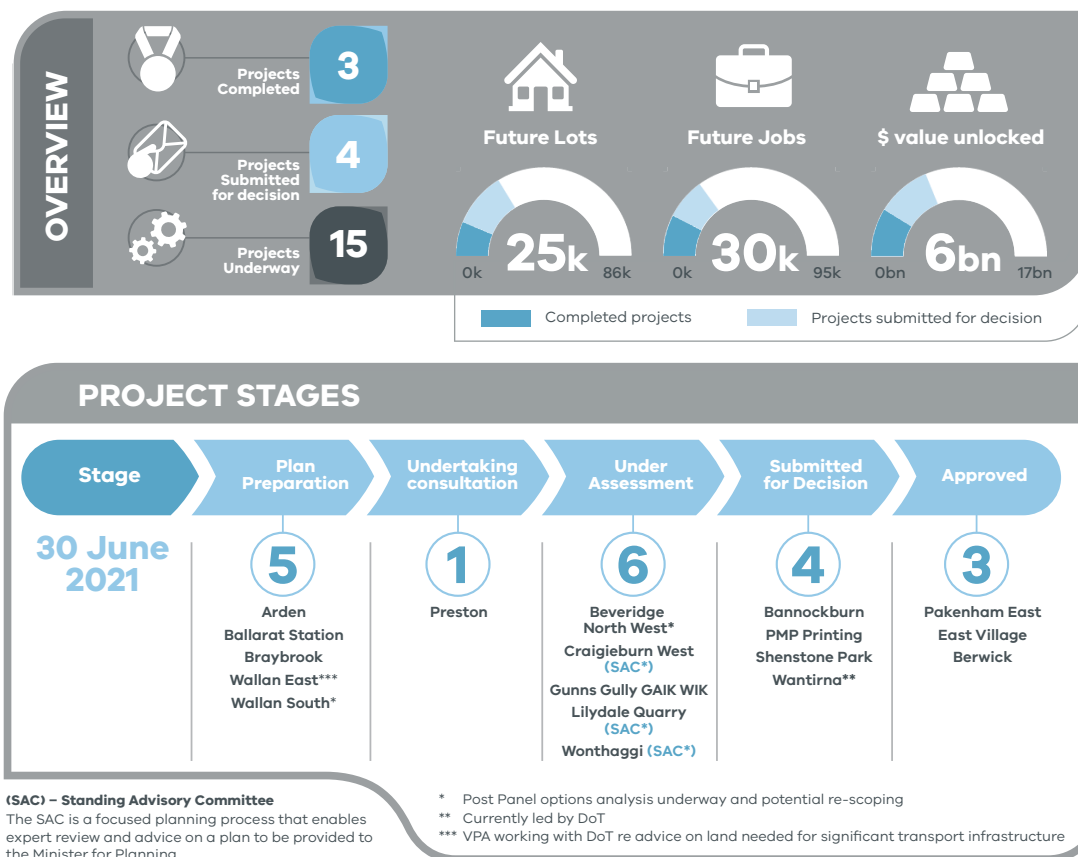


Figure 4 Fast Track Program status as at 30 June 2021

The three projects completed include:

Pakenham East

The VPA in consultation with Cardinia Shire Council and government agencies, prepared the Pakenham East Precinct Structure Plan (PSP) to guide new urban development within the Pakenham East PSP area. This new precinct for Melbourne's south east will create 7,229 new homes, 1,436 new jobs and add over \$1 billion to the Victorian economy, with hundreds of jobs in the construction sector expected to commence this year. This PSP was gazetted on 21 January 2021.

East Bentleigh Village

The VPA developed and handed over a planning scheme amendment package for the East Bentleigh Village Comprehensive Development Plan (CDP) and Development Contribution Plan (DCP) with Glen Eira City Council and it was considered by a planning panel.

The plan was informed by a Community Reference Group which reviewed key project material and provided feedback to the project team throughout the process. Public consultation sessions in 2018 were well attended by members of the public, who discussed their ideas for the future of the precinct.

The site will deliver 3,000 new dwellings including five per cent affordable housing; capacity for 4,500 new jobs; and a new school (planned to open in 2022). The planning scheme amendment C155 was gazetted on 31 March 2021.

Berwick Health and Education Precinct

The VPA completed plans for the Berwick Health and Education Precinct to facilitate opportunities for allied health and education uses. Business, office, research and development uses are also encouraged along with retail and housing options to support a thriving health and education precinct. The planning scheme amendment C207 was gazetted on 6 May 2021.

4. ESTABLISHED MELBOURNE

The VPA's work contributes to the delivery of local jobs and the *Plan Melbourne* aspiration for 70 per cent of housing growth to be located in established Melbourne and city-shaping liveability and economic outcomes.

Due to the scale of the challenge of planning for growth in Melbourne, the VPA's work program in established Melbourne has increasingly focused on planning for growth at the precinct scale (rather than at a site-by-site level).

The VPA delivers:

- planning solutions for urban renewal of strategic sites to implement planning policy, deliver value and create community benefit; and
- strategic planning advice and support for precincts and areas with other State Government organisations.

We do this in partnership with councils, communities, stakeholders and government organisations in established areas of metropolitan Melbourne.

In 2020/21, our focus has been on:

Planning state significant precincts for government

- The Minister for Transport Infrastructure priorities assisting Department of Transport (DoT), including Arden
- Minister for Business Precincts Direction assisting the Department of Jobs, Precincts and Regions (DJPR)
 - On 21 May 2021, the Minister for Business Precincts directed the VPA to provide spatial planning and development advice for Victoria's Business Precincts. The advice specifically identified Footscray, Fishermans Bend, Parkville (including the Melbourne Biomedical Precinct), Docklands, Werribee National Employment and Innovation Cluster (NEIC), Monash NEIC and La Trobe NEIC. In the near term the priorities for VPA advice will be on Parkville NEIC and Monash NEIC.
- Minister for Suburban Rail Loop assisting Suburban Rail Loop Authority (SRLA) with precinct development modelling and advice
 - The VPA supported and worked with DoT and the SRLA to identify uplift areas aligned with transport investment and capacity
- Homes Victoria, assisting with Big Housing Build priorities, including Braybrook.

Preparation of planning scheme amendments for urban renewal sites and strategic sites

- Berwick Health & Education Precinct
- Lilydale Quarry
- PMP Printing in Clayton
- Preston Market Precinct
- Jacksons Hill in Sunbury
- Wantirna Health (handed over to DoT to finalise).

Other plans and strategic advice

We also completed the Cremorne Place Implementation Plan in December 2020, which provides:

- a high-level vision for the future of Cremorne that reflects input from the communities that live, work and invest there
- a prioritised set of projects that will deliver that vision.

We have handed the Cremorne Place Implementation Plan to DJPR, which will now lead the Victorian Government's investment and support for the precinct's development.

Establishing a forward pipeline and replicable processes

- Structure planning guidelines for VPA urban renewal planning: We have commenced development of guidelines for urban renewal plans prepared by the VPA. This will include two components:
 - A replicable products and process framework drawing from the PSP 2.0 framework, adapted for urban renewal
 - Metrics and benchmarks to ensure clear guidance for VPA projects
- Commencing work to identify a forward pipeline of planning work required to contribute to the *Plan Melbourne* need for 70 per cent of Melbourne's dwelling growth to be located in established Melbourne and to contribute to COVID-19 recovery, and as further identified in the DELWP Land Use Framework Plans for Melbourne's sub-regions.

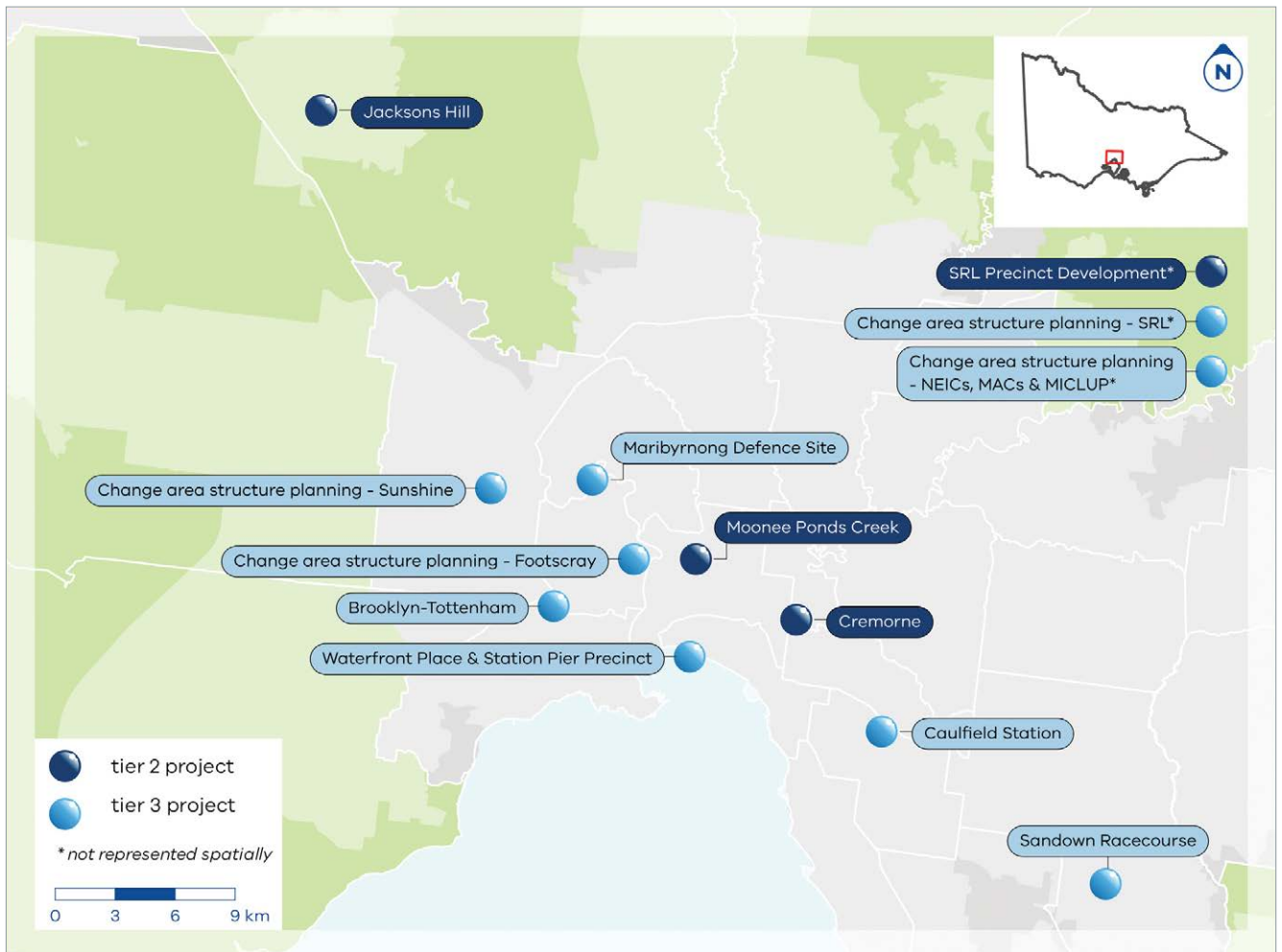


Figure 5 Established Melbourne program (excluding Fast Track projects)

5. REGIONAL CITIES AND TOWNS

During 2020/21 the impact of the pandemic saw a significant spike in residential demand in the regions, requiring the VPA to refocus on alleviating land supply shortages in high-growth regional cities and peri-urban towns. As a result the VPA has centered our effort and actions to develop a regional pipeline of projects that responds rapidly to market changes (particularly to meet housing demand in key regional cities), so that we can transparently allocate resources to areas where we can make the highest impact.

The VPA continued working closely with councils and government agencies to provide place-based planning solutions to support urban growth in regional cities and towns. The VPA has been set a target to deliver 30,000 new residential lots and 9,000 new jobs in the regions by 2022.

In Victoria's peri-urban and regional areas, the VPA supports councils and other stakeholders to achieve growth aspirations by planning for precincts and places. Coordinated planning in these areas will result in a more productive economy for regional Victoria and affordable and attractive places to live.

During the year, the VPA was active in 11 regional projects, with nine additional projects funded through the SFG program. We undertook work to develop a forward Regional Victoria Strategic Pipeline, with a focus on establishing an authorising environment in regional cities and key peri-urban towns, creating a mandated pipeline of projects within a defined boundary, a criteria-driven prioritised annual work program, and ensuring that regional cities and key peri-urban towns have sufficient zoned land ready to be serviced to provide jobs and housing in a post-COVID-19 world.

In 2020/21, we have finalised the following in partnership with councils and other project stakeholders:

- Key and Essential Worker Housing Supply Action Plan
- Echuca West PSP
- Spotlight on Sebastopol – Draft Revitalisation Plan
- Stawell Structure Plan

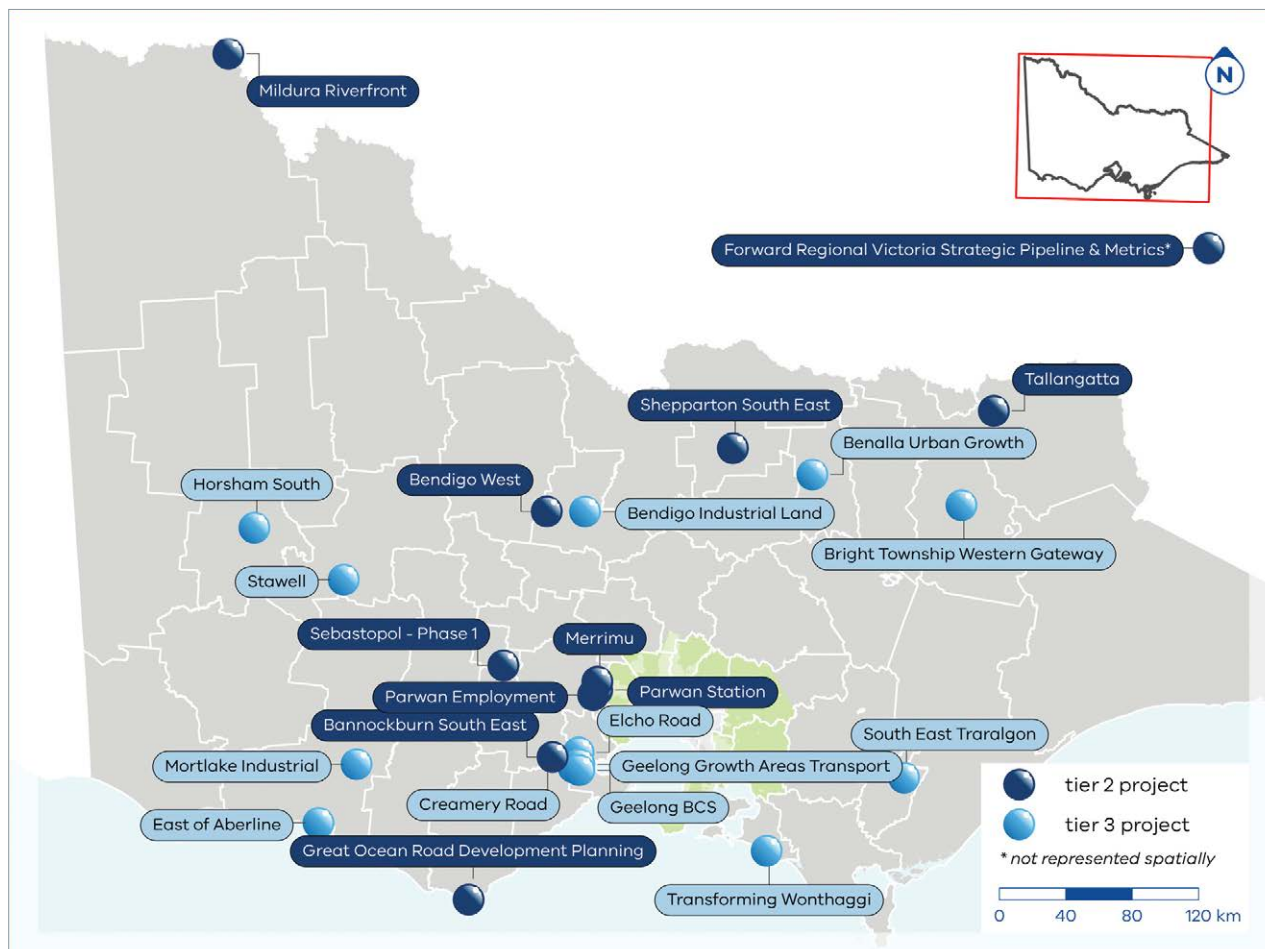


Figure 6 Regional planning program (excluding Fast Track projects)

6. MELBOURNE'S GROWTH CORRIDORS

The priority for this program continues to be maintaining a 15-year supply of zoned land within Melbourne's metropolitan growth corridors to help reduce upward pressure on house prices. Importantly, these plans also enable the creation of valuable jobs for the Victorian community.

In February 2019, following the completion of the previous 100,000 lots program, the government announced new outer Melbourne planning targets for the VPA for an additional 50,000 residential lots and the capacity for 50,000 new jobs. These are expected to be progressively delivered with the 50,000 lots component targeting completion in early 2023 and the 50,000 jobs component by the end of 2023.

Towards this target, two PSPs were gazetted in 2020/21 being *Pakenham East PSP* and ICP unlocking 7,229 dwellings and 1436 jobs and *Quandong PSP* (council-led) unlocking 1,063 dwellings in the Wyndham area.

Further advancing achievement of this target in 2020/21 was the VPA Board's endorsement of the *Shenstone Park PSP* to be submitted to the Minister for approval comprising a total of 3,669 dwellings and 4,342 jobs.

The *Craigieburn West PSP* and ICP also proceeded to final stages during the 2020/21 year in preparation for Board endorsement early in the 2021/22 financial year. A panel decision on *Beveridge North West PSP* in late 2020 resulted in this project and the adjoining *Wallan South PSP* being retimed to account for a fresh process addressing the panel recommendation. Work on these two projects was also significantly progressed throughout 2021/22.

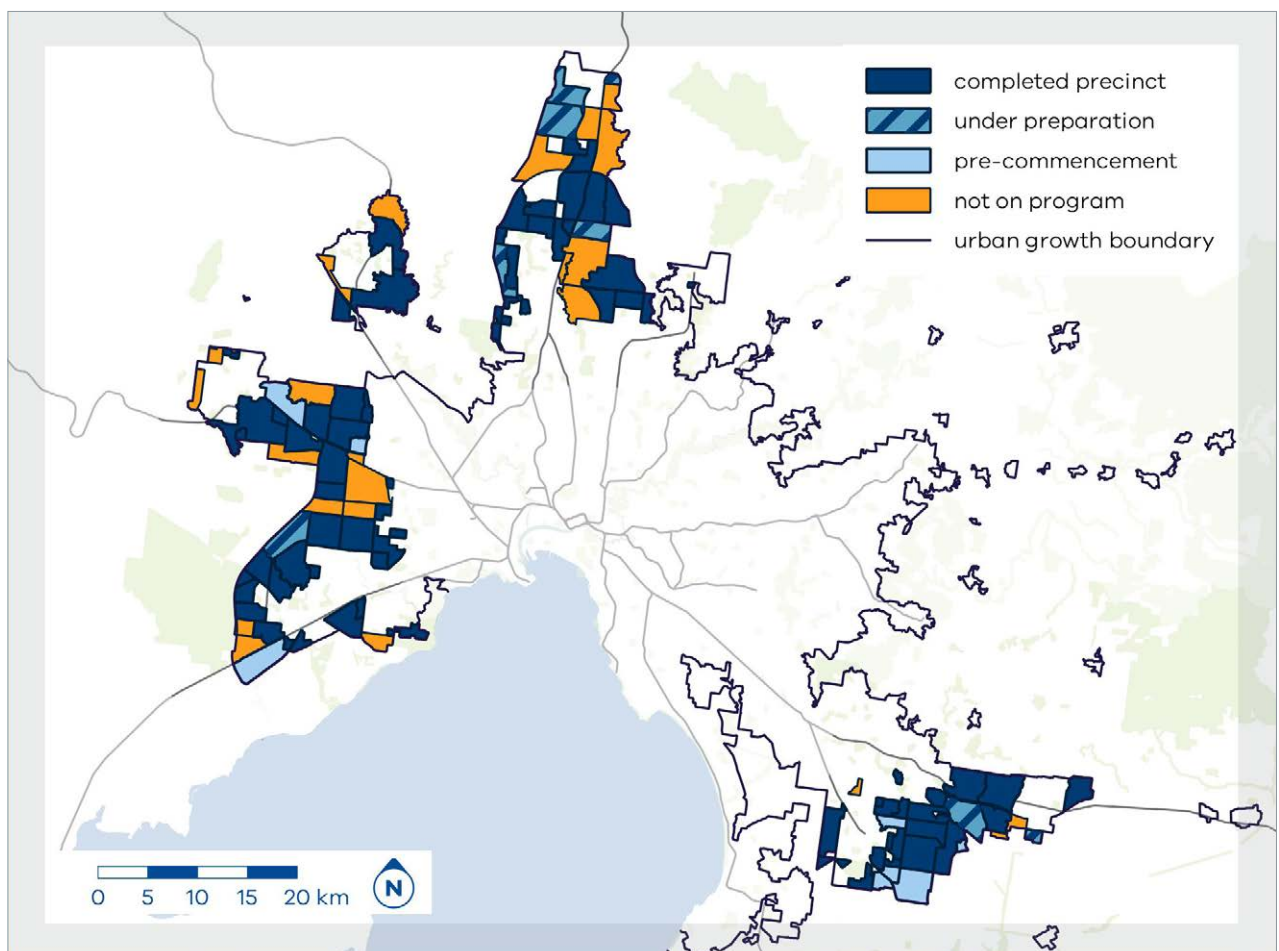


Figure 7 Outer Melbourne planning program - PSPs complete, on program and yet to be programmed

Over the course of 2020/21, we have focused on delivering the outer Melbourne projects on the Fast Track Program, as well as key projects articulated in our Business Plan, including:

- Fast Track Program
 - Beveridge North West PSP and Infrastructure Contributions Plan (ICP)
 - Craigieburn West PSP and ICP
 - Shenstone Park PSP and ICP
 - Pakenham East PSP and ICP
 - Wallan East PSP and ICP
 - Wallan South PSP and ICP
- Other VPA-led projects
 - Beveridge Central Supplementary ICP
 - Casey Fields South PSP and ICP
 - Cardinia Creek South Part 2 PSP and ICP*
 - Crookell PSP and ICP*
 - Devon Meadows PSP and ICP
 - Greenvale North Part 2 (site specific rezoning)*
 - Kororoit (Part 2) PSP and ICP*
 - Melton East PSP and ICP
 - Merrifield North PSP and ICP*
 - Minta Farm Supplementary ICP
 - Officer South Employment PSP and ICP
 - Sunbury South and Lancefield Road Supplementary ICP
 - Werribee Junction PSP and ICP
- Council-led projects
 - Oakbank PSP and ICP
 - Pakenham South Employment PSP and ICP

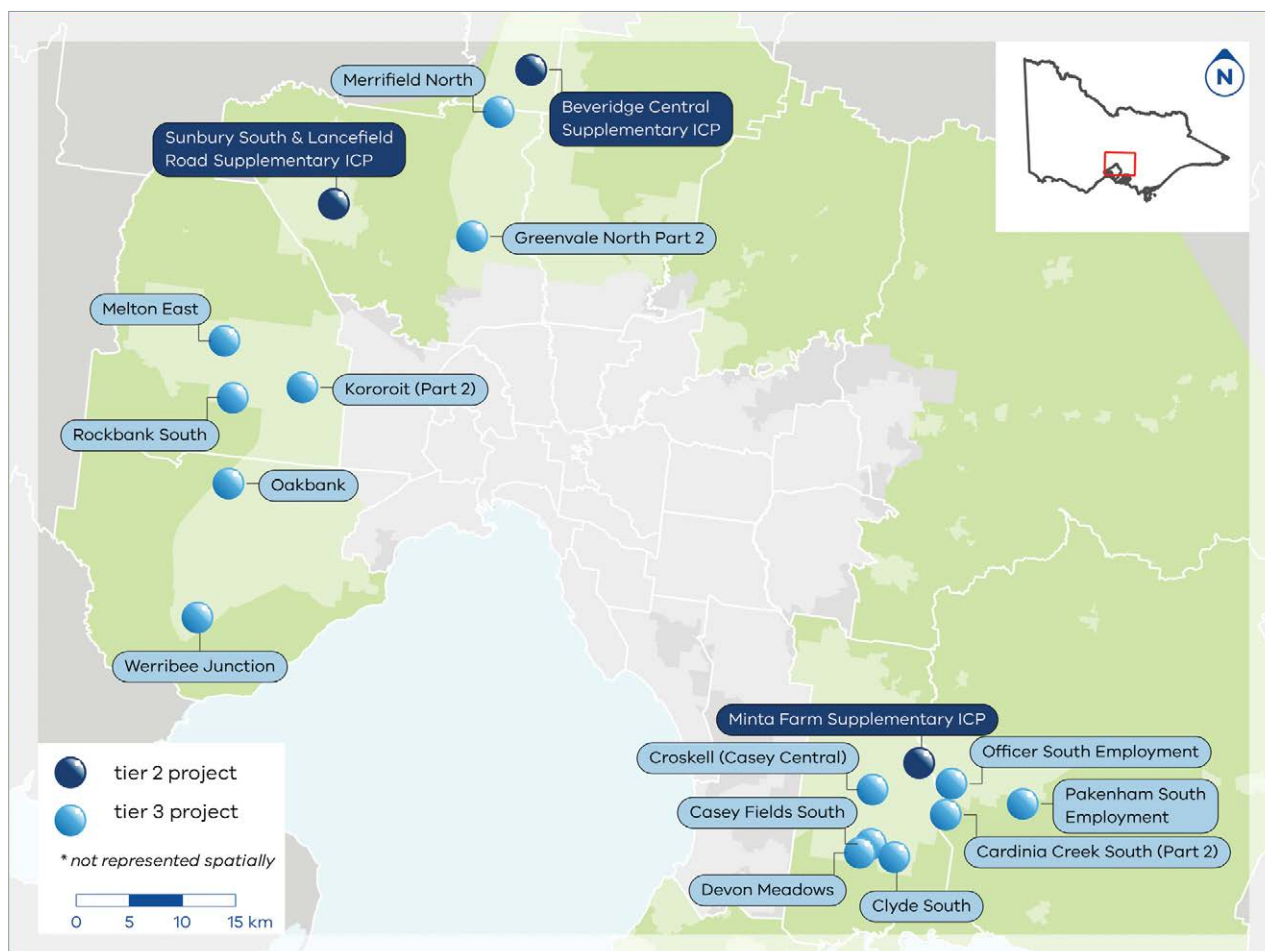


Figure 8 Outer Melbourne planning program (excluding Fast Track projects)

Embedding the new framework for Infrastructure Contribution Plans (ICP)

The *Planning and Environment (Public Land Contributions) Act 2018* came into effect on 2 July 2018. This act created a new mechanism for securing contributions from landowners to ensure that there was appropriate funding to enable the provision of key community infrastructure through the new infrastructure contributions plan provisions. Initially this Act is only being applied to metropolitan growth corridors and to nominated strategic sites.

In order to progress the implementation of the PSPs adopted and prepared over the last two years, in some instances the VPA was required to prepare interim ICP arrangements to align to the new ICP Framework, and to separately draft final supplementary ICPs.

Two uncoupled ICPs were also approved and gazetted in 2021/22 being *Beveridge Central ICP* and *Minta Farm ICP*, leaving only one uncoupled ICP for Sunbury South and Lancefield Road on the program.

The task of bringing historic ICPs into the new framework is resource-intensive and the VPA is managing its work program to limit the impacts of undertaking this activity on other VPA projects. This task is nearing completion and can expect to be concluded in 2021/22.

VPA PSP reform agenda

The VPA is working on and advocating for a range of PSP tools and processes to improve PSP creation and delivery.

In 2020/21, the VPA Board endorsed the final version of the *PSP Guidelines for Victoria's New Communities* (PSP Guidelines) to be submitted to the Minister for approval.

The purpose of the update to the PSP Guidelines is to identify and incorporate government policy that has been introduced since the original guidelines were put in place a decade ago.

The update also looks to raise the bar by providing more opportunities for innovation in PSPs for Victoria's new communities. The PSP Guidelines aim to plan for communities that live in a '20-minute neighbourhood'. Throughout the preparation of the PSP Guidelines, the VPA has been consulting with industry, councils and numerous State Government agencies to ensure there is the correct balance of certainty and flexibility in the guidelines.

During this year, the VPA worked with DELWP to undertake extensive engagement on the draft PSP Guidelines. Following the Minister's decision on the final guidelines document, the document will be released publicly.

Alongside the PSP Guidelines, in 2019, the VPA commenced a review to identify opportunities to streamline the process and reduce timeframes to deliver a PSP while maintaining or enhancing product quality and liveability outcomes. This innovation project (known as PSP 2.0) has involved councils, state agencies, industry and internal staff to inform the core challenges with the existing process and identify desired future outcomes.

PSP 2.0 is about achieving a future state process and product where good planning is a result of shared decision making and good planning outcomes are a shared responsibility of all stakeholders.

In 2020/21 the VPA established a PSP Reform Team to ensure effort is placed on continuous improvement for our precinct structure planning approach, including the policy, process and product aspects of our New Communities program.

7. STREAMLINING FOR GROWTH

The SFG Program was established in 2016 to facilitate faster (and more cost-effective) delivery of employment and residential land across Victoria.

The SFG Program focuses on projects that unlock and accelerate the delivery of employment and residential land in areas subject to population growth pressures and/or experiencing shortages of land for housing or jobs. It aligns with the VPA's core function as the State Government's lead agency for delivering planning and infrastructure coordination solutions in designated areas across Victoria.

The SFG Program operates to:

- Support economic growth by delivering, unblocking or accelerating strategic planning, statutory planning, infrastructure coordination and related projects.
- Accelerate the delivery of zoned and permit-ready employment and residential land
- Simplify, streamline and accelerate post strategic planning approvals and infrastructure coordination processes.
- Increase housing supply, choice and affordability.
- Build capability and capacity in councils via delivering red tape reduction and ongoing and systemic improvements to performance and outputs.

The SFG Program is delivered in strong partnership with local government through two mechanisms:

- Council Grants projects: typically council-led projects funded predominantly by direct cash grants, and sometimes assisted by VPA managed consultants and/or VPA staff.
- VPA-led projects: typically VPA-led projects that support delivery of housing and jobs via strategic land use planning or improved processes and systems, delivered by VPA staff and VPA appointed consultants.

The 2020/21 program included a particular focus on supporting projects that assisted in post-COVID-19 economic stimulus and recovery.

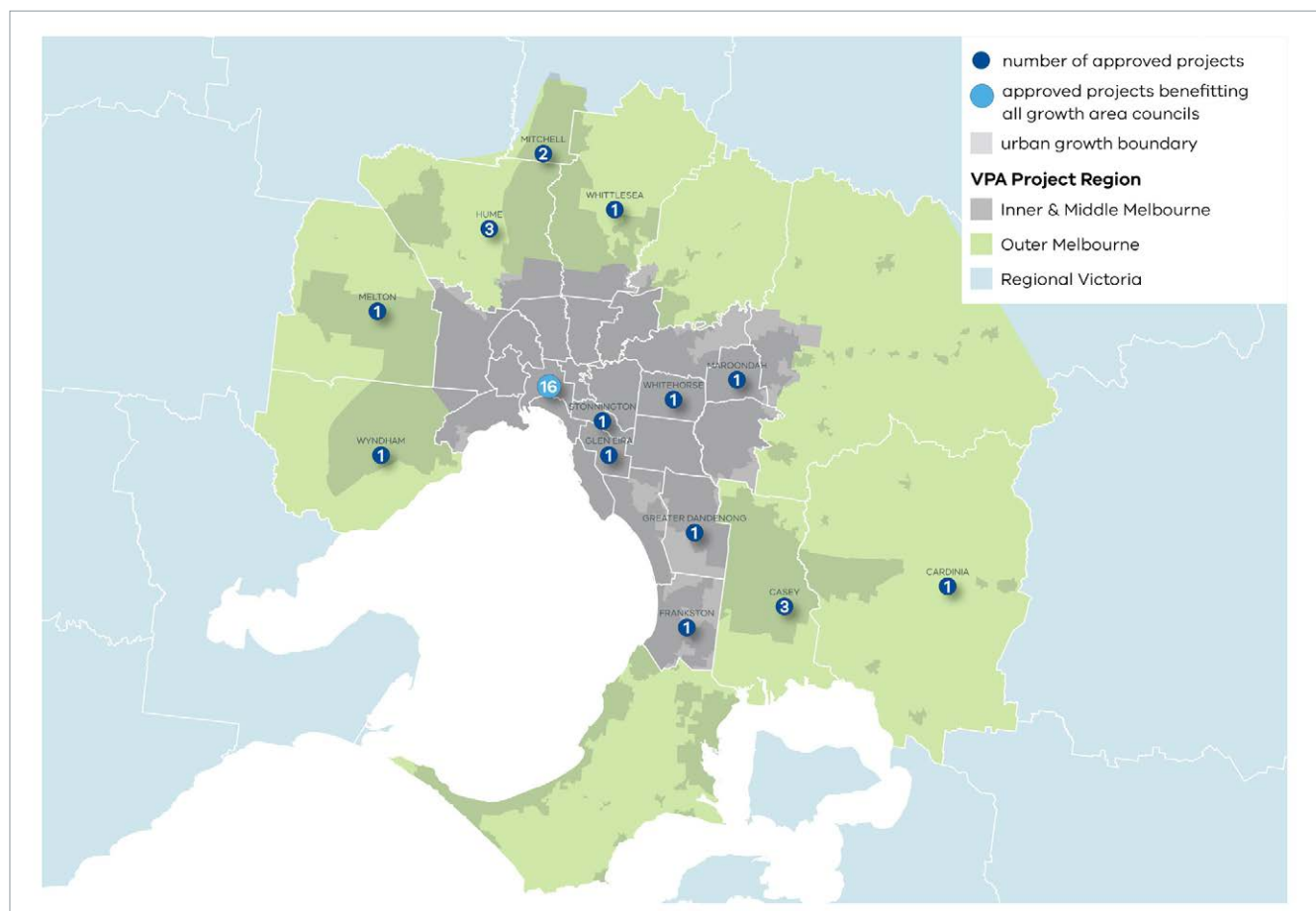


Figure 9 Streamlining for Growth 2020/21 approved projects for metropolitan Melbourne

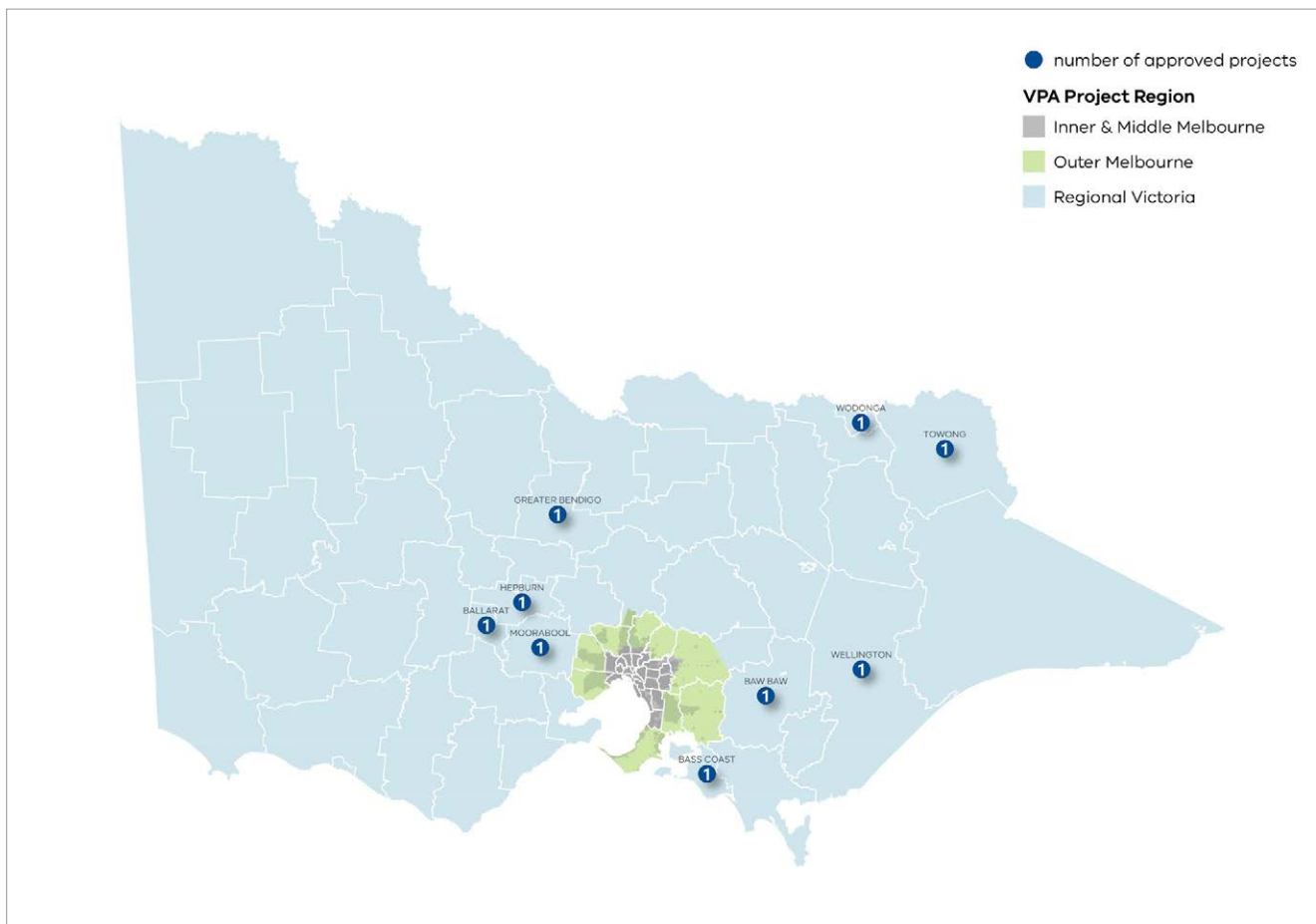


Figure 10 Streamlining for Growth 2020/21 approved projects for regional Victoria

8. INFRASTRUCTURE COORDINATION

The VPA continues to progress work and advocacy towards greater integration of land use and infrastructure planning and delivery. This is supported by the object in the VPA Act and one of the programs of our Statement of Expectations. We continue to:

- provide a strong contribution to the government's Land Use and Infrastructure Working Group interdepartmental committee to oversee better agency coordination.
- provide information to government about what state infrastructure is required in growth corridors and PSPs at five years, 10 years and build out.
- provide inputs to inform infrastructure coordination, including extensive input to Infrastructure Victoria regarding models for land use and infrastructure integration.
- work with government colleagues to better align the development and transport infrastructure pipelines with a particular focus on the northern metropolitan growth corridor.
- facilitate Growth Area Infrastructure Work in Kind agreements (GAIC WIKs) that enable land for infrastructure to be provided earlier for communities.
- support through SFG the Interface Councils group's Human Services Planning pilot project aimed at integrating service and infrastructure planning for local and state infrastructure in growth areas. A key output of the Pilot was a PSP Note to assist our partners to better plan for health and human services infrastructure.

Planning for infrastructure delivery

Planning for the right infrastructure to be delivered at the right time is critical to developing complete communities. The VPA, through its infrastructure contribution plans, makes sure a fair share of infrastructure costs is met by landowners.

The VPA has been active in planning for necessary state infrastructure in Melbourne's growth areas and for key regional cities and peri-urban towns. The government's record investment in growth area infrastructure creates an opportunity for the VPA to be proactive in providing information to departments and agencies about the infrastructure needs of the growing communities.

We are continuing to work hard to inform better alignment between the land development and infrastructure delivery pipelines in our PSP and precinct areas.

The VPA has also played a role in assisting other state agencies and local governments to undertake planning for infrastructure in some of the major urban renewal precincts in metropolitan Melbourne, such as the Arden Urban Renewal Precinct and the Monash NEIC.

The VPA has also responded to the infrastructure integration opportunities presented by the government's ongoing agenda for delivering integrated water management and boosting urban sustainability.

GAIC and GAIC Work-in-Kind (GAIC WIK)

The VPA has finalised negotiation for a total of eight GAIC WIK agreements since GAIC was introduced. This innovation is now proving to be an attractive alternative for landowners with GAIC liabilities. Over the course of 2020/21 there were a number of potential agreements being discussed with landowners and their representatives with two to be finalised in the 2021/22 year.

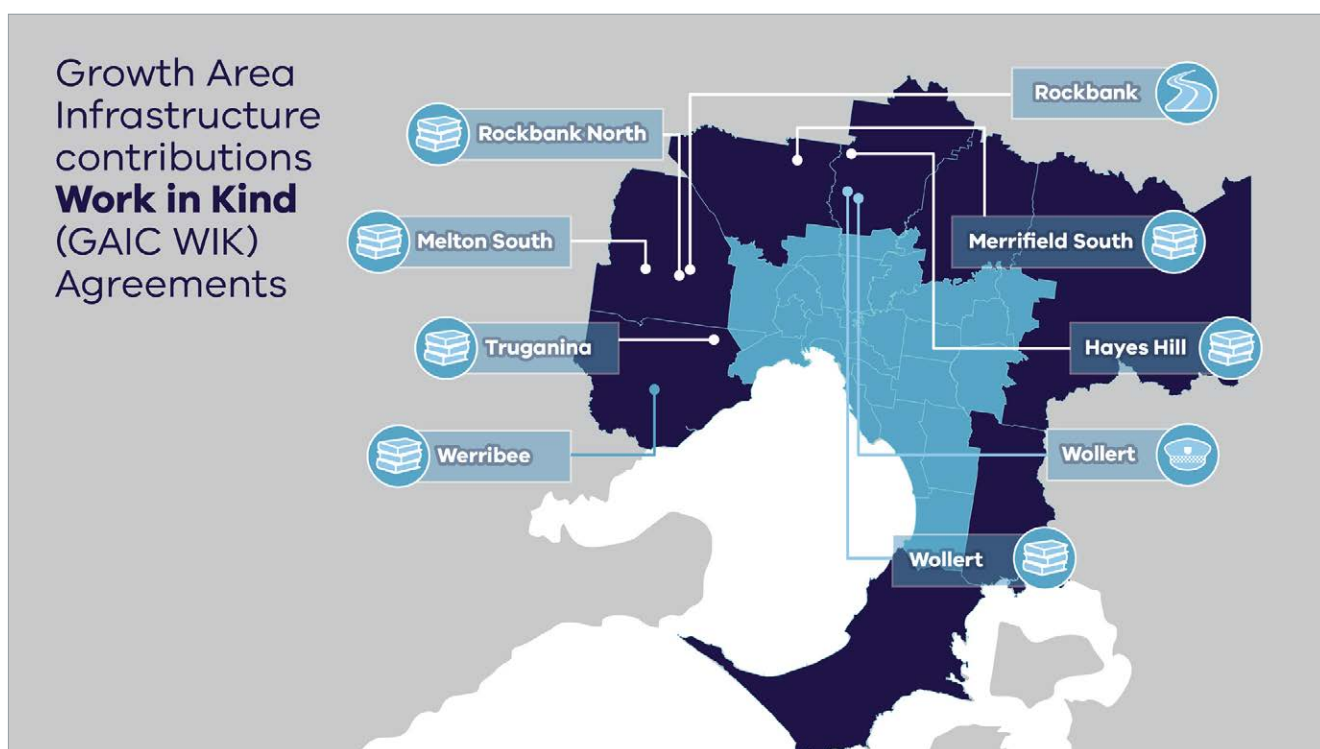


Figure 11 GAIC WIK agreements as at June 2021

Section 173 and DCP collections

The VPA is also responsible for the collection of DCP payments for the East Werribee Employment Precinct.

The VPA is required to pass these funds across to Wyndham City Council, as the council is the development agency for this area.

In addition, under the planning schemes for the City of Melbourne and City of Port Phillip, the VPA is responsible for the collection of certain payments made under section 173 agreements for the Fishermans Bend precinct, until such time as a DCP (or ICP) is put in place. The VPA is required by the Minister for Planning to periodically pass these funds to DELWP. These funds are reflected in the balance sheet of the VPA as both cash and deposits, and also in payables (as being required to be paid to government). These section 173 collections are not regarded as revenue of the VPA and are not included in the VPA's *Comprehensive Operating Statement*.

9. ORGANISATIONAL CAPACITY AND FINANCIAL SUSTAINABILITY

The VPA's financial sustainability strategy aims to transition over five years to a three-stream funding base to address the sustainability issues that exist with the VPA's current funding model. The strategy includes a greater focus on the revenue source comprising a broad-based cost recovery model and reflecting a diminishing reliance on voluntary third-party contributions.

The VPA has been successful in securing a legislative change to enable partial cost recovery through an ICP/DCP. Advocating for a broad based funding model is the next part of this strategy.

To this end the VPA is proposing to diversify its revenue sources over time and to recover planning costs from benefiting landowners. We are also undertaking negotiated service commissions from government agencies.

IN SUMMARY

It has been a busy year with many external factors contributing to a reprioritising and acceleration of the VPA's program of work. I would like to thank the Minister for Planning, the Board members, DELWP officers and government, council and industry partners for their strong partnership in our work over the past year.

I would also like to acknowledge the efforts of our hard-working staff in what has been a busy and challenging year. I look forward to continuing to work together to plan for great new communities, places and neighbourhoods that we can all be proud of.



Stuart Moseley
Chief Executive Officer

VPA vision and values

(From the Victorian Planning Authority Strategic Plan 2017-2020)

VISION OF THE VICTORIAN PLANNING AUTHORITY

All of our people – from the technical experts to the planners, from the research team to the administrative staff – play an important role in achieving our vision of connected, vibrant and sustainable communities.

VALUES AND BEHAVIOURS OF THE VICTORIAN PLANNING AUTHORITY

The VPA's success is driven by our talented and dedicated staff. We combine a deep commitment to delivering public value with a strong understanding of the private sector to cut through complexity and actively facilitate innovative spatial planning solutions.

The Victorian Public Sector (VPS) Values and associated Code of Conduct, underpin all of our interactions with communities, stakeholders, partners and each other.

In addition, there are four values that we consider crucial to the VPA, which shape the way we work together as an organisation to deliver high-quality outcomes for Victoria's growing and future communities.

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

Nature and range of services provided

We are the Victorian Government's statewide land use planning authority, providing planning solutions in growth areas across Victoria. We provide strategic urban planning solutions and work in lockstep with our partners across government, industry, councils and community to deliver:

Transport precincts and business precincts (priority precincts) and urban renewal in Melbourne

We plan the future of transitioning our under-utilised areas for jobs, investment and housing across inner and middle Melbourne and in key regional cities. We work with local government and the community to plan for the revitalisation of existing urban areas.

Melbourne growth corridors

We have been planning new suburbs across outer Melbourne since 2006 using PSPs.

We have been working to ensure that new neighbourhoods offer a diverse range of efficient and affordable housing and jobs that are connected, vibrant and sustainable.

Regional cities and towns

We work closely with councils and Regional Development Victoria to provide spatial planning solutions that unlock urban growth. We plan to ensure that our regional cities and towns add to the liveability and vibrancy of regional Victoria and play a key role in the development of the state and help boost Victoria's productivity.

Streamlining plan delivery

We provide innovative technical and design solutions across all aspects of planning. We also recognise the interdependent relationship between land use plans and infrastructure networks and services, particularly transport. We seek to influence, coordinate and respond to these interdependencies and deliver replicable, streamlined plans.

Organisational capability and capacity building

We build our organisational capability and provide support for councils to facilitate the delivery of urban plans and projects by working closely with our local government partners and sharing knowledge and learnings.

Planning solutions, innovation and partnerships

We influence policy and we lead new thinking about the urban environment. We ensure local communities and stakeholders are actively engaged in our planning and utilise 21st century tools to develop 21st century places.

Objectives, functions, powers and duties

OBJECTIVES

The objects of the VPA are set out in section 7 of the VPA Act:

- (1) The primary object of the Authority is to provide advice and assistance that is in accordance with the objectives of planning in Victoria.
- (2) Without limiting subsection (1), the primary object includes collaborating with government agencies (including public sector bodies) and Councils —
 - (a) to promote the objectives of planning in Victoria; and
 - (b) to support productivity, liveability, housing affordability and environmental quality for Victorian communities; and
 - (c) for facilitation of timely and coordinated delivery of infrastructure and services; and
 - (d) to promote the alignment of decisions made by government about infrastructure with land use planning; and
 - (e) to promote the supply of housing; and
 - (f) to encourage land development that is sustainable and that takes into account natural and other hazards.

The Authority has functions and powers under the PEA.

The Authority is also an interface body within the meaning of the *Transport Integration Act 2010*.

FUNCTIONS AND POWERS

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

The VPA's functions are set out in section 8 of the VPA Act:

- (1) For the purposes of achieving its objects, the Authority has the following functions—
 - (a) to provide the Minister with advice and assistance in relation to planning the use, development and protection of land in Victoria;
 - (b) subject to subsection (3), to provide Councils and public sector bodies with advice and assistance in relation to planning the use, development and protection of land in Victoria;
 - (c) to perform any other functions conferred on it under this Act, the PEA or any other enactment.
- (2) The Authority also has the following functions in relation to designated areas for the purposes of achieving its objects—
 - (a) to undertake integrated land use and infrastructure planning in those areas;
 - (b) to coordinate State Government action in relation to planning the use, development and protection of land in those areas.
- (3) The Authority must not give advice or provide assistance under subsection (1)(b) unless the Minister, or a person authorised by the Minister, has approved the giving of advice or the provision of assistance in a specified case or class of cases.

The VPA's powers are set out in section 9 of the VPA Act:

- (1) The Authority has power to do all things that are necessary or convenient to be done for or in connection with the achievement of its objects and the performance of its functions.
- (2) Without limiting subsection (1), the Authority may—
 - (a) enter into any agreements, contracts or arrangements in connection with its objects, functions or powers; and
 - (b) exercise the powers conferred on the Authority by this Act or any other enactment.

Performance reporting – non-financial

ACHIEVEMENTS, KEY INITIATIVES AND PROJECTS





The CEO's report highlights the achievements and progress on the key initiatives and projects of the VPA over the 2020/21 financial year.






OPERATIONAL PERFORMANCE










In accordance with section 44 of the VPA Act, the VPA prepared the *2020/21 Business Plan*. This annual business plan included a number of key performance measures for the 2020/21 financial year. The table below summarises the progress made against the VPA's 2020/21 strategic priorities as set out in its adopted *2020/21 Business Plan*, and aligned with its legislative objectives under section 7 of the VPA Act.

VPA'S KEY PERFORMANCE MEASURES FOR 2020/21





In order to achieve the VPA's outcomes over the coming four years, the VPA was expected to achieve the following during the 2020/21 financial year, as set out in our *2020/21 Business Plan*:

Program Outputs and Performance Measures	KPI for 2020/21	Status at 30 June 2021	Comment
Deliver planning frameworks and spatial planning advice to support development in priority precincts as directed by other Ministers and/or the Minister for Planning to deliver city-shaping liveability and economic outcomes.	VPA to make significant progress towards finalising the following two priority precincts projects on the VPA Fast Track Program by mid-2021: <ul style="list-style-type: none"> • Arden Urban Renewal Precinct • Braybrook Regeneration Project 		<ul style="list-style-type: none"> • Arden – Panel hearing scheduled for end of 2021 • Braybrook – Anticipated gazettal in early 2022.
Deliver planning frameworks and spatial planning advice to support the Plan Melbourne aspiration to accommodate 70 per cent of Melbourne's net dwelling growth within established Melbourne.	VPA Board to finalise the following two urban renewal projects on the VPA Fast Track Program by December 2020: <ul style="list-style-type: none"> • Berwick Health and Education • East Bentleigh Village 		VPA has completed its work on both projects.
	VPA Board to finalise the following five urban renewal projects on the VPA Fast Track Program by mid-2021: <ul style="list-style-type: none"> • Clayton Business Park • Wantirna Health Precinct • Lilydale Quarry • PMP Clayton • Preston Market 		VPA finalised deliverables: <ul style="list-style-type: none"> • Clayton Business Park • Wantirna Health Precinct • PMP Printing Clayton. Still to complete: <ul style="list-style-type: none"> • Lilydale Quarry • Preston Market.
Deliver planning frameworks to maintain a zoned capacity sufficient to accommodate around 15 years residential land supply and one new job for each new household in PSP areas.	VPA Board to continue to progress finalising PSPs to accommodate 50,000 lots and 50,000 jobs by December 2023 by completing six outer Melbourne PSPs during 2020/21. This includes finalisation of the following PSP by December 2020: <ul style="list-style-type: none"> • Pakenham East This includes finalising the following five PSPs on the VPA Fast Track Program by mid-2021: <ul style="list-style-type: none"> • Beveridge North West • Shenstone Park • Craigieburn West • Wallan South • Wallan East Part 1 		Completed: <ul style="list-style-type: none"> • Pakenham East PSP gazetted. • Shenstone Park PSP near completion. Still to complete: <ul style="list-style-type: none"> • Craigieburn West • Beveridge North West • Wallan South • Wallan East

Program Outputs and Performance Measures	KPI for 2020/21	Status at 30 June 2021	Comment
Improve planning outcomes and processes in PSP areas.	<p>Launch revised Structure Planning Guidelines (part one – greenfields) by 30 June 2021.</p> <p>Continue to operationalise completed PSP 2.0 (which will enable process improvements that will reduce average PSP preparation times by one-third) by 30 June 2021.</p>		<p>Launch expected within 2021.</p> <p>Operationalising of PSP 2.0 ongoing.</p> <p>In addition:</p> <p>Commenced development of replicable planning products, process and guidelines for urban renewal areas reflecting PSP 2.0.</p>
Deliver planning frameworks and services to support urban growth in regional Victoria.	<p>Continue to progress projects to enable finalising structure plans to accommodate zoned capacity for 30,000 lots and 9,000 jobs by December 2023 commencing with the VPA Board approving finalised frameworks/ strategic planning advice for three regional towns/areas by 30 June 2021.</p> <p>This includes finalising the following strategic planning projects on the VPA Fast Track Program by mid-2021:</p> <ul style="list-style-type: none"> • Wonthaggi North East PSP • Bannockburn Growth Plan • Ballarat Station Precinct South Side Masterplan and redevelopment 		<ul style="list-style-type: none"> • Bannockburn Growth Plan will be completed by third quarter 2021 • Ballarat Station Southside Masterplan Panel hearing anticipated late 2021 • Wonthaggi North East PSP has a two-stage SAC hearing in 2021. Second stage now anticipated in first half of 2022.
Deliver the Government's SFG program to unlock urban growth across the state by streamlining planning and post-plan approval processes.	Approve and allocate at least 30 SFG projects by 30 June 2021 (as per BP3).		The Board has approved and allocated funds for 43 projects (21 VPA-led projects and 22 council-led grant projects).
Demonstrate and disseminate innovation in planning processes and outcomes, and in engaging with communities and partners.	Deliver at least two webinars and/or digital based events to inform public debate and projects on the VPA Fast Track Program.		<p>Online design workshop for Wallan East PSP on the Fast Track Program held in October 2020.</p> <p>25 online sessions with key stakeholders consulting on the updated PSP Guidelines.</p> <p>Held an event with PIA in August 2020 on post coronavirus (COVID-19) priorities that included updates on the Fast Track Program.</p> <p>Sent out a video in December 2020 to all key VPA stakeholders that showcased the VPA Fast Track Program and other achievements.</p>
	Evaluate impacts of COVID-19 on the Victorian economy, urban development and the role of the VPA in stimulating economic recovery.		Completed new VPA Strategic Plan 2021-24 by 30 June 2021.

Program Outputs and Performance Measures	KPI for 2020/21	Status at 30 June 2021	Comment
Enhance the operational performance of the organisation.	No significant governance breaches reported in the 2020/21 annual report.		No significant governance breaches identified.
	90 per cent of projects on the VPA work program completed or on track as at 30 June 2021 against the work program timeframes (as amended by the Board at quarterly reviews).		92.5 per cent of projects on track against adjusted approved dates as set at the Quarter 3 review.
	Minister for Planning provided with draft business plan by 31 May 2021, and approved Business Plan published on VPA website within one month of the final Plan being approved by the Minister.		The draft 2021/22 Business Plan was completed by the VPA by 31 May 2021.
	Financial sustainability demonstrated by operating result for the year having a no greater than 10 per cent unfavourable variance from the budgeted surplus for the year ended 30 June 2021 (except where this is due to unbudgeted expenditure on a matter directed by the Minister for Planning).		Financial results for 2020/21 achieved an operating surplus greater than that which was budgeted.
	Continue to progress efforts to ensure funding sources are secured to ensure sustainability of operations beyond 2022/23.		With the ICP cost recovery legislation changes in 2020/21 and the 2021/22 budget outcomes the VPA is in a more secure financial position.
Deliver DCPs and/or ICPs to ensure that any development yield/uplift conferred by zoning change is accompanied by appropriate infrastructure contributions arrangements.	VPA to approve finalised ICPs and/or DCPs (as appropriate) to accompany all structure plans finalised by the VPA.		Gazetted ICPs: <ul style="list-style-type: none"> • Pakenham East • Beveridge Central • Minta Farm Urban Renewal DCPs: <ul style="list-style-type: none"> • East Village (gazetted) • PMP Printing – near completion
Negotiate Growth Areas Infrastructure Contributions Work in Kind (GAIC WIK) agreements to help clarify the nature and timing of infrastructure provided in PSP areas.	VPA to target finalisation of two GAIC WIKs by 30 June 2021, including the Gunns Gully GAIC WIK that is part of the VPA Fast Track program.		Wollert Police Station GAIC WIK completed and Wollert Rail Line GAIC WIK is well progressed. Gunns Gully GAIC WIK has experienced delays.
	VPA to progress all new GAIC WIKs for submission to the Minister for Planning for approval within 12 months from the time of signing of a third-party funding agreement.		VPA is meeting this KPI for tasks within its control.
Support government consideration of improved infrastructure coordination and funding models to support urban growth.	Develop and submit proposed coordination model for delivering infrastructure to support development of growth areas in greenfields Melbourne.		New infrastructure coordination model completed.

Key

Green	Achieved	
Blue	Not yet due	
Amber	Substantially progressed	
Red	Delayed/Deferred	

Performance reporting – financial

FIVE YEAR FINANCIAL SUMMARY

	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$	Year ended 30 June 2018 (as GAA) \$	Year ended 30 June 2017 (as GAA) \$
Income from government (a)	26,463,430	25,202,248	20,053,118	19,781,664	17,829,000
Total income from transactions	32,288,785	30,843,727	26,108,894	22,131,790	19,353,770
Total expenditure from transactions	30,372,833	25,103,871	27,661,984	22,050,194	18,744,888
Net result for the period	1,892,973	5,739,857	(1,548,434)	81,596	608,882
Net cash flow from operating activities	14,392,792	(1,413,445)	(4,371,971)	1,754,067	3,722,648
Total assets	28,539,084	24,373,273	15,335,928	19,485,477	17,023,123
Total liabilities	16,279,647	14,006,810	8,051,994	10,653,109	8,272,352
Net equity	12,259,437	10,366,463	7,283,933	8,832,367	8,750,771

Notes:

- (a) Income from government only includes output and special appropriations. Other contributions from government are recorded within total income from transactions.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

Overall, the financial position of the VPA has slightly improved with net equity increasing by \$1,892,973 to \$12,259,437. The detailed movements in the different financial aspects are discussed below.

The VPA was successful in being awarded an extension of two funding streams which were to have concluded at 30 June 2020. For the 2020/21 year there was a further \$7 million allocation to the well-regarded SFG program and also a further \$7 million to the *Affordable by Supply* program which has now been renamed as *Unlocking New Communities and Affordable Housing*.

Cash flow from operating activities is up significantly from last financial year due to Fast Track Funding of \$7.5 Million being recognised as revenue in the 2019/20 financial year, but being receivable as at 30 June 2020.

CURRENT YEAR FINANCIAL REVIEW

Overview

In 2020/21 the VPA achieved a net result from transactions of \$1.893 million, \$3.847 million lower than in 2019-20. Both total income and expenses from transactions have steadily increased since the 2016-17 financial year as the VPA's role and remit as the State's spatial planning agency has strengthened. This is also due to a continuation and expansion of the SFG Program as well as funding for *Unlocking New Communities and Affordable Housing*.

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effect of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the VPA.

Our asset base and cash flows from operating activities have increased primarily due to increased collections from the VPA's role as collection authority for infrastructure contributions at Fishermans Bend. These funds are collected and temporarily held by the VPA and do not form part of the VPA's annual income.

Financial performance and business review

The VPA performed favourably against budget by \$0.663 Million primarily due to its commitment to close financial management. Expenditure is higher than in previous years, this is due to a number of factors including:

- More SFG Program grants paid to councils in 2020/21: \$2.601 million in 2020/21 compared to \$1.947 million in 2019/20.
- Significant expenditure on Fast Track Program projects as the VPA works towards completion of those projects.

Financial position – balance sheet

At the beginning of the financial year the VPA brought forward a \$10.366 million accumulated surplus. Following the net result of \$1.893 million, the VPA closed the financial year with a total accumulated surplus of \$12.259 million.

At 30 June 2021 the VPA carried contract liabilities of \$2.904 million (2019/20: \$4.012 million), these are in relation to obligations to complete work/milestones for funds already received, which is the required revenue recognition treatment under AASB 15 Revenue from Contracts with Customers. These carried forward funds have been budgeted to be recognised as VPA revenue during the 2021/22 financial year once the associated work has been completed.

The VPA's balance sheet also records a Right of Use Lease Liability of \$3.423 million (2019/20: 4.270 million) relating to our accommodation lease. This was taken up on the balance sheet as of 1 July 2020 in accordance with new accounting standard AASB 16 Leases. This liability is also partially offset by a right of use asset of \$2.451 million (2019/20: \$3.121 million).

The VPA is also holding funds of \$4.637 million (2019/20: \$1.199) million which is for the S173 liability from infrastructure contributions for Fishermans Bend that we are obliged to on forward as directed by the Minister for Planning.

The VPA's employee provisions are valued at \$3.545 million (2019/20: \$3.262 million).

SUBSEQUENT EVENTS

Due to coronavirus (COVID-19) the state of Victoria entered a lockdown from 11.59pm on 15 July 2021 to 27 July 2021. A further lockdown commenced at 8pm on 5 August 2021. Lockdowns bring uncertainties and challenges to the communities in which the VPA plans for and engages with. The VPA continues to operate remotely during this time with all staff working from home for the duration of the lockdown.

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Authority, or the results of those operation, or the state of affairs in future financial years.

Governance and organisational structure

GOVERNING BOARD

The VPA is overseen by a Board with experience in state and local government and industry that brings together a broad range of disciplines including planning, development, economics, financial management, education and housing.

The Authority reports to the Minister for Planning the Hon. Richard Wynne MP. The VPA is governed by a seven-person Board which was appointed by the Minister for Planning.

The seven Board members of the Victorian Planning Authority were in office for the whole period of 1 July 2020 until 30 June 2021 with Jude Munro AO Chair. Jennifer Cunich completed her Board term on 30 June 2021.

The VPA's organisational structure as at 30 June 2021 is as follows:



The VPA's organisational structure supports its strategic direction and is designed to ensure that the VPA delivers and improves planning projects that shape the future growth and transformation of designated urban growth areas, precincts and places.

The Board appointed a CEO, and the VPA adopted an organisational structure with three planning teams to carry out its planning projects:

- Melbourne Renewal Precincts
- Outer Melbourne
- Regional Victoria.

The planning teams are supported by two specialist teams:

- Infrastructure, Strategy and Planning
- People and Performance.

BOARD MEETINGS

Board meeting attendances for 2020/21

Authority Member	Membership Period	Board Meeting attendance
Jude Munro AO (Chair)	1 July 2020 to 30 June 2021	16 out of 16
Bill Kuszniarczyk (Deputy Chair)	1 July 2020 to 30 June 2021	16 out of 16
Trevor Budge AM	1 July 2020 to 30 June 2021	16 out of 16
Jennifer Cunich	1 July 2020 to 30 June 2021	16 out of 16
Laurinda Gardner	1 July 2020 to 30 June 2021	16 out of 16
Penny Holloway	1 July 2020 to 30 June 2021	16 out of 16
Theo Theophanous	1 July 2020 to 30 June 2021	15 out of 16

BOARD MEMBERS' CONFLICT OF INTEREST DISCLOSURES

During the 2020/21 financial year, VPA board members disclosed the following potential, perceived or actual conflicts of interest:

Name of Board Member	Disclosure	Management Plan
Jude Munro AO	Own consultancy service, Jude Munro & Associates	Chair will advise Board if any of her consultancy work is relevant to the VPA
Jude Munro AO	Board Director on Building Victoria Taskforce	Chair will advise Board if any conflict or perceived conflict through her former role as joint Chair of the BVRT arises.
Jude Munro AO	Board Director on Uniting Victoria Tasmania	Chair will advise Board if UVT is a landowner in VPA area
Jude Munro AO	Chair of Minister's Infrastructure Contribution Advisory Committee	Chair to absent herself if any item arises where there may be a perceived conflict
William (Bill) Kuszniarczyk	Managing Director of Clement Stone Town Planners	Member will advise Board if any matter that is relevant to his role with Clement Stone Town Planners comes before the Board.
William (Bill) Kuszniarczyk	Clement Stone engaged to act on behalf of private landowner in relation to Craigieburn West PSP	Member to recuse himself from any discussions, will not be sent any materials and will abstain from voting on Craigieburn West PSP
William (Bill) Kuszniarczyk	Clement Stone engaged to act on behalf of private landowner to discuss extending UGB adjacent to Eynesbury Stud with Wyndham Council	Member to recuse himself from any discussions, will not be sent any materials and will abstain from voting on this matter
Trevor Budge AM	Employed as Manager Regional Sustainable Development at City of Greater Bendigo (until November 2020), and subsequently in short term role.	Member will absent himself from any Board discussions relating to any matter in the City of Greater Bendigo.
Trevor Budge AM	Member of Dja Dja Wurrung Enterprise Board	Member will absent himself from discussions if it is considered that a conflict may arise.
Theo Theophanous	Director of consultancy / lobbyist company (Embark Worldwide), has consultancies with Growland Pty Ltd, Lesso Home Improvements Pty Ltd, The Hellenic Museum and Norstar Recyclers Pty Ltd. A number of lapsed consultancies also appear on the Lobbyist Register.	Member will identify areas of conflict and recuse himself from Board discussions and decision making. VPA will not forward related documents to him.
Theo Theophanous	His daughter is the Member of Parliament for constituency adjacent to Preston Market.	Member to be excluded from documentation re Preston Market, and to exclude himself from any discussions, decisions or debates relating to this matter.
Laurinda Gardner	Director LAG Consulting	Member will advise Board if any of her consultancy work is relevant to the VPA and recuse herself from any discussions if a real or perceived conflict arises.

BOARD COMMITTEES

The Board of the VPA has two sub-committees, the Risk and Audit Committee and the Executive Remuneration People and Culture Committee.

Risk and Audit Committee

The Risk and Audit Committee assists the VPA in discharging its responsibilities as prescribed in the *Financial Management Act 1994* and *Audit Act 1994*, as well as other relevant legislation and prescribed requirements.

The Risk and Audit Committee has five members and was chaired by Jennifer Cunich. The Risk and Audit Committee Members are all independent of the operations of the Authority, and one of the members, Andrew Dix, is an external independent member.

The role of the Risk and Audit Committee is to report to the Board of the VPA on:

- financial performance for the year;
- the financial reporting process;
- the scope of work, performance and independence of the internal auditor;
- the scope of work and performance of the external auditor;
- the operation and implementation of the risk management framework;
- matters of accountability and internal control affecting the operations of the VPA;
- the effectiveness of management information systems and internal controls;
- the acceptability, disclosure of and correct accounting treatment for significant transactions that are not part of the VPA's normal course of business.

Risk and Audit Committee meeting attendances for 2020/21

Authority Member	Membership Period	Risk and Audit Committee attendance
Jennifer Cunich (Chair)	1 July 2020 to 30 June 2021	4 out of 4
Jude Munro AO (ex Officio) (Chair of the VPA)	1 July 2020 to 30 June 2021	2 out of 4
Penny Holloway	1 July 2020 to 30 June 2021	4 out of 4
Theo Theophanous	1 July 2020 to 30 June 2021	4 out of 4
Andrew Dix (Independent Member)	1 July 2020 to 30 June 2021	4 out of 4

Executive Remuneration, People and Culture Committee

This Committee is responsible to the Board and oversees the development and implementation of executive remuneration policy and practices and also monitors the development and implementation of strategies to enhance staff and organisational effectiveness within the VPA. The Committee approves individual executive remuneration packages. The Executive Remuneration, People and Culture Committee has four members and was chaired by Bill Kuszniarczyk.

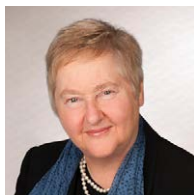
The Committee recognises and demonstrates a clear relationship between people, executive performance and organisational effectiveness as an important part of the culture of the Authority.

The Committee monitors the development and progress of a *People and Culture Plan* which includes key strategies aimed at improving the Authority's organisational culture, executive and leadership development, attraction and selection practices and succession planning initiatives.

Executive Remuneration People and Culture Committee meeting attendances for 2020/21

Authority Member	Membership Period	Executive Remuneration People and Culture Committee attendance
Bill Kuszniarczyk (Chair)	1 July 2020 to 30 June 2021	4 out of 4
Jude Munro AO (ex Officio) (Chair of the VPA)	1 July 2020 to 30 June 2021	4 out of 4
Trevor Budge AM	1 July 2020 to 30 June 2021	4 out of 4
Laurinda Gardner	1 July 2020 to 30 June 2021	4 out of 4

OUR BOARD MEMBERS



Jude Munro AO (Chair)

BA (Hons), University of Melbourne; Grad Dip Business Administration, Swinburne University; Grad Dip Public Policy, University of Melbourne; FAICD; FIPAA

Jude Munro is experienced in guiding large complex organisations as a non-executive director. She has served on 20 boards. She has been Board Chair of Australia's fourth largest water utility, the Founding Chair, Victorian Pride Centre, a director of a national aviation business, an airport, a development company, a bus company, and a director of one of Australia's largest not-for-profits with a \$1.3 billion budget running hospitals and other services. She is currently Chair, Uniting VicTas, a Director, Newcastle Airport, a Director, Metro Tasmania, and a Director, The Pride Fund.

Jude also mentors CEOs. Her last CEO position was as CEO of Brisbane City Council for 10 years. She led the Council with its \$2.6 billion annual budget, 9,000 employees as it delivered infrastructure projects, bus and ferry services, regulatory and other municipal services for 1.2 million people. Infrastructure projects included the \$2.7 billion Clem7 tunnel, the feasibility stage of Airport Link, the Green Bridge, and Go Between Bridge.

She has been made an Officer of the Order of Australia, given keys to the City of Brisbane, listed in Deloitte's top 50 LGBTI executives, awarded the IPAA Queensland Governor's Award for excellence in the public sector and the UDIA Raymond J Peck Award for outstanding contributions and excellent service to Victoria's urban development industry.



W. R. (Bill) Kuszniarczyk

(Deputy Chair, Chair of Executive Remuneration People and Culture Committee)

BA (Urb Studies) FIT; Grad Dip (Urb Plg) FIT; CPP; MPIA; MAAP; AFAIM; MVEPLA; MBDAV; MAPA; MEIANZ; MAICD; MUDIA

Bill Kuszniarczyk is a leading urban and regional planner in Australia.

He has extensive experience and knowledge in all aspects of planning, building, property development and how cities, rural and regional areas should look in the future. He is the founder and Managing Director of Clement-Stone Town Planners, which has a long and respected tradition of providing professional advice in these fields. Bill is sought as a regular commentator on radio, TV and in print media.

He is the former Chair of the Building Advisory Council. Mr Kuszniarczyk was appointed as the inaugural Chairman and Chief Commissioner of the Victorian Building Authority in 2013. He is a Certified Practising Planner and Associate Fellow of the Australia Institute of Management. Bill also brings his expertise in strategic and business planning, project management, stakeholder engagement, finance, risk and corporate governance. He is also an advisor to the Victorian State Government on infrastructure and delivery as a member of the Office of Projects Victoria Board. His valuable industry experience puts him at the forefront of advisors across Australia. He also provides his valuable knowledge to the community, charities and on not-for-profit boards.

Bill is an Australian Day Ambassador to Victoria.



Penny Holloway

Bachelor of Arts (Hons) Monash University; Bachelor of Social Work, University of Melbourne; Graduate Diploma in Public Policy, University of Melbourne; Masters of Urban Planning, University of Melbourne; Diploma, Australian Institute of Company Directors

Penny holds urban planning, public policy and board director qualifications. She has over 30 years' experience and expertise in government administration, strategic planning and program delivery at senior executive levels in state and local government in Victoria and New South Wales. In the last few decades she has held the positions of Chief Executive Officer of the Lord Howe Island Board; General Manager, North Sydney Council and Chief Executive Officer, Latrobe City Council; General Manager City Services, Whitehorse City Council; Director, Office of Youth Affairs and Group Manager, Building Better Cities with the Victorian Government.

Penny has local planning panel experience being the Chair and independent expert on local and regional planning panels in metropolitan and regional NSW. Penny has extensive Board experience and is currently a Board member of Local Government Procurement Pty Ltd. She is also an independent member of the Northern Sydney Local Health District Board Audit and Risk Committee.



Trevor Budge AM
BA, Monash University; Grad Dip of Education, Monash University; Grad Dip Town & Regional Planning, University of Melbourne; MA (Town Planning), Victoria University; LFPIA

Trevor Budge is an Adjunct Associate Professor in the Community Planning and Development Program at the Bendigo campus of La Trobe University. He is the former Manager Regional Sustainable Development at the City of Greater Bendigo. He is also former State President of the Planning Institute of Australia and is a Life Fellow and has a National Lifetime Achievement Award from the Institute. He became a Member (AM) in the General Division of the Order of Australia in June 2011 for service to town planning, particularly the development of regional and rural communities in Victoria, and to education.

He was a Ministerial appointee for six years of the Victorian Catchment Management Council and a founding Board member on the Victoria Walks Board. He has worked extensively for state, regional and local government, conducted his own consulting business for 16 years and for 12 years taught at RMIT and La Trobe universities in planning and community development.



Jennifer Cunich
(Chair of Risk and Audit Committee)

Jennifer Cunich has over 30 years' experience in the business and property sectors. She held the position as CEO of the Australian Institute of Architects and was the Executive Director of the Property Council of Australia, first as the ACT Executive Director and from 2002 to 2016 as the Executive Director at the Victorian Division.

Jennifer is one of Australia's most experienced property lobbyists and business managers. Jennifer is currently on the board of the Australian Housing Industry and Urban Research Institute (AHURI), the Monash University's Estates Committee and is the Lead Program Development Manager for the Mid-rise Advisory Program with Wood Solutions.

Jennifer Cunich's appointment as a Board Member of the VPA expired on 30 June 2021 and she did not seek to have it renewed.



Laurinda Gardner
BA (Hons), University of Melbourne; MAICD; FIPAA

Laurinda Gardner is a board director, organisational reform and change management consultant and career coach. Laurinda has over 25 years' senior executive experience and was formerly a Deputy Secretary with the Victorian Department of Treasury and Finance and a Director at the City of Melbourne. She has led large operational teams in diverse areas including strategic and business planning, HR, IT, communications, town planning, stakeholder engagement, finance and risk.

Laurinda has performed the role of trusted adviser to several CEOs, was an Administrator at the City of Greater Geelong and is currently on the Board of the Victorian Equal Opportunity and Human Rights Commission, a Commercial Passenger Vehicles Victoria Commissioner and a member of several remuneration and audit and risk committees.



The Hon. Theo Theophanous
BA (Hons), La Trobe University

The Honourable Theo Theophanous is a former Victorian Government Minister who has held a number of senior portfolios including Industry, Trade, Energy, Resources, State Development, ICT and Major Projects. Highlights include developing the first Victorian

Renewable Energy Scheme, introducing sale of liquor in restaurants, introducing Sunday trading, attracting major international airlines and investment to Victoria, steering the development of the Recital Centre, AAMI Stadium, Melbourne Conference Centre and Austin Hospital redevelopment.

He now works as a specialist industry advisor, is on the Board of State Trustees Limited, is Vice President of the Cyprus Community of Melbourne and Victoria and has served on the National ICT Australia Board and as a parliamentary advisor to the World Bank. He is a commentator in major Australian newspapers.

OUR PEOPLE

At the VPA, we understand that our success is driven by our talented and dedicated workforce. Our strategic plan sets out a clear direction to build a *"dynamic and high performing organisation that delivers and creates an inspiring workplace"*.

With this being the last year of our 2017-20 Strategic Plan, we developed a new Strategic Plan 2021-24 that builds on the existing plan and outlines our values, drivers, purpose, pillars and priorities to support our state's economic recovery, standard of living, sustainability and liveability into the future.

The Strategic Plan 2021-24 consolidates the VPA's role as the Victorian Government's lead urban growth planning agency. It also articulates our role as a trusted problem solver that facilitates land use and infrastructure solutions and expert advisor that brings delivery-informed insights to urban policy and projects.

The 2020/21 year saw the continued implementation of our three-year People and Culture Plan and program, which focuses on three key areas for the organisation:

- Attracting and selecting the right people for the right jobs
- Developing our people and creating career pathways
- Creating an inspiring workplace.

Key achievements in the 2020/21 year include:

- Refining how we connected through an increased focus on knowledge sharing across our different functions and people manager groups within a hybrid and distributed working model.
- Developed and adopted the 'Way We Work' focused on embedding flexibility, work/life balance and support for our emerging work practices and ensuring we are supporting the needs of all of our employees and those of the business.
- The negotiation and successful approval by FairWork on the VPA's 2021 Enterprise Bargaining Agreement. The agreement included an annual mobility allowance allowing increased flexibility for moving VPA staff within the VPA, additional parental leave entitlements and processes for furthering gender equality.

We also developed a new People and Culture Strategy for 2021-2024, building on the success of the previous plan with the key focus areas of:

- Organisational culture development initiatives
- Providing rewarding and engaging careers that maximise the employee experience
- Driving meaningful Inclusion, Diversity, Equity and Belonging (IDEB)
- Building capability and performance through our people and their skills
- Staff engagement and wellbeing
- Efficient systems, policies and processes.

The VPA continued to perform at high standards within the context of ongoing disruption from coronavirus (COVID-19), hybrid working and successive lockdowns. Staff pulse check surveys continued to show the resilience of staff wellbeing and the acknowledgement of strong management care for wellbeing and prioritisation support.

BUILDING MANAGEMENT AND LEADERSHIP CAPABILITIES OF OUR PEOPLE MANAGERS

The VPA's management teams, the Senior Executive Team, the Leadership Group and the Managers Group, meet on a regular basis to exchange learnings, openly discuss and action issues of importance within their respective groups. The Leadership Group has been empowered to assist the Senior Executive Team in the development and implementation of key strategies and to progress operational matters across the organisation.

In partnership with Development Victoria, the VPA sponsored five of our senior staff members to participate in a three-month adaptive leaders' program which provides direct support to members of the community. The program was a great success with the graduation ceremony occurring remotely on 10 June 2020.

A Leading Through Change Program, complementing our resilience training, was provided to management staff in early to mid-2020 in support of our people managers transitioning to managing remote teams through the changes imposed as a result of coronavirus (COVID-19).

ADOPTING BEST PRACTICE

The VPA is committed to reviewing our practices to ensure we are in line with industry best practice. We have rapidly adapted of practices to support flexible, distributed and technology based working and provided support guides to our people managers and staff. We continue to stay engaged and connected with contemporary organisation development and people and culture practices both within whole of government and beyond in order to stay well-informed of new innovative practices from flexible working, future of work, managing dispersed teams, as well as including diversity and inclusion throughout.

EMBEDDING VALUES

Our VPA values continue to be reflected through everything we do from our initial employment brand, position descriptions, interview assessments and inductions, through to our performance and development review process. We continue a value-based recognition framework that includes forums and online 'thank you' highlights of employees living these values in their daily practices. A focus of staff recognition at weekly staff forums also highlights the demonstration of our values in practice in our daily work.

A CULTURE OF FLEXIBILITY

The VPA has articulated its approach to flexible future working conditions through '*The Way We Work*' statement that highlights our role in shaping Victoria with flexibility and agility. The VPA has long recognised the importance of flexible ways of working to enable our people to balance their personal and professional priorities, while driving superior service delivery and performance.

Coronavirus (COVID-19) led to a step-change forward in our work options to support our people to deliver outcomes, promote accountability and collaborate both face-to-face and remotely. The '*Way We Work*' outlines how the VPA provides a variety of work options to encourage individuals to implement new ways to collaborate, while promoting accountability to deliver outcomes.

PEOPLE MATTER SURVEY 2020

The VPS People Matter Survey was conducted during October 2020 with results being made available in December 2020. The Victorian Public Service Commission (VPSC) noted that coronavirus (COVID-19) has influenced working lives across the Victorian public sector and tested the resilience of both organisations and employees. As such the VPSC changed the 2020 People Matter Survey into a shorter version focused on staff wellbeing.

The report complimented the series of ongoing Pulse Check surveys conducted by the VPA throughout the year.

There was a significant decrease in the response rate in 2020, falling from 95% (106 respondents) in 2019 to 69% (75 respondents). It's considered this drop is likely due to survey fatigue given the number of surveys conducted during 2020 as the organisation tightly monitored staff wellbeing and sentiment. This still compared well to a whole of public sector response rate of 49%.

Key results:

- 29% of staff reported high to severe levels of stress (VPS 22%)
- Of those reporting stress, 60 % cited time pressures, 56% workload and 15% competing home and work responsibilities
- 80% thought senior leaders consider the psychological health of employees to be as important as productivity (25% increase from 2019)
- 77% believed there is good communication about psychological safety issues that affect them (20% increase from 2019)
- 92% reported receiving sufficient information on how changes due to coronavirus (COVID-19) would impact them
- 89% reported receiving adequate support during the changes due to coronavirus (COVID-19)
- 100% of staff had worked from home
- 61% had a substantial change in the type of work, work priorities or how they were expected to work
- 84% thought senior leaders supported staff to work in an environment of change
- 77% believed Senior leaders provided clear strategy and direction
- 95% were confident that if they requested a flexible work arrangement, it would be given due consideration

- Staff reported the top benefits from working from home were: No commuting time (87%), flexibility in working hours (71%) and better work/life balance (61%)
- However, they also reported barriers from working at their best associated with work from home including: Limited social interactions with team mates (56%), difficulties separating work from other aspects of life (40%) and absence of visibility of team progress and deliverables (33%).

The organisation responded to these results by continuing to offer a number of support and wellbeing services including direct calls from our Employee Assistance Program provider, wellbeing seminar series and a ramp up of individual and team connection activities.

Ongoing pulse checks continued throughout the 20/21 year and continued to show strong employee engagement and confidence in the VPA's management response to coronavirus (COVID-19) and staff health, safety and wellbeing.

COMPLIANCE WITH THE DISABILITY ACT 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability.

The Disability Action Plan was developed in 2015 in accordance with the VPA's core values to ensure that all persons, including those with disabilities, have access to our premises, are able to participate in community engagement and consultation activities, and can access information about our key planning projects. It outlines specific strategies and actions that the organisation can take to meet the four key outcomes that are outlined in the *Disability Act 2006*, which all public sector bodies must align with.

The VPA is committed to the implementation of this plan, including regular reviews of its effectiveness and ensuring adherence to the latest standards, as we strive to reduce barriers for those with a disability and engage with all members of our community. The plan can be accessed via <https://vpa.vic.gov.au/accessibility/disability-action-plan/>.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

The VPA has a clear commitment to the health, safety and wellbeing of our employees. Through our OHS Committee, we continually review our OHS governance and compliance frameworks. In 2019, an external audit was conducted to support elevating the VPA's focus, commitment and practices in support of OHS both in the office and working from home environments. Several actions from the audit have been finalised and an ongoing the coronavirus (COVID-19) Safe support plan has carried into the next financial year with a focus on safely returning to work in a hybrid nature with a blend of part-time in the CBD office and part-time continuing to safely work from home.

The VPA's performance against occupational health and safety management measures

Measure	KPI	2020/21	2019/20
Incidents	No. of incidents	0	1
	Rate per 100 FTE	0	1
	No. of incidents requiring first aid and/or further medical treatment	0	1
	Hazards	0	0
Claims	No. of standard claims	0	1
	Rate per 100 FTE	0	1
	No. of lost time claims	0	0
	Rate per 100 FTE	0	0
	No. of claims exceeding 13 weeks	0	0
	Rate per 100 FTE	0	0
Fatalities	Fatality claims	0	0
Claim costs	Average cost per standard claim	0	\$125
Return to work	Percentage of claims with RTW plan <30 days	0	0
Management commitment	Evidence of OH&S policy and objectives, regular reporting to senior management	Achieved	Achieved
Consultation and participation	Evidence of agreed structure of designated work groups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	Achieved	Achieved
	Compliance with agreed structure on DWGs, HSRs, and IRPs.	Achieved	Achieved
Risk management	Percentage of internal audits/inspections conducted as planned.	100%	100%
	No. of Improvement Notices issued across the Authority by WorkSafe Inspector.	0	0
	Percentage of issues identified actioned arising from:		
	• internal audits;	100%	100%
	• HSR provisional improvement notices;	n/a	n/a
	• WorkSafe notices.	n/a	n/a
Training	Induction	Achieved	Achieved
	Staff training	Achieved	Achieved

WORKFORCE DATA

Staffing trends from 2017 to 2021

The following total staff members (headcount) were employed by the Authority as at 30 June:

2021	2020	2019	2018	2017 (GAA)
125	108	114	113	95

The VPA has an expanded role from that of the GAA. This resulted in the VPA taking up a wider range of tasks, and expanding its staff complement correspondingly.

Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active VPA employees, employed in the last full pay period in June of the current reporting period (2020/21), and in the last full pay period in June of the previous reporting period (2019/20).

Details of employment levels at 30 June 2021 and 30 June 2020 are as follows:

	June 2021							June 2020						
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE
Gender														
Women	62	57.94	2	0	2	60	55.94	51	46.74	2	0	2	49	44.74
Men	63	59.64	3	0	3	60	56.64	57	53.75	4	0	4	53	49.75
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Age														
15-24	11	8.94	0	0	0	11	8.94	7	3.39	0	0	0	7	3.39
25-34	38	36.37	0	0	0	38	36.37	31	30.7	0	0	0	31	30.7
35-44	42	39.93	1	0	1	41	38.93	37	34.9	3	0	3	34	31.9
45-54	17	16.8	2	0	2	15	14.8	17	16.50	1	0	1	16	15.50
55-64	14	13.19	2	0	2	12	11.19	14	13	2	0	2	12	11
65+	3	2.4	0	0	0	3	2.4	2	2	0	0	0	2	2
VPA 1-6 grades														
VPA 1	5	2.16	0	0	0	5	2.16	3	1.2	0	0	0	3	1.2
VPA 2	4	4	0	0	0	4	4	5	3.19	0	0	0	5	3.19
VPA 3	17	16.6	0	0	0	17	16.6	11	10.6	0	0	0	11	10.6
VPA 4	23	22.7	0	0	0	23	22.7	20	19.94	0	0	0	20	19.94
VPA 5	26	24.09	0	0	0	26	24.09	24	22.49	0	0	0	24	22.49
VPA 6	28	27.2	5	0	5	24	23.2	27	25.86	5	0	5	22	20.86
Senior employees														
STS	16	14.83	0	0	0	16	14.83	12	11.2	1	0	1	11	10.2
Executives	6	6	0	0	0	6	6	6	6	0	0	0	6	6
Total Employees	125	117.58	5	0	5	120	112.58	108	106.84	6	0	6	102	94.49

Annualised total salary by \$20,000 bands for executive staff at 30 June 2021

The following table discloses the annualised salary for executive officers of the organisation. The salary amount is reported as the full-time annualised salary, including superannuation.

In the tables below, the VPA Chief Executive Officer (CEO) is included as an executive officer. It is noted that the CEO is however excluded from the Executive Remuneration Note of the 2020/21 Annual Financial Statements as the CEO is included in the Responsible Persons Note.

Income Band	Executives 2020/21	Executives 2019/20
\$200,000 - \$219,999		
\$220,000 - \$239,999		
\$240,000 - \$259,999	5	6
\$260,000 - \$279,999		
\$380,000 - \$399,999		
\$400,000 - \$419,999	1	1
Total no. of Executives	6	7*

* This number includes one STS Officer who was appointed as an acting Executive Director

Notes:

The salaries reported above are for the full financial year, at a 1-FTE rate.

Executive officer data

The executive employment and total remuneration packages as at 30 June (those employed as at 30 June) is set out below.

Table 2 Total number of executive officers for the VPA, broken down into gender

Class	2021				2020			
	Male	Female	Self Described	Vacancies	Male	Female	Self Described	Vacancies
CEO	1	0	0	0	1	0	0	0
EO2	2	3	0	0	3	3	0	0
EO3	0	0	0	0	0	0	0	0
Total	3	3	0	0	4*	3	0	0

** This number includes one STS Officer who was appointed as an acting Executive Director

Table 3 Reconciliation of executive numbers with note in annual financial statements

	2021	2020
Executives (financial statement Note 8.3)	6	7
Accountable Officer (CEO)	1	1
Less Separations	(1)**	(1)
Total Executive Officers employed at 30 June 2021	6	7*

* This number includes one STS Officer who was appointed as an acting Executive Director

** An executive director was reclassified to a VPS7 as part of transition to retirement through the year

Growth Areas Infrastructure Contribution

COMPLIANCE WITH THE *PLANNING AND ENVIRONMENT ACT 1987*

GAIC as Part 9B of the PEA commenced on 1 July 2010 and applies to defined contribution areas in the growth area municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea, and Wyndham. Properties in the GAIC contribution area have a GAIC notice registered on title. When dutiable transactions, subdivision or building permit events occur GAIC usually becomes payable and subject to interest. The PEA provides for deferred payments, Staged Payment Arrangements (SPA) to spread payments over time and Work-in-Kind (WIK) agreements instead of payment. The PEA includes exclusions and appeal provisions for GAIC.

The Minister and the Treasurer are jointly and separately responsible for the administration of GAIC under general orders issued by the Premier. The DELWP supports the Minister in this GAIC responsibility and reports annually according to section 201VC(1) of the Act on income, expenditure and balance of the Building New Communities Fund (BNCF) and the Growth Areas Public Transport Fund (GAPTF) by growth area and proportion. DELWP also reports annually on BNCF, GAPTF and WIK projects. Please refer to the *DELWP Annual Report 2020/21*.

The VPA has statutory and other roles in the administration of GAIC, including liaison with the SRO as receiver of GAIC payments, the DTF supporting the Treasurer, the DELWP Planning Group supporting the Minister and DELWP Local Infrastructure managing the BNCF and GAPTF. The VPA reports annually on the operation of the GAIC scheme under section 201VC(2) of the PEA.

The VPA's statutory roles in the PEA include excluded building work threshold and maximum adjusted GAIC amounts calculations for the next financial year, WIK agreement performance determinations, the CSR certificates assistance, exceptional circumstances appeals consultation by the DELWP, contribution area recording, change notifications on titles, and annual reporting. The VPA also prepares and amends SPAs, negotiates and manages WIK and provides administrative support to the Hardship Review Board.

GAIC amounts	2021/22	2020/21
Excluded Building Work Threshold (\$)	1,250,510	1,240,660
Type A land (\$/ha)	100,020	99,230
Type B1, B2 & C (\$/ha)	118,810	117,870

WORK-IN-KIND AGREEMENTS

The VPA accepts applications and negotiates WIK agreements for approval by the Minister. A WIK may be for land, works or a combination to meet a person's GAIC liability. The WIK value for land requires approval by the Valuer General Victoria and the Victorian Government Land Monitor and for works requires approval by the receiving agency. The DELWP, the DTF and the SRO assist with negotiation and approval processes. Any WIK valued at over \$2 million, and any supplementary BNCF of \$2 million or more, or GAPTF must be approved by the Treasurer prior to the Minister's approval. Approved WIK details are tabled on the VPA website and financial details are in the *DELWP Annual Report 2020/21*.

WIK	2020/21		2019/20	
	(no)	(\$m)	(no)	(\$m)
Approved:				
Land	0	0	2	29.21
Works	0	0	1	0.96
Total	0	0	3	30.17
Completed:				
Land	1	7.83	2	15.61
Works	-	-	-	-
Total	1	7.83	2	15.61

STAGED PAYMENT ARRANGEMENTS

The VPA accepts applications and prepares new and amended Staged Payment Arrangements (SPAs). A SPA allows the payment of GAIC liability as land is developed in stages over time. Any outstanding liability is subject to interest. The Minister approves any new GAIC SPA for a GAIC liability of \$10 million and over. The VPA CEO has delegation to approve a new SPA for a GAIC liability of less than \$10 million and for an amended SPA. SPAs are amended for change of owner, stage areas, dates, number or order. All SPAs are reviewed by SRO before approval.

SPAs approved in financial year	2020/21		2019/20	
	(no)	(\$m)	(no)	(\$m)
New - \$10m or greater	1	19.59	2	25.85
New – less than \$10m	41	114.14	47	138.36
Amended	60	295.51	64	310.02
Total	102	429.24	113	474.23

HARDSHIP RELIEF BOARD

Persons may in some circumstances apply to the Hardship Relief Board (HRB) for relief from their GAIC liability. The DELWP managed the appointment of the three current board members for a three-year term ending 30 June 2021 and has managed the appointment of board members for the next three-year term. The VPA provides secretarial assistance to the HRB for meetings and hearings. The HRB must forward a notice of determination to the applicant, the Commissioner of State Revenue and the VPA.

HRB applications in financial year (no)	2020/21	2019/20
Start	nil	nil
Received	nil	nil
Determined	nil	nil
Outstanding	nil	nil

Infrastructure contribution reporting

The provisions of the *Planning and Environment Amendment (Infrastructure Contributions) Act 2016* came into effect as of 1 June 2016. Collecting agencies are required to report in relation to infrastructure contributions received and expended.

In addition, the VPA acts as the collecting agency for the East Werribee Employment Precinct Development Contribution Plan (EWEP DCP). In accordance with sections 46GM and 46QD of the PEA, the VPA is required to report annually on aspects of that DCP.

The VPA also collects funds from section 173 agreements in the Fishermans Bend Precinct. The following tables reflect the different elements to be reported annually.

Total DCP contributions received for the year ended 30 June 2021

Name of DCP	Contributions received for the year 30 June 2021 (\$)	Contributions received for the year 30 June 2020 (\$)
EWEP	29,398	Nil
Total		Nil

DCP land, works, services or facilities accepted as work-in-kind for the year ended 30 June 2021

Name of DCP	Project description	Item purpose	Project value 2021 (\$)	Project value 2020 (\$)
EWEP	n/a	n/a	Nil	Nil
Total				Nil

Total DCP contributions received and expended to 30 June 2021

Name of DCP	Total levies received (\$)	Total levies expended (\$)	Total work-in-kind accepted (\$)	Total DCP contributions received (levies and work-in-kind) 2021 (\$)	Total DCP contributions received (levies and work-in-kind) 2020 (\$)
EWEP	29,398	Nil	Nil	29,398	Nil
Total					Nil

Land, works, services or facilities delivered for the year ended 30 June 2021 from DCP collections

Project description	Name of DCP	DCP fund expended during the year (\$)	VPA's contribution for the year (\$)	Other contributions for the financial year (\$)	Total project expenditure for the year 2021 (\$)	Percentage of item delivered	Total project expenditure for the year ended 2020 (\$)
n/a	EWEP	Nil	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil	Nil

Fisherman Bends Section 173 collections and disbursements for the year ended 30 June 2021

	2020/21 (\$)	2019/20 (\$)
Opening balance	1,199,107	1,648,173
Receipts for the year	3,704,202	2,733,162
Disbursements for the year	(266,495)	(3,182,277)
Section 173 collections on hand at the 30 June	4,636,814	1,199,107

Other disclosures

ENVIRONMENT STRATEGY

The VPA has continued its commitment to working towards environmental sustainability in both its operations and in the planning of new communities. The VPA strives to be an environmentally responsible organisation in its own operations and is also working towards improving the liveability and sustainability of the natural and built environment within new communities.

Water consumption and waste management

Due to the availability of data, the VPA does not record or report on office waste disposal or water consumption. However, the VPA continues to participate in enhanced waste management programs and recycling initiatives through Collins Place Management.

The enhanced waste management program incorporates:

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

Procurement

Our environmental procurement policy seeks to embed environmental considerations into procurement decisions for goods and services consistent with the purchasing principles outlined in the Victorian Government Purchasing Board Procurement Policies.

Office based targets and initiatives

The VPA reports annually against a number of initiatives. The results for 2020/21 are set out in the table below:

INDICATOR	2020/21 Actual	Estimated Carbon Equivalent (Tonnes)	2019/20 Actual	Estimated Carbon Equivalent (Tonnes)	Net % Change	Notes
ENERGY USE						
Total electricity used (megajoules)	285,005	89.95	331,613	84.05	7%	1
Energy used per Full Time Employee (FTE) (megajoules)	2,596	0.82	3,212	0.81	1%	1
Energy used per unit of office area (megajoules per m ²)	211	0.07	245	0.06	7%	1
PAPER						
Total units of A4 equivalent copy paper used	64	0.34	1,021	3.88	-91%	2
Daily paper ream use per employee	0.002	0.003	0.027	0.037	-91%	2
TRANSPORT						
Annual total Hybrid Pool Vehicle travel (km)	2479	0.22	17,012	1.53	-86%	3
New staff taking up public transport, cycling or walking options for travel	99%	0.03	100%	-	1%	4
Other transport per employee per year (km)	0.04	0.06	72	1.02	-94%	5
Distance travelled by air (km)	1,426	0.24	17,598	3.01	-92%	6
Total emissions (excluding calculated offsets)		90.82		93.49	-3%	7

Notes to Office based targets and initiatives

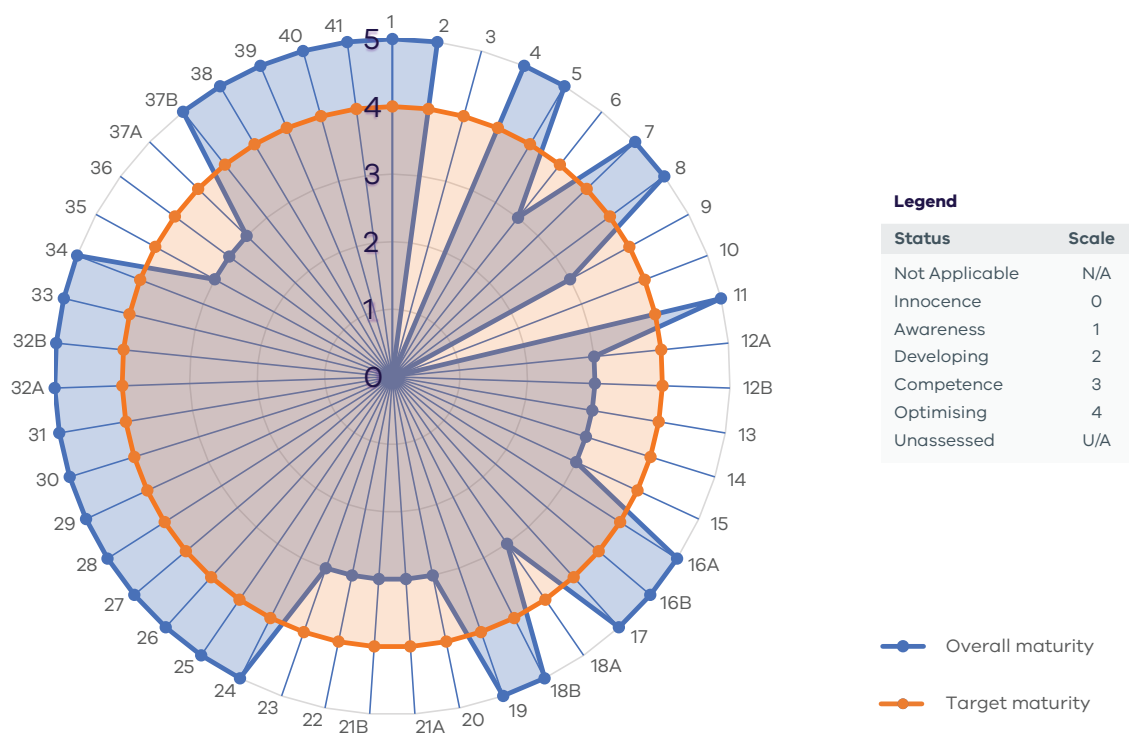
Decreases in the above report include the environmental benefits arising from staff working remotely for the majority of the financial year.

1. Energy usage is down 16% (megajoules) from 2019/20 due to a longer period of lockdown in the 2020-21 financial year.
2. Paper emissions are down 91% from 19/20 due in part to our continued emphasis on printing controls. With staff working from home for most of the year we are far less reliant on paper than we ever have been, and this trend is likely to continue in the coming years.
3. 86% decrease in carbon emissions from the use of the VPA pool car due to a decrease in VPA car travel as a result of coronavirus (COVID-19) restrictions.
4. Public transport – Myki commuter club numbers decreased significantly from 2019/20 due to continued remote working. When the office was open, we estimate 99% of staff were commuting, walking, or riding to work, with some staff opting to drive due to health concerns.
5. There has been a significant decrease in use of other modes of transport primarily due to coronavirus (COVID-19) restrictions but also due to an increased focus on public transport use where reasonable.
6. The use of air travel decreased significantly during this year due to coronavirus (COVID-19) interruptions.
7. The VPA has reduced its overall CO2 emissions across the financial year primarily due to coronavirus (COVID-19) disruptions but also due to several initiatives that will continue into 2021/22.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The VPA is required to report on the AMAF every three years. The following sections summarise the VPA's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

The VPA's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



The VPA's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements. This target maturity rating strikes a balance between the VPA's relatively small asset holdings and the mandatory requirements of the AMAF.

Leadership and Accountability (requirements 1-19)

The VPA has met or exceeded its target maturity level under most requirements within this category. The VPA did not meet target requirements for some of the areas relating to incorporating asset performance monitoring due to the relatively small value of the VPA asset value. Other areas scored 0 for not applicable as VPA do not outsource asset management responsibilities.

The VPA has did not meet its target in some of the asset planning requirements of the AMAF due to the relatively small dollar value of VPA held assets.

Acquisition (requirements 24 and 25)

The VPA has exceeded its target maturity level in this category.

The VPA has met or exceeded its target maturity level under most requirements within this category. The VPA did not meet its target requirement for some of the information management requirements under the AMAF in relation to asset lifecycle reporting, this is due to the relatively small dollar value of VPA held assets.

Disposal (requirement 41)

The VPA has exceeded its target maturity level in this category.

FREEDOM OF INFORMATION (FOI)

Victoria's *Freedom of Information Act 1982* (FOI Act) gives members of the public the right to apply for access to documents held by an agency, including the VPA. In accordance with Part II of the FOI Act, this Information Statement outlines the role of the VPA, documents held by the VPA, and how these can be accessed under the FOI Act.

FOI organisation and functions

The VPA is the state's strategic planning authority and is responsible for preparing planning scheme amendments for priority places and precincts. The functions of the VPA are described earlier in this report.

In carrying out these functions, the VPA consults widely with local councils, other government agencies, local communities and the development industry. Proposed planning scheme amendments are exhibited on the VPA's website in line with the requirements of the PEA.

FOI categories of documents

A majority of documents held by the VPA relate to the preparation of strategic plans for particular precincts. Documents typically include correspondence, meeting records, background reports and maps.

The VPA also holds correspondence and meeting records regarding our involvement in the development of government policy on planning related issues, applications from councils for SFG grants, and documents regarding our administrative functions. The VPA uses an electronic document and records management system to store and manage all documents electronically.

FOI publications

The VPA publishes a range of documents on our website, including approved PSPs, draft PSPs released for consultation, and background reports prepared for each PSP. Other information that is available on request under the Assistant Treasurer's standing directions is outlined below.

FOI rules, policies and procedures

The preparation of PSPs is governed by the VPA's *Guidelines for Precinct Structure Planning*, which are published on the VPA website.

FOI report literature

The VPA typically engages a range of expert consultants to produce background reports on different aspects of each PSP (e.g. traffic, cultural heritage, water, community infrastructure, etc.). These reports are generally published on the VPA website when the draft PSP is released for consultation.

FOI arrangements

A freedom of information request must be made in writing to the agency that holds the documents being requested. The VPA officer responsible for receiving and initially actioning requests made under the FOI Act is Ed Small, who can be contacted on 03 9651 9600 or info@vpa.vic.gov.au.

As from 1 July 2021, there is a fee of \$29.60 payable for each FOI application. The Office of the Victorian Information Commissioner also provides general information on its website about making FOI requests. A copy of the FOI Act is available at <https://ovic.vic.gov.au/freedom-of-information/>.

FOI requests for 2020/21

During the year ended 30 June 2021 three new requests were received by the VPA. All requests in 2020/21 related to activities of government and were from landowners or their representatives. For two requests, all documents were released in full, while for the other the documents were released in part. All decisions were made within the statutory time periods.

Other information required to be available in accordance with FRD 221 and Freedom of Information Act 1982

The following information, where it relates to the VPA and is relevant to the financial year ended 30 June 2021, is available to the Minister for Planning, Members of Parliament and the public on request:

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

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

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

COMPLIANCE WITH DATAVIC ACCESS POLICY

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the VPA makes the following spatial datasets available on the web:

- PSP boundaries
- Approved PSP Land Use data
- Open Space in metropolitan Melbourne
- Walkable catchments from open space in metropolitan Melbourne

These datasets can be accessed at vpa.vic.gov.au/strategy-guidelines/open-data/ or by searching data.vic.gov.au.

PUBLIC INTEREST DISCLOSURES ACT 2012

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

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

During the year ended 30 June 2021 there were no disclosures or investigations of improper conduct or detrimental actions made to the VPA or any referred to IBAC by the VPA (30 June 2020 – nil).

The VPA has adopted a Public Interest Disclosures Policy and associated procedures.

COMPLAINTS

The VPA has adopted a Complaints Policy which is accessible through the VPA website. Complaints are to be lodged at the VPA's e-mail address complaints@vpa.vic.gov.au.

NATIONAL COMPETITION POLICY

As a portfolio agency, the VPA's information on compliance is included in the DELWP annual report.

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

SOCIAL PROCUREMENT

The VPA has a social procurement strategy as part of the Victorian Government's Social Procurement Framework. The strategy was approved by the Board in December 2019. As part of the strategy, suppliers are asked to respond to the social procurement objectives, and are rated on their response. Procurements valued at \$25,000 or over are reviewed to assess the impact of the strategy. The review found that:

- A total of 49 suppliers were engaged through a competitive procurement process to supply goods and services for contracts valued at \$25,000 or over
- Procurements per supplier ranged from \$25,000 to \$636,000
- Total spend was \$6,936,035 for 107 individual procurements
- Of the 49 suppliers engaged for this period:
 - 24 have social/environmental/sustainability policies in place
 - 15 do not have social/environmental/sustainability policies in place
 - 10 were not assessed
 - This represents a spend of \$2,952,853 (43 per cent) on suppliers who have social procurement policies in place.

CONTRACTS AND CONSULTANCIES

Details of consultancies (valued at \$10,000 or greater)

During the financial year ended 30 June 2021, there were eight consultancy engagements (30 June 2020 – eight) for which services were provided and/or were effective or operational during the reporting period that were individually valued at \$10,000 or greater (exclusive of GST). The total value of these consultancies was \$309,334 (30 June 2020 – \$496,951). Details of these consultancy engagements has been made available on the VPA website at vpa.vic.gov.au.

The VPA did not award any major contracts (valued at \$10 million or more) during 2020/21 (2019/2020 – nil).

Details of consultancies (valued at less than \$10,000)

In addition to contracts valued at over \$10,000, there were no consultancy engagements that were individually valued at less than \$10,000 (exclusive of GST) (30 June 2020 – three/total value \$24,664).

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2020/21 reporting period, the VPA had a total ICT expenditure of \$1,351,958 (2019/20 – \$785,601). This comprises business as usual ICT expenditure of \$992,002 (2019/20 – \$579,526) (this relates to operating and maintaining the current ICT capability), and non- business as usual ICT expenditure of \$352,956 (2019/20 – \$206,075) (this relates to extending or enhancing current ICT capabilities).

GOVERNMENT ADVERTISING EXPENDITURE

The VPA's expenditure on government advertising did not exceed \$100,000 during the 30 June 2021 reporting period (or for 30 June 2020).

LOCAL JOBS FIRST VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP) AND CONTRACT DISCLOSURE

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

The VPA did not award any major contracts (valued at \$10 million or more) during 2020/21 (or 2019/20). A major contract is a contract entered into during the reporting period valued at \$10 million or more.

EXTENT OF COMPLIANCE WITH THE *BUILDING ACT 1993*

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

RISK MANAGEMENT

The VPA has a *Risk Management Plan* and Risk Register in place prepared in accordance with the Australian Standard AS/NZS ISO 31000:2018. The Risk Register was prepared from risks identified through workshops with VPA staff members and Authority members. The Risk and Audit Committee regularly monitor the risk management and risk mitigation process. The VPA has ensured that the risk profile has been reviewed regularly, both internally and externally. These processes have enabled the Risk and Audit Committee at its meeting of 31 August 2021 to conclude that the risk management processes met the requirements of the Ministerial Standing Directions.

Financial management compliance

The VPA's Risk and Audit Committee at its meeting of 31 August 2021 reviewed the material presented to it and concluded that the VPA was compliant with the Financial Management Compliance Framework and recommended to the Board that the Chair of the VPA be endorsed to sign the attestation.

Financial management compliance attestation statement

I, Jude Munro, on behalf of the Board of the Victorian Planning Authority certify that the Victorian Planning Authority has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Jude Munro AO
Chair, Victorian Planning Authority

21 October 2021

Disclosure index

The 2020/21 Annual Report of the VPA is prepared in accordance with all relevant Victorian legislation and the requirements of Financial Reporting Direction 30C. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements, including Financial Reporting Directions (FRD) and Standing Directions (SD).

FRD	DISCLOSURE	PAGE
Charter and purpose		
22I	Manner of establishment and the relevant Ministers	3
22I	Purpose, functions, powers and duties	23
8D	VPA objectives, indicators and outputs	24
22I	Key initiatives and projects	24
22I	Nature and range of services provided	22
Management and structure		
22I	Organisational structure	29
Financial and other information		
22I	Names of board members and major committees	30
22I	Statement of workforce data for current and previous financial year	38
22I	Employment and conduct principles	35
15E	Executive officer disclosures	39
22I	Five-year summary of the financial results	27
22I	Significant changes in financial position during the year	27
22I	Major changes or factors affecting performance	5
22I	Subsequent events which will affect operations in future years	28
22I	Details of consultancies > \$10,000	48
22I	Details of consultancies - total no. and cost < \$10,000	48
12B	Disclosure of major contracts	48
22I	Disclosure of government advertising expenditure	48
25D	Local Jobs First Act disclosures	48
22I	Disclosure of ICT expenditure	48
22I	Application and operation of <i>Freedom of Information Act 1982</i>	46
22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	47
22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	49
24D	Reporting of office-based environmental impacts	44
22I	Statement on National Competition Policy	48
22I	OHS	37
10A	Disclosure index	50
22I	Statement of availability of other information	47

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

SD 5.2.1(b)	Model Financial Report
SD 5.2.2	Accountable Officer's declaration
SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative Pronouncements
SD 5.2.1(a)	Compliance with the FMA, Ministerial Directions, Instructions and Financial Reporting Directions
SD 5.2.3	Declaration in report of operations
SD 3.7.1	Risk management attestation

Other disclosures in notes to the financial statements

FRD 9B	Departmental disclosure of administered assets and liabilities
FRD 11A	Disclosure of ex-gratia payments
FRD 13	Disclosure of Parliamentary appropriations
FRD 21C	Disclosure of Responsible Persons, Executive Officers and other personnel (contractors with significant management responsibility)
FRD 103H	Non-Financial physical assets
FRD 110A	Cash Flow Statements
FRD 112D	Defined benefit superannuation obligations
FRD 114C	Financial instruments
FRD 1200	Accounting and Reporting Pronouncements applicable to the 2020/21 reporting period

Legislation

Building Act 1993

Disability Act 2006

Financial Management Act 1994

Freedom of Information Act 1982

Multicultural Victoria Act 2004

Planning and Environment Act 1987

Privacy and Data Protection Act 2014

Public Interest Disclosures Act 2012

Public Administration Act 2004

State Owned Enterprises Act 1992

Victorian Data Sharing Act 2017

Local Jobs First Act 2003

Victorian Planning Authority Act 2017

Annual financial statements – 30 June 2021

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DECLARATION IN FINANCIAL STATEMENTS

The attached financial statements for the Victorian Planning Authority (VPA) 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, cash flow statement, statement of changes in equity, and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the VPA as at 30 June 2021.

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

We authorise the attached financial statements for issue on 21 October 2021.



Jude Munro AO
Chair
Victorian Planning Authority

Melbourne
21 October 2021



Penny Holloway
Chair – VPA Risk & Audit Committee
Victorian Planning Authority

Melbourne
21 October 2021



Stuart Moseley
Chief Executive Officer
Victorian Planning Authority

Melbourne
21 October 2021



Ed Small
Chief Financial Officer
Victorian Planning Authority

Melbourne
21 October 2021



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Victorian Planning Authority

Opinion	<p>I have audited the financial report of the Victorian Planning Authority (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 and its 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>
Basis for Opinion	<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>
Board's responsibilities for the financial report	<p>The Board of the authority is 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 determines 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 is 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>

INDEPENDENT AUDITOR'S REPORT – PAGE 2

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, 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.

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:

- 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.
- 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- 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.
- 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.

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.

MELBOURNE
22 October 2021



Paul Martin
as delegate for the Auditor-General of Victoria

FINANCIAL STATEMENTS

Comprehensive Operating Statement

For the financial year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income from transactions			
Appropriations from State Government	2.1	26,463,430	25,202,248
Grants from Councils and Other Government agencies	2.1	2,646,105	2,121,210
External Contributions	2.1	2,003,734	2,396,916
Interest	2.1	66,666	118,483
Other Income	2.1	1,108,849	1,004,871
Total income from transactions		32,288,785	30,843,727
Expenses from transactions			
Employee benefits	3.1.1	16,405,816	16,013,713
Grant expenses	3.2	2,601,441	1,947,216
Other operating expenses	3.3	10,463,012	6,236,018
Depreciation	4.3	842,569	834,242
Interest expense		59,994	72,682
Total expenses from transactions		30,372,833	25,103,871
Net result from transactions		1,915,952	5,739,857
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		(22,979)	-
Net result		1,892,973	5,739,857
Comprehensive result		1,892,973	5,739,857

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash and deposits		23,730,699	10,325,700
Receivables	5.1	1,598,213	10,141,967
Total financial assets		25,328,912	20,467,668
Non-financial assets			
Prepayments		308,524	280,561
Property, plant and equipment	4.1	450,174	504,359
Right of use assets	4.2	2,451,474	3,120,686
Total non-financial assets		3,210,172	3,905,605
Total assets		28,539,084	24,373,273
Liabilities			
Payables	5.2	6,406,171	2,462,703
Lease Liabilities	6.1	3,423,847	4,269,489
Contract Liabilities	5.3	2,904,135	4,012,237
Employee benefit provisions	3.1.2	3,545,495	3,262,381
Total liabilities		16,279,647	14,006,810
Net assets		12,259,436	10,366,463
Equity			
Accumulated surplus		12,259,436	10,366,463
Total Equity		12,259,436	10,366,463

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the financial year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Receipts from Government and other entities		35,953,569	20,862,634
Receipts of S173 Collections	8.5	3,704,202	2,733,162
Receipts from the ATO		1,074,612	921,584
Interest received		66,666	118,483
Total receipts		40,799,049	24,635,862
Payments			
Payments to suppliers and employees		(26,048,576)	(22,777,366)
S173 Disbursements	8.5	-	(2,682,227)
Payments to the ATO		(297,492)	(517,032)
Interest and other finance costs paid		(60,189)	(72,682)
Total payments		(26,406,257)	(26,049,307)
Net cash flows from/(used in) operating activities	6.2.1	14,392,792	(1,413,445)
Cash flows from investing activities			
Payments for property, plant and equipment		(142,151)	-
Net cash flows from/(used in) investing activities		(142,151)	-
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(845,642)	(871,598)
Net cash flows from/(used in) financing activities		(845,642)	(871,598)
Net increase /(decrease) in cash and cash deposits		13,404,999	(2,285,043)
Cash and cash deposits at the beginning of the financial year		10,325,700	12,610,743
Cash and cash deposits at the end of the financial year		23,730,700	10,325,700

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the financial year ended 30 June 2021

	Accumulated Surplus \$
Balance as at 1 July 2019	4,626,606
Net result for the year	5,739,857
Balance at 30 June 2020	10,366,463
Net result for the year	1,892,973
Balance at 30 June 2021	12,259,436

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THIS REPORT

The VPA is a portfolio agency of the Department of Land, Water, Environment and Planning (DELWP) in the State of Victoria, established under the *Victorian Planning Authority Act 2017*.

Its principal address is:

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

A description of the nature of its operations and its principal activities is included in the “**Report of Operations**” which does not form part of these financial statements.

1.1 Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised. These financial statements include all the activities of the VPA. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading ‘Significant judgement or estimates’.

The VPA does not have any controlled entities. These financial statements have been prepared on a going concern basis. All amounts in the financial statements have been rounded to the nearest dollar. Figures in the financial statements may not equate due to rounding.

1.2 Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable 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*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Board of the VPA on 21 October 2021.

1.3 Impact on Covid-19 on the financial report

Background

In July 2020 the state government reintroduced stricter measures as cases of coronavirus (COVID-19) began to increase. As a result, the government reintroduced stage 4 lock down and other measures.

These measures included bans on public gatherings, rules on social distancing and unnecessary personal travel and instructions for individuals to work from home where possible. Restrictions were subsequently eased in October 2020. These measures have not had any material impact on financial information presented. There were further lockdowns announced following the reporting date which also did not have a material impact on the financial report, see note 8.7 Subsequent events for more details.

Impact on projects

The VPA moved to a remote working from home environment in Mid-March 2020 until October 2020. In line with broader government directives the VPA have since moved to a hybrid operating model where staff are encouraged to work flexibly both from home and the office.

Fast Track Program

As a consequence of the global pandemic and its impact on the Victorian Economy; The Minister for Planning, with the Treasurer, has requested that the VPA re-prioritise our work program to develop a Fast Track program that will see the Victorian Planning Authority accelerate 19 planning projects to unlock 89,200 homes and 107,340 jobs at an estimated value of \$18.8 Billion. The accelerated program funding appropriation of \$7.5 Million (refer Note 2.1) provided to the VPA will allow projects to be completed months and in some cases years earlier than originally planned. This will provide certainty for industry, a pipeline of development and future jobs and homes for Victorians.

This accelerated program will be achieved by speeding up planning processes and approvals, creating a new fast track Standing Advisory committee to provide oversight and review and ensuring whole of government focus on key issues in need of decision.

Impact on the financial report

In the previous financial year, it was assessed the impact of COVID-19 on the financial report were in employee expenses and employee provisions due to staff taking less leave than usual due to work from home environment. However, this has been assessed again in the 2020-21 financial year and it is no longer materially affected due to initiatives to encourage staff to take leave. The impact of COVID-19 is not expected to have an impact on VPA's ability to continue as a going concern. VPA is financially supported by the Victorian Government.

No other elements of the financial report have been materially affected.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The VPA's overall objective is to provide advice and assistance to the Minister for Planning, local councils and public sector bodies that is in accordance with the objectives of planning in Victoria. The VPA specifically has carriage to deliver its annual program of activity which is outlined in each year's business plan. To enable the VPA to fulfil its objectives and produce the required outcomes, it is partially funded through a parliamentary appropriation. The VPA also received other government allocations and contributions from third parties to fund some of its planning projects.

2.1 How the services are funded

	2021	2020
	\$	\$
Base Appropriation from State Government	12,463,430	12,450,248
Streamlining for Growth Program Appropriation	7,000,000	5,252,000
Accelerated Program Funding	-	7,500,000
Land Supply Appropriation	7,000,000	-
Total Appropriations	26,463,430	25,202,248
Grants from Councils and other Government agencies	2,646,105	2,121,210
External Contributions	2,003,734	2,396,916
Total Project based contributions	4,649,839	4,518,126
Interest	66,666	118,483
Other Income	1,108,849	1,004,871
Total Interest and Other Income	1,175,515	1,123,354
Total income from transactions	32,288,785	30,843,727

Appropriations are treated in accordance with AASB 1058 *Income for Not-for Profit Entities*.

The **Base Appropriation from State Government** is an appropriation to support the VPA in covering the cost of running a statutory government authority, its overheads and to assist in the delivery of its work program.

The **Streamlining for Growth Program Appropriation** is an appropriation from government to support and capacity building initiative for regional, metropolitan councils and the VPA to unblock planning process delays and speed up the supply of land for jobs and housing.

The **Accelerated Program Funding Appropriation** is to support the delivery of Fast Track priority projects across Urban Renewal, Greenfields and Regional Cities and Towns.

The **Land Supply Appropriation** is the Unlocking New Communities and Affordable Housing provided by government to boost land supply in Melbourne's Greenfields and Regional Victoria.

Grants from Councils and Other Government Agencies are grants that are received by the VPA as specific purpose contributions, which are paid for a particular purpose and/or have conditions attached regarding their use. Grants from Councils and Other Government Agencies are treated in accordance with either AASB 15 or AASB 1058 depending on their nature. Revenue for these are recognised when sufficiently specific performance obligations associated with the grant payment are completed (AASB 15) or up front (AASB 1058).

External contributions include those received from third parties (for example landowners and developers) for cost recovery purposes relating to funding received for specific projects or tasks. External Contributions are treated in accordance with either AASB 15 or AASB 1058 depending on their nature. Revenue for these are recognised when sufficiently specific performance obligations associated with the contribution are completed (AASB 15) or up front (AASB 1058).

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

Other income relates to prescribed fees and any income not defined above.

Performance obligations and revenue recognition policies

VPA has adopted accounting policies for revenue and income recognition based on AASB 15 *Revenue from Contracts with Customers*, and AASB 1058 *Income for Not-for Profit Entities*. Revenue is measured based on the consideration specified in a contract with a customer. The VPA recognises revenue when a performance obligation is met.

Where revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* Revenue is recognised when, or as, the performance obligations for the delivery of services to the customer are satisfied. Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3). Where the performance obligations are satisfied but not yet billed, a contract asset would be recorded.

If no specific performance obligations are identified, the funds received or receivable are recognised immediately as income in the operating statement, with no deferral of recognition over time in accordance with AASB 1058 *Income for Not-for Profit Entities*.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the VPA in the delivery of its objectives.

Structure

- 3.1 Employee benefits
 - 3.1.1 Employee benefits in the comprehensive operating statement
 - 3.1.2 Employee benefits in the balance sheet
 - 3.1.3 Reconciliation of movement in on-cost provision
 - 3.1.4 Superannuation contributions
- 3.2 Grant expenses
- 3.3 Other operating expenses

3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

	2021	2020
	\$	\$
Salaries and wages, annual leave and long service leave	15,127,214	14,800,185
Defined contribution superannuation expense	1,278,602	1,213,528
	16,405,816	16,013,713

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to Superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period. The VPA does not have staff on defined benefit superannuation plans.

3.1.2 Employee benefits in the balance sheet

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 that services are delivered.

	2021	2020
	\$	\$
Current provisions		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	1,185,471	1,030,423
Unconditional and expected to settle after 12 months	140,357	54,542
	1,325,827	1,084,964
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	147,235	108,369
Unconditional and expected to settle after 12 months	1,033,146	1,147,592
	1,180,381	1,255,961
<i>Provisions for on-costs</i>		
Unconditional and expected to settle within 12 months	173,678	142,008
Unconditional and expected to settle after 12 months	184,248	186,005
	357,925	328,013
Total current provisions for employee benefits	2,864,133	2,668,939
Non-current provisions		
Long service leave	590,649	514,434
On-costs	90,713	79,008
Total non-current provisions for employee benefits	681,362	593,442
Total provisions for employee benefits	3,545,495	3,262,381

3.1.3 Reconciliation of movement in on-cost provision

	2021
	\$
Opening balance	407,021
Additional provisions recognised	213,158
Reduction transfer out	(140,544)
Unwind of discount and effect of changes in the discount rate	(30,998)
Closing Balance	448,638
Current	357,925
Non-current	90,713
	448,638

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the VPA does not have unconditional right to defer settlements of these liabilities.

The liability is recognised on the balance sheet at remuneration rates which are current at the reporting date. They are measured at undiscounted amounts as the VPA expects the liabilities to be wholly settled within 12 months of reporting date.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

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 as a current liability, even where the VPA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the VPA expects to wholly settle within 12 months; or
- present value – if the VPA does not expect to wholly settle 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 is measured at present value.

3.1.4 Superannuation contributions

Employees of the VPA are entitled to receive superannuation benefits and the VPA contributes to defined contribution plans.

	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
	2021	2020	2021	2020
	\$	\$	\$	\$
Defined contribution plans:				
VicSuper	574,276	592,209	38,580	17,849
Vision Super	232,591	214,988	13,871	7,143
Australian Super	123,021	105,488	10,645	4,149
Other	307,801	295,172	38,264	14,239
Total contributions	1,237,689	1,207,857	101,360	43,380

3.2 Grant expenses

Grant expenses disclosed on the comprehensive operating statement are contributions of the VPA's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

The majority of these grant expenses are grants in relation to the Streamlining for Growth Program and are paid to councils. Grants that the VPA paid are operational in nature and are paid as specific purpose grants which are paid for a purpose and have conditions regarding their use.

3.3 Other operating expenses

	2021	2020
	\$	\$
Purchase of services	5,722,871	3,658,261
Legal and Panel expenses	1,728,248	598,287
Occupancy Costs	328,465	343,376
Telecommunications and IT Costs	1,119,437	675,951
Other expenses	1,563,991	960,143
	10,463,012	6,236,018

These expenses are recognised as an expense in the reporting period in which they are incurred. The **Purchase of services** and **Legal and Panel expenses** itemised above specifically relate to consultancy engagements, legal advice provided and the cost panel hearings in relation to planning projects in which the VPA are undertaking work.

The following lease payments are recognised in **Occupancy costs** 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 (when new, regardless of the age of the asset being leased) is no more than \$10,000; and
- Tenancy costs relating to our lease accommodation that do not form part of the Authority's base rental costs.
- **Telecommunication and IT Costs** and **Other operating expenses** generally represent the day-to-day running costs incurred in normal operations.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The VPA controls a small number of property, plant and equipment assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been purchased by the VPA to be utilised for delivery of those outputs. The VPA also has Right of Use Lease assets for its lease accommodation and lease vehicle.

Structure

- 4.1 Property, plant and equipment
- 4.2 Right of use Assets
- 4.3 Depreciation
- 4.4 Fair value determination

4.1 Property, plant and equipment

	2021	2020
	\$	\$
Property, plant and equipment	1,251,984	1,364,077
Less accumulated depreciation	(801,810)	(859,717)
Net carrying amount	450,174	504,359

A summary of the total property, plant and equipment held by the VPA is shown above. Below is a table detailing the movements between categories of property, plant and equipment held by the VPA.

	Opening WDV at 1 July 2020	Additions	Disposals	Depreciation	Closing WDV at 30 June 2021
	\$	\$	\$	\$	\$
Leasehold improvements	433,043	33,277	-	(105,115)	361,205
Computer hardware	12,053	60,946	(531)	(27,807)	44,661
Computer software	59,263	47,928	(22,448)	(40,436)	44,308
Furniture and equipment	-	-	-	-	-
Total Property Plant and Equipment	504,359	142,151	(22,979)	(173,359)	450,174

	Opening WDV at 1 July 2019	Additions	Disposals	Depreciation	Closing WDV at 30 June 2020
	\$	\$	\$	\$	\$
Leasehold improvements	534,965	-	-	(101,922)	433,043
Computer hardware	36,142	-	-	(24,088)	12,053
Computer software	98,285	-	-	(39,021)	59,263
Furniture and equipment	-	-	-	-	-
Total Property Plant and Equipment	669,391	-	-	(165,031)	504,359

Measurement of PPE

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Individual items of \$5,000 or more are capitalised.

Property, plant and equipment are measured at fair value less accumulated depreciation and impairment.

Fair value for plant and equipment is determined using the depreciated replacement cost method. Note 4.4 includes additional information in connection with fair value determination of property, plant and equipment.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The useful lives for VPA Property, Plant and Equipment are:

- Leasehold improvements 10 years
- Computer software and hardware 3 years
- Furniture and equipment 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjustments are made as appropriate. Useful lives have not changed from the prior year.

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

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. The assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

4.2 Right of Use Assets

Not all leases result in ROU assets and liabilities. These exclude:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

The following tables are inclusive of right of use assets recognised from 1 July 2019 as per AASB 16 *Leases*. A summary of the Right of use assets held by the VPA is shown below.

	Gross Carrying Amount 2021	Accumulated Depreciation 2021	Net carrying amount 2021	Gross Carrying Amount 2020	Accumulated Depreciation 2020	Net carrying amount 2020
	\$	\$	\$	\$	\$	\$
Buildings	3,763,525	(1,328,303)	2,435,222	3,763,525	(664,151)	3,099,374
Vehicles	27,215	(10,962)	16,252	27,215	(5,903)	21,312
Net carrying amount	3,790,740	(1,339,265)	2,451,474	3,790,740	(670,054)	3,120,685

Below is a table detailing the movements between categories of right of use assets held by the VPA.

	Buildings	Vehicles	Total
	\$	\$	\$
Opening Balance - 1 July 2020	3,099,374	21,312	3,120,686
Additions	-	-	-
Disposals	-	-	-
Depreciation	(664,152)	(5,060)	(669,211)
Closing Balance - 30 June 2021	2,435,222	16,252	2,451,476
Opening Balance 1 July 2019 (a)	3,763,525	27,215	3,790,740
Additions	-	-	-
Disposals	-	-	-
Depreciation	(664,151)	(5,903)	(670,054)
Closing Balance - 30 June 2020	3,099,374	21,312	3,120,686

Measurement of ROU assets

The VPA 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; 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, less any lease incentive received.

The VPA 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 estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. Refer to Note 6.1 leases.

The useful lives for VPA ROU assets are:

- Buildings (Leased Accommodation) 10 years
- Vehicles (Leased Vehicle) 3 years

4.3 Depreciation

	2021	2020
	\$	\$
Property, plant and equipment	173,358	165,031
Right-of-use assets	669,211	669,211
Total Depreciation	842,569	834,242

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

4.4 Fair value determination

Significant judgement: Fair value measurement of assets and liabilities

The use of assumptions and judgement is required in determining fair value. This section discloses significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the VPA.

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.

Fair value hierarchy

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. These levels are as follows:

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

The VPA 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.

Significant unobservable inputs have remained unchanged since 30 June 2020.

Fair value determination of non-financial physical assets

- All non-financial physical assets are classified as Level 3 significant unobservable inputs in the fair value hierarchy. There have been no transfers between levels during the period. Therefore, refer to table 4.1 for reconciliation of fair value of non-financial physical assets.

Fair value determination of financial assets and liabilities

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

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

The VPA currently holds a range of financial instruments that are recorded in these financial statements where the carrying amounts represent fair value at the end of the 2020/21 reporting period.

Financial assets and liabilities measured at fair value

	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2021	\$	\$	\$	\$
Cash and Deposits	23,730,699	23,730,699	-	-
Receivables	1,598,213	-	-	1,598,213
Total Financial Assets	25,328,912	23,730,699	-	1,598,213
Payables	6,406,171	-	-	6,406,171
Total Financial Liabilities	6,406,171	-	-	6,406,171

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2020	\$	\$	\$	\$
Cash and Deposits	10,325,700	10,325,700	-	-
Receivables	10,141,967	-	-	10,141,967
Total Financial Assets	20,467,668	10,325,700	-	10,141,967
Payables	2,462,703	-	-	2,462,703
Total Financial Liabilities	2,462,703	-	-	2,462,703

There have been no transfers between levels during the period.

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that have arisen from the VPA's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Contract liabilities

5.1 Receivables

Current Receivables	2021 \$	2020 \$
Contractual		
Contributions	1,340,489	10,018,301
Accrued income	54,527	5,778
Other receivables	925	18,883
Total contractual receivables	1,395,942	10,042,962
Statutory		
GST input tax credit recoverable	202,271	99,005
Total Current Receivables	1,598,213	10,141,967

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The VPA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measure the 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.

Prepayments disclosed on the balance sheet represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.1.1 Impairment of financial assets under AASB 9

The VPA records the allowance for expected credit loss for the relevant financial instruments under AASB 9's Expected Credit Loss approach.

VPA 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. VPA has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on VPA's past history, existing market conditions, as well as forward looking estimates at the end of the financial year. Considering the nature of the VPA's statutory receivables as majority government customers the VPA is unlikely to experience a credit loss.

The historic loss rate for the categories of contractual receivables is 0%, hence no impact. Covid-19 has also not had any impact on the expected credit losses of the VPA. These are both primarily due to the VPA's practice of dealing with largely government debtors, and funding contributions received in advance from landowners being fully recoverable.

The VPA does not practice the charging of interest on outstanding balances. The average credit period for invoices is 30 days. There are no material financial assets that are individually determined to be impaired. Currently the VPA does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Ageing analysis of contractual receivables

	Carrying amount	Past due but not impaired				
		Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2021						
Contributions	1,340,489	1,183,564	-	8,208	148,717	-
Accrued income	54,527	54,527	-	-	-	-
Other receivables	925	925	-	-	-	-
Total	1,395,942	1,239,017	-	8,208	148,717	-
2020						
Contributions	10,018,301	8,270,424	292,915	1,441,316	-	13,646
Accrued income	5,778	5,778	-	-	-	-
Other receivables	18,883	18,883	-	-	-	-
Total	10,042,962	8,295,085	292,915	1,441,316	-	13,646

5.2 Payables

	2021	2020
	\$	\$
Current Payables		
Contractual		
Supplies and services	1,560,299	1,129,972
Amounts payable to government	4,828,598	1,199,107
Total contractual payables	6,388,897	2,329,079
Statutory		
GST payable	17,274	133,625
Total Current Payables	6,406,171	2,462,703

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represents liabilities for goods and services provided to the VPA prior to the end of the financial year. Amounts payable to government include Section 173 contributions received due to the VPA's role as collection authority for infrastructure contributions at Fishermans Bend, where contributions received are owed back to the Fishermans Bend Taskforce which sits within the Department of Jobs, Precincts and Regions. See Note 8.5 for more detail.

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.

5.2.1 Maturity analysis of contractual payables

			Maturity dates				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	Carrying amount	Nominal amount	\$	\$	\$	\$	\$
2021							
Payables	6,388,897	6,388,897	6,388,897	-	-	-	-
Total	6,388,897	6,388,897	6,388,897	-	-	-	-
2020							
Payables	2,329,079	2,329,079	2,329,079	-	-	-	-
Total	2,329,079	2,329,079	2,329,079	-	-	-	-

The average credit period is usually 30 days. In response to the coronavirus (COVID-19) outbreak, the VPA adopted the whole of government policy of making payments to suppliers in 10 business days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual arrangements entered.

5.3 Contract liabilities

Contract Liabilities	2021
	\$
Opening balance brought forward from 30 June 2020	4,012,237
Add: Payments received and receivable for performance obligations yet to be completed during the period	1,534,615
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(2,451,260)
Less: Amounts refunded at conclusion of funding agreement	(191,458)
Total Contract Liabilities	2,904,134
Contract Liabilities	2020
	\$
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	2,657,328
Add: Payments received and receivable for performance obligations yet to be completed during the period	4,622,018
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(3,240,779)
Less: Amounts refunded at conclusion of funding agreement	(26,329)
Total Contract Liabilities	4,012,237

Contract liabilities relate to consideration received from landowners, government agencies and councils for planning projects where the milestone associated with the funding has not yet been completed.

Contract liabilities are raised where a sufficiently specific performance obligation exists per AASB 15 *Revenue from Contracts with Customers*.

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on cash flow information and balances as well as commitments for expenditure.

Structure

6.1 Leases

6.2 Cash flow information and balances

6.2 Commitments

6.1 Leases

Information about leases for which the VPA is a lessee is presented below.

For any new contracts entered into, the VPA 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'.

The VPA's leases its office accommodation and also leases a motor vehicle. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date.

A maturity analysis of the VPA's lease liabilities is included in the table below:

	Carrying amount	Nominal amount	Maturity dates Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$	\$
2021							
Buildings	3,407,445	3,407,445	72,251	144,778	670,504	2,519,912	-
Vehicle	16,402	16,402	431	866	15,105	-	-
Total	3,423,847	3,423,847	72,682	145,644	685,609	2,519,912	-
2020							
Buildings	4,248,002	4,248,002	68,406	137,075	635,075	3,407,445	-
Vehicle	21,487	21,487	424	848	3,814	16,402	-
Total	4,269,489	4,269,489	68,830	137,923	638,889	3,423,847	-

6.1.1 Right-of-use assets

Right-of-use assets are presented in Note 4.2.

6.1.2 Amounts recognised in the Face Statements

Lease interest of \$60,189 (2020: \$72,682) is recognised in the Comprehensive Operating Statement and the Cash Flow Statement.

6.1.3 Lease Policy

The VPA assesses whether the contract meets three key evaluations which are 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 the VPA and for which the supplier does not have substantive substitution rights;
- the VPA 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 the VPA has the right to direct the use of the identified asset throughout the period of use; and
- the VPA 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

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 the VPA's incremental borrowing rate.

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

- 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

The VPA 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.

6.2 Cash flow information and balances

Cash and deposits disclosed on the balance sheet include cash equivalents, comprise cash at bank, and funds held at call in the Centralised Banking System (CBS), 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 subject to an insignificant risk of changes in value.

6.2.1 Reconciliation of net result for the period to cash flow from operating activities

	2021	2020
	\$	\$
Net result for the year	1,892,973	5,739,857
<i>Non-cash movements:</i>		
Depreciation and amortisation expense	842,569	834,242
Loss on disposal	22,979	
<i>Movements in assets and liabilities:</i>		
(Increase)/Decrease in prepayments	(27,963)	91,253
(Increase)/Decrease in receivables	8,543,755	(8,484,358)
Increase/(Decrease) in payables	3,943,467	(1,394,380)
Increase/(Decrease) in provisions	283,115	445,033
Increase/(decrease) in contract liabilities	(1,108,102)	1,354,909
Net cash flows from/(used in) operating activities	14,392,792	(1,413,445)

Note there has been a minor restatement in the prior year 2020 column in the 6.2.1 cash flow information table due to a tabulation error in the prior year financial statements.

6.3 Commitments

6.3.1 Commitments for expenditure

There are no commitments for future expenditure arising from contracts (2020: Nil). Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below 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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The VPA is exposed to risk from its activities and outside factors. In addition, it is often 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. Other financial instrument related disclosures have been disclosed in the specific note to which they relate.

Structure

7.1 Financial instruments specific disclosures

7.2 Contingent assets and contingent liabilities

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 the VPA'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.

Categories of financial assets

Financial assets are measured at amortised costs 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 the VPA 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 VPA recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory 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. The VPA recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- lease liabilities.

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. The VPA's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the entity. Credit risk is measured at fair value and is monitored on a regular basis.

For debtors other than Government, it is VPA's policy to only deal with entities with high credit ratings and to obtain enough collateral or credit enhancements, where appropriate. In addition, the VPA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest.

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

There has been no material change to the VPA's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

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

Financial instruments: Market risk

VPA's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks.

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.

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.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table that follows.

Interest rate exposure of financial instruments

	Weighted average interest rate %	Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2021					
Financial assets					
Cash and deposits	0.26%	23,730,699	-	23,730,699	-
Investments		-	-	-	-
Accrued investment income		54,527	-	-	54,527
Other receivables		1,341,414	-	-	1,341,414
Total financial assets		25,126,641	-	23,730,699	1,395,942
Financial liabilities					
Payables		6,388,897	-	-	6,388,897
Lease liabilities	1.54%	3,423,847	3,423,847	-	-
Total financial liabilities		9,812,744	3,423,847	-	6,388,897
2020					
Financial assets					
Cash and deposits	1.03%	10,325,700	-	10,325,700	-
Investments		-	-	-	-
Accrued investment income		5,778	-	-	5,778
Other receivables		10,037,184	-	-	10,037,184
Total financial assets		20,368,662	-	10,325,700	10,042,962
Financial liabilities					
Payables		2,329,079	-	-	2,329,079
Lease liabilities	1.54%	4,269,489	4,269,489	-	-
Total financial liabilities		6,598,568	4,269,489	-	2,329,079

The carrying amount of the VPA's financial assets and liabilities is equal to the fair value.

7.2 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. These contingent assets are shown below.

Quantifiable contingent assets (arising from outside of government)

	2021	2020
	\$	\$
Contingent assets		
Section 173 Agreements	-	266,495
	-	266,495

The VPA, as directed by the Minister, has the right to receive funds of \$2 million from the collection of Section 173 Agreements. As at 30 June 2021, the VPA has retained \$2 Million (2020: \$1,733,505) of the funds collected.

Refer to Note 8.5 for a movement reconciliation of the S173 funds held by the VPA.

Contingent liabilities

Quantifiable Contingent Liabilities

The VPA does not have any quantifiable contingent liabilities.

Unquantifiable Contingent Liabilities

The consortium Australia Education City (AEC), was negotiating with the State government to develop the proposed East Werribee Employment Precinct (EWEP). A decision was made by the government not to move ahead with the EWEP project. Subsequent to this decision, the AEC had lodged a claim with the Supreme Court to recoup development costs. AECs claim was unsuccessful; however, they have appealed this decision. VPA was named as a defendant in that appeal, along with a number of government parties. The decision on whether the appeal will proceed is still pending.

8. OTHER DISCLOSURES

Introduction

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

Structure

- 8.1 Ex-gratia expenses
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 S173 fund disclosure
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Changes to Accounting Policy
- 8.9 Australian Accounting Standards issued that are not yet effective

8.1 Ex-gratia expenses

There are no ex-gratia expenses to report (2020: nil).

8.2 Responsible persons

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

Names

The persons who held the positions of Ministers, Board members and the Accountable Officers of the VPA are as follows:

The Hon. Richard Wynne	<i>Minister for Planning</i>	1 July 2020 to 31 December 2020 28 January 2020 to 30 June 2021
The Hon. Lily D'Ambrosio	<i>Acting Minister for Planning</i>	1 January 2021 to 27 January 2021
Jude Munro AO	<i>Chairperson</i>	1 July 2020 to 30 June 2021
Bill Kusznirczuk	<i>Deputy Chair</i>	1 July 2020 to 30 June 2021
Penny Holloway	<i>Board Member</i>	1 July 2020 to 30 June 2021
Trevor Budge AM	<i>Board Member</i>	1 July 2020 to 30 June 2021
Jennifer Cunich	<i>Board Member</i>	1 July 2020 to 30 June 2021
Theo Theophanous	<i>Board Member</i>	1 July 2020 to 30 June 2021
Laurinda Gardner	<i>Board Member</i>	1 July 2020 to 30 June 2021
Stuart Moseley	<i>Chief Executive Officer</i>	1 July 2020 to 30 June 2021

Remuneration

	2021	2020
<i>Remuneration</i>	\$	\$
\$20 000 - 29 999	6	5
\$30 000 -39 999	-	1
\$60 000 - 69 999	-	1
\$80 000 - 89 999	1	-
\$430 000 - 439 999	-	-
\$440 000 - 449 999	1	1
Total remuneration^(a)	699,101	681,639
Total number of responsible persons	8	8

(a) Total remuneration does not include remuneration received by the Minister for Planning. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

8.3 Remuneration of executives

The number of executive officers, other than the accountable officers, 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 the entity, 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 pensions 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 benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages. There were no termination benefits paid to executives in the 2021 financial year (2020: \$0).

	2021	2020
<i>Remuneration</i>	\$	\$
Short-term employment benefits	1,446,125	1,438,253
Post-employment benefits	128,436	122,368
Other-long term benefits	36,138	35,815
Total remuneration	1,610,698	1,596,436
Total number of executives^(a)	6	7
Total annualised employee equivalents^(b)	5.92	5.82

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.4).

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

8.4 Related parties

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

Related parties of the VPA include:

- all key management personal and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- 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 year, the VPA had the following government-related entity transactions:

- Appropriations received from DELWP of \$26,463,430
- Grants from local government agencies for various projects of \$2,646,105
- Grants to state government agencies for various projects of \$43,700
- Other payments to government agencies for various projects \$600,517
- Payable at year-end to DJPR of \$173 Liability (see Note 8.5).

Key management personnel of the VPA include all responsible persons.

Key Management Personnel	Position Title
Jude Munro AO	Chairperson
Bill Kuszniarczyk	Deputy Chair
Jennifer Cunich	Governing board member
Laurinda Gardner	Governing board member
Penelope Holloway	Governing board member
Theo Theophanous	Governing board member
Trevor Budge AM	Governing board member
Stuart Moseley	Chief Executive Officer

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 in Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2021	2020
	\$	\$
Short-term employee benefits	645,183	629,885
Post-employment benefits	43,537	41,326
Other long-term benefits	10,382	10,428
Total	699,101	681,639

Transactions 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.

Outside of normal citizen type transactions with the VPA there were no related party transactions which were required to be reported involving key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.5 S173 Fund Disclosure

The VPA can negotiate an agreement with an owner of land to set out conditions or restrictions on the use or development of the land, or to achieve other planning objectives in relation to the land. These agreements are commonly known as **Section 173 agreements**. The power to enter into the agreement arises under section 173 of the *Planning and Environment Act 1987*. S173 contributions received are owed back to the Fishermans Bend Taskforce which sits within the Department of Jobs, Precincts and Regions.

S173 Fund disclosure

A historical movement of funds to 30 June 2021 where the VPA has acted as the collection authority is displayed below:

	2021	2020
	\$	\$
Section 173 Collections		
Opening Balance	1,199,107	1,648,173
S173 Collections for the year	3,704,202	2,733,162
Disbursements for the Year	-	(2,682,227)
VPA share of S173 Collections	(266,495)	(500,000)
Section 173 Liability at 30 June	4,636,814	1,199,107

8.6 Remuneration of auditors

	2021	2020
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	55,000	22,900
	55,000	22,900

8.7 Subsequent events

Due to the coronavirus (COVID-19) pandemic the state of Victoria entered a lockdown from 11.59pm on 15 July 2021 to 27 July 2021. A further lockdown commenced at 8pm on 5 August 2021. Lockdowns bring uncertainties and challenges to the communities in which the VPA plans for and engages with. The VPA continues to operate during this time with all staff working from home for the duration of the lockdown.

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Authority, or the results of those operation, or the state of affairs in future financial years.

8.8 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to these Financial Statements. The VPA is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 17 *Insurance Contracts*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

The VPA has reviewed the impact of these standards and assessed they are not expected to have a significant impact on the VPA.

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