Development Victoria

Annual Report 2025-26



DEVELOPMENT VICTORIA

VICTORIA State Government

Development Victoria respectfully acknowledges the Traditional Custodians of Country throughout Victoria and recognises and respects their continuing cultural heritage, beliefs and connection to land. We pay our respects to their Elders past and present.

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Melbourne Arts Precinct Transformation

Foreword

We are pleased to present Development Victoria's Annual Report 2025-26, which highlights the work of our dedicated team to deliver places that make a genuine difference to the people of Victoria.

Development Victoria is purpose driven and commercially disciplined, working for the long-term interests of Victoria. We focus on unlocking social and economic value through land development partnerships with the private sector and deliver world-class civic infrastructure projects through leveraging our core capabilities.

We play a critical role in unlocking housing supply. Within our current portfolio of projects we are facilitating approximately 20,000 homes either directly or through our development partners. We will continue to work hard to identify and convert surplus Government land opportunities, further contributing to housing supply.

In 2025-26 we experienced significant challenges in our operating environment, with cost-of-living pressures impacting home buyer sentiment and global disruption and uncertainty leading to higher construction costs and increased market volatility. Those challenges have manifested in financial impacts on our portfolio through both revenue and cost drivers.

Development Victoria's operating budget for the 2026 financial year forecast a loss of $29.6 million. The FY26 result was a net loss of $18.5 million, an $11.1 million improvement on the budget. We recognise our team has worked hard to produce this result. In line with the current difficult market conditions, including elevated construction costs, declining property prices and other related market pressures outlined above, we reassessed the book value of land inventory across our project portfolio in line with accounting standards. This assessment resulted in $110.05 million of impairment charges, recognised in the overall financial results for the year. Recognising the impairments in FY26 ensures the carrying value of Development Victoria's land inventory appropriately reflects the latest available information and the economic outlook for these projects at 30 June 2026. Consequently, Development Victoria reported a comprehensive loss of $127.99 million.

While the impairments materially affect the reported statutory result, they predominantly represent non-cash accounting adjustments to asset carrying values and are distinct from our underlying operating performance during the year. The impairment actions taken will also provide a stronger foundation for managing portfolio risk, allocating capital and supporting Development Victoria's long-term financial sustainability.

In response to the increased challenges in the external environment, throughout 2025-26 we focused on actively managing our debt position and maintaining appropriate gearing levels to protect our long-term financial sustainability and create capacity to continue delivering on government priorities. Through the adoption of a new operating model, we also substantially reduced costs and ensured our workforce profile is in line with our project portfolio and financial outlook. We will continue to be laser focused on ensuring we manage our cost base.

Despite the tough market conditions, we continued delivering for government and the community. In 2025-26 our Housing team delivered 307 sales and 298 settlements while our Precincts team delivered 8 super lot sales and completed 16 super lot settlements, which combined will deliver more than 2,200 homes. Our work has supported 6,270 jobs across the development sector, generating $904 million of investment in development and infrastructure. Of the homes we sold and settled in FY26, 33% went to first home buyers and 44% were classified as affordable, exceeding our 10% target.

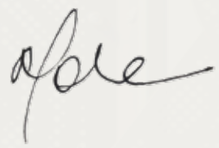
We completed the Nyaal Banyul Geelong Convention and Event Centre - a successful Public-Private Partnership with project partners Plenary and Built. As part of the Melbourne Arts Precinct Transformation we also completed the redevelopment of the Ian Potter State Theatre, opening it six months early. We commenced works on the new Albert Park Pit Building with Icon and the new Twelve Apostles Visitor Centre with Kane Constructions, and reached multiple project milestones on time and budget across the eight projects forming the Regional Sports Infrastructure Program.

Our work on precincts projects of state significance, such as Docklands, the Ballarat West Employment Zone and Revitalising Central Dandenong all made considerable progress, demonstrating the important role we play in shaping Victoria's long-term liveability and economic prosperity.

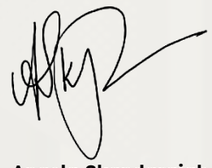
We are working in partnership with Traditional Owners across 20 projects to contribute to self-determination, as well as showcasing cultural values, knowledge and languages across our projects. Through our corporate partnership with Kinaway Chamber of Commerce this financial year we have increased our direct spending with First Peoples-owned businesses by 47%.

We are also honoured to have the efforts of our Development Victoria team recognised with industry accolades, including awards for the Werribee Open Range Zoo at the Built Environment Awards; LUMA at the HIA Awards and a Diversity, Equity and Inclusion Award at the Property Council of Australia Victoria People in Property Awards.

An organisation is only as good as its people and partners, and we are proud of what we have delivered together. We acknowledge the support and collaboration from our industry partners who are so pivotal to the successful delivery of our work. In a very difficult operating environment over 2025-26 we were pleased to continue to work productively with our key development partners, builders and consultants to continue to deliver world-class outcomes for Victoria.



Anne Jolic
Chief Executive Officer
24 September 2026



Angela Skandarajah
Chairperson
24 September 2026

About Development Victoria

We are a government agency partnering with industry and communities to transform ambitious ideas into reality.

We balance community needs with commercial discipline – and our experience shows that sustainable, liveable places deliver the best long-term return for all.

We reimagine iconic places like the Melbourne Arts Precinct, Fitzroy Gasworks, and Melbourne Park to transform them for future generations. We build homes in places people genuinely want to live, close to jobs, services, and transport - and we deliver infrastructure to support these growing communities, including new and upgraded sporting facilities and public open space.

We utilise public land to create connected, sustainable places that will create lasting benefits for our communities and make a genuine difference to the people of Victoria.

Our purpose, vision, mission and values



Collaborate

We are stronger as a team
We embrace partnerships
We are passionate

Innovate

We find new ways
We strive to be better
We are empowered to grow and adapt

Deliver

We find complete solutions
We add value
We are all accountable

Corporate Governance

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

Responsible Minister

The Minister for Development Victoria and Precincts[1] has primary responsibility for the *Development Victoria Act 2003* and is responsible *for the Docklands Act 1991.*

Treasurer

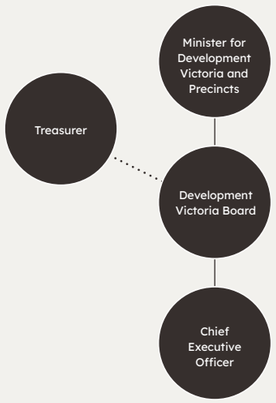
The Treasurer is responsible for oversight of Development Victoria's finances in accordance with the *Financial Management Act 1994.* This requires the Treasurer to manage and monitor Development Victoria's financial position including its capital structure and operating performance.

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

Development Victoria Board

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

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



[1]On 4 August 2026 the title of the Responsible Minister for Development Victoria became Minister for Housing, Building and Precincts.

Legislation

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

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

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

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

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

Statutory authority:
Development Victoria

Governing Act:
Development Victoria Act 2003

Incorporated:
1 April 2017

Registered address:
Level 9, 8 Exhibition Street
Melbourne 3000

ABN: 61 868 774 623

Declared projects and Ministerial Directions

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

Declared projects are those projects the Victorian Government, through the Responsible Minister, has directed Development Victoria to deliver under the *Development Victoria Act 2003.* Declaration provides Development Victoria with specific statutory powers to support the efficient planning, coordination and delivery of these projects.

The following projects are declared projects under the *Development Victoria Act 2003* which were, or are currently being, completed by Development Victoria as at 30 June 2026:

- Albert Park Pit Building
- Arden Precinct
- Ballarat West Employment Zone Development
- Ballarat Saleyards Urban Renewal
- Bendigo Showgrounds
- Bendigo Stadium
- Eureka Sports Precinct (Ballarat Major Events Precinct)
- Fitzroy (Bundha) Sports Centre
- Flora Hill Regional Housing Precinct
- Gippsland Sporting and Entertainment Park
- Melbourne Arts Precinct Transformation
- Morwell Gun Club
- Morwell Regional Housing
- Parkville Gardens
- Revitalising Central Dandenong
- State Basketball Centre Redevelopment
- Stead Park Upgrade
- Tarratarra Stadium (Armstrong Creek Sports Centre)
- The Avenue, Coburg
- Twelve Apostles Precinct Redevelopment
- Waurn Ponds Sporting Complex
- Waurn Ponds Station Precinct

This does not include other projects of significance that may be declared under other relevant legislation, and which Development Victoria is undertaking for other government agencies.

During the reporting period, Development Victoria received no Directions from the Minister under Section 9 of the *Development Victoria Act 2003.*



Nyaal Banyul Geelong Convention and Event Centre

At a glance

PLACES

We create places for people

- **50** Projects
- **27** Metro
- **23** Regional

OUR WORKFORCE

We are a values-led and purpose-driven organisation

- **345** FTE
- **57.3%** female
- **42.4%** male
- **0.3%** self-defined

PARTNERSHIPS

We partner to deliver outcomes

- **20+** private sector developers
- **100+** builders and project consultants
- **22+** government agencies and departments
- **30+** local councils and communities
- **6** Registered Aboriginal Parties

POLICY

We bring government policy to life

Housing

- **307** sales of homes and land
- **298** homes and land settled
- **44%** to those on incomes eligible for affordable housing
- **33%** to first home buyers
- **8** super lots sold
- **16** super lots settled
- Super lot sales and settlements in FY26 expected to deliver approximately **2,200** dwellings through private sector partners

Economic Development

- Project spend **$904 million** on development and infrastructure

Jobs

- Approximately **6,270 jobs** supported through construction-related activity

Sustainability

- **Three** 5 Star Green Star Buildings certifications
- **One** 5 Star Green Star - Interiors
- **Three** 6 Star Green Star Communities
- Exceeded targets for the reuse of materials from building demolition - reusing more than 95% of materials at The Avenue, Coburg and 92% at Denmark Street, Kew.

COMMENCED

- **Albert Park Pit Building**
- **Aurora**
  commenced Koukoura Business Park and 100% sold
- **Ballarat Saleyards**
  remediation
- **Denmark Street, Kew (approx. 500 homes)**
  demolition
- **Fitzroy Gasworks**
  Parcel A developer appointed (360 homes) and construction commenced on Parcel B (513 new homes)
- **Former Footscray Hospital**
  community engagement
- **MCG Redevelopment Business Case**
- **Ovata Knoxfield (approx. 400 homes)**
  project naming and civil construction
- **Regional Housing Program**
  construction on projects at Flora Hill in Bendigo (170-plus homes), Olearia Morwell (72 homes) and Silverbrook at Mt Duneed (approx. 400 homes) and launched sales campaign for Olearia Morwell
- **Regional Sporting Infrastructure Program**
  construction on Waurn Ponds Sporting Complex, and upgrades to Bendigo Stadium and Bendigo Showgrounds
- **Silverbrook at Mt Duneed**
  opening of project sales office
- **The Avenue, Coburg (275 homes)**
  construction works commenced and sales launched
- **Junction Place Wodonga**
  over 80 homes

COMPLETED

- **Athletics track at Ballarat Major Events Precinct**
- **Aurora**
  89 new townhouses at Habitas, Aurora
- **Twelve Apostles Visitor Centre**
  civil works and rammed earth façade complete
- **Tarratarra Stadium (Armstrong Creek Sports Centre)**
  façade complete
- **Nyaal Banyul Geelong Convention and Event Centre**
  including opening of the Crowne Plaza Hotel
- **LUMA, Sunshine North**
  85 new homes in Stage 2
- **Melbourne Arts Precinct Transformation**
  Ian Potter State Theatre upgrades
- **Morwell Gun Club**
  upgrades
- **Point Cook South West School**
  enabling works
- **Melbourne Quarter by Lendlease**
  West tower 797 apartments completed
- **Olio, Officer**
  82 homes completed and first residents moved in
- **LUMA, Sunshine North**
  67 completed homes handed to new residents
- **Riverwalk, Werribee**
  136 residential lots completed

Creating impact



Tarratarra Stadium (Armstrong Creek Sports Centre)

First Peoples Partnerships impact

We worked with Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) to ensure the design was grounded in a strong cultural narrative. This guided both interior and exterior design elements, creating a built environment that responds to stories of Country, cultural practice and Wadawurrung knowledge. Co-design outcomes are reflected through the building's form, colour palette, textures, and interpretive elements. Together, these features create a place that is not only functional but deeply connected to Wadawurrung Country and cultural identity.

Social and economic impact

Over $1 million was spent with Victorian Aboriginal businesses and 5,000 hours of employment were performed by Victorian Aboriginal people on the project. More than $730,000 was spent with Social and Disability Enterprises and 33,600 hours of work was performed by people with disabilities or priority jobseekers.



Melbourne Arts Precinct Transformation

First Peoples Partnerships impact

The Laak Boorndap urban garden, a key new component in the precinct, is named in Woi-wurrung language in partnership with Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation (WWCHAC).

Sustainability impact

5 Star Green Star Buildings (design stage) rating on The Fox: NGV Contemporary, 5 Star Green Star Interiors achieved on the State Theatre, and a 6 Star Green Star Communities rating delivered for the precinct.

Social and economic impact

More than 180 new roles created so far for apprentices, cadets and priority jobseekers working across the project, one third held by women. $4.56 million has been spent with Victorian Aboriginal businesses and $1.63 million with social enterprises and Australian Disability Enterprises.



Nyaal Banyul Geelong Convention and Event Centre

Sustainability impact

The centre is fossil-fuel free and built to be approximately 50% more energy and water efficient than a comparable building. The project is the first in Australia to be assessed under the Circular Transitions Indicators (CTI) tool, uses renewable materials such as straw in the building fabric and includes a range of circular design initiatives.

Sustainability impact

Nearly 95% of construction waste has been diverted from landfill and the project supports local biodiversity through integrated strategies, including provision of habitat, pollinator gardens and nesting boxes for bird species such as Powerful Owls and Gang-gang Cockatoos. Sustainability outcomes have been recognised through certification under both Green Star Buildings, with a 5 Star rating, and WELL Health Safety Certification.

Social and economic impact

Exceptional social and economic outcomes were achieved, with $12.68 million spent with social benefit suppliers and 49,000 apprentice hours including 44 local apprenticeships created for jobseekers from disadvantaged postcodes.

First Peoples Partnerships impact

Gifted by Traditional Owners, the name Nyaal Banyul, meaning: 'open your eyes to the hills' was chosen to encourage people at the site to take time to appreciate the landscapes of Wadawurrung Country. WTOAC was also closely involved in the design of the building, which also includes a curated selection of First Nations artefacts, archaeological material and cultural items, supporting ongoing learning, recognition and respect.

Creating impact



Albert Park Pit Building

Social and economic impact

10.95% of all contact hours so far have been performed by apprentices, trainees and cadets exceeding the Major Project Skills Guarantee (MPSG) target. 9.23% of hours have been performed by people from Development Victoria's priority groups including First Nations and people with disability.



Fitzroy Gasworks

First Peoples Partnerships impact

Working alongside WWCHAC, the precinct celebrates Wurundjeri stories, culture, and artwork through co-design. Woi-wurrung language is embedded throughout the precinct, in buildings, streets and parklands, creating visible and lasting expressions of Wurundjeri identity. The surrounding open space, Wurundjeri Biik, meaning 'Wurundjeri Country', acknowledges the enduring presence of the Wurundjeri people and affirms their ongoing connection to Country.

Sustainability impact

The site has been designed for high degrees of community resilience and connection, with nature outcomes to support people's connection to their environment. Construction will be progressed under leading environmental standards, with high levels of landfill diversion, and best practice management of site practices.



Artist Impression: Albert Park Pit Building

Civic infrastructure



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



Artist Impression

Albert Park Pit Building Redevelopment

The Albert Park Pit Building is being redeveloped to meet the contemporary requirements of hosting the Formula 1 Australian Grand Prix and to maximise its use by the community throughout the rest of the year.

The project is a partnership between Development Victoria, the Australian Grand Prix Corporation, Parks Victoria, the State Sport Centres Trust and the Department of Jobs, Skills, Industry and Regions (DJSIR). Development Victoria is delivering the project on behalf of DJSIR.

To ensure the facility is fit for a world-class spectacle, the new pit building will include 14 garages, race control administration and media facilities, and increased prime viewing spaces. The development will enhance hospitality amenities by expanding the Paddock Club's capacity to accommodate up to 5,000 patrons during the Australian Grand Prix.

Outside of the Grand Prix, the pit building will operate as a community sporting hub, featuring seven indoor courts – two more than currently on site - and clubrooms for local sporting clubs using the outdoor fields.

Project objective

Deliver a new pit building that supports the Formula 1 Australian Grand Prix while maximising community use throughout the year.

2025-26 achievements

- Temporary pavilions utilising Modern Methods of Construction (MMC) delivered for community sporting groups completed
- Work underway on new permanent pavilion for Power House Rugby Union Club
- Soil remediation and demolition of existing pit building completed
- Piling completed and slab pours commenced for new pit building



MCG Redevelopment Business Case

We're working with the Victorian Government, Melbourne Cricket Club and the MCG Trust to investigate the future requirements of the Melbourne Cricket Ground (MCG) to help ensure the stadium and precinct maintain their world-class status for years to come.

The business case will review the current state of the MCG, including the Shane Warne Stand, and options for redevelopment to deliver the contemporary facilities that athletes and spectators require.

A redevelopment of this size and scale requires significant planning and investigations prior to any construction commencing.

Project objective

Review the current state of the MCG and deliver a business case for its potential redevelopment, ensuring the stadium and precinct maintain their world-class status.

2025-26 achievements

- Business case work commenced
- Lead architect and engineering consultants appointed



Artist Impression

Melbourne Arts Precinct Transformation

Development Victoria is delivering the Melbourne Arts Precinct Transformation (MAPT), Australia's largest cultural infrastructure project, on behalf of Melbourne Arts Precinct Corporation.

The project will transform Melbourne's creative precinct into one of the great cultural destinations in the world, and includes:

- The Fox: NGV Contemporary gallery
- Significant upgrades to Arts Centre Melbourne's Theatres Building
- Laak Boorndap, a new 18,000 square metre urban garden
- New connections into and through the arts precinct
- Improved all-abilities access
- New food and beverage spaces

Project objective

Transform the Melbourne Arts Precinct into one of the great creative and cultural destinations in the world, delivering increased visitation and tourism, enhancing Victoria's reputation, and generating economic benefits for Victoria.

2025-26 achievements

- Practical completion of the Ian Potter State Theatre upgrades, with the venue set to reopen ahead of schedule in October 2026
- Piling and bulk excavation at the site of The Fox: NGV Contemporary complete
- Excavation and waterproofing commenced for Laak Boorndap
- More than 180 new roles created so far for apprentices, cadets and priority jobseekers working across the project, a third held by women
- More than $4 million spent with First Nations businesses
- 5 Star Green Star Buildings (design stage) rating achieved on The Fox: NGV Contemporary, 5 Star Green Star Interiors achieved on the State Theatre, and a 6 Star Green Star Communities rating delivered for the precinct



Nyaal Banyul Geelong Convention and Event Centre

The project was delivered as a Public-Private Partnership (PPP). Development Victoria, working on behalf of Regional Development Victoria, managed the PPP market engagement and appointment of Plenary Conventions consortium as project delivery partner.

The project's Early Engagement Social Procurement (GEESP) program reached a milestone of 40 participants, exceeding the target of 28, with many apprentices moving into their second year and some progressing into full-time employment. Priority jobseekers worked 5.6% of the total project hours, well above target. Social procurement spend reached $6.9 million (2.2% of total construction spend), with over half spent in the local region, including with five local Aboriginal businesses.

Project objective

Position Nyaal Banyul Geelong Convention and Event Centre as Victoria's premium regional convention and event destination, contribute to the revitalisation of central Geelong, and drive the region's visitor and knowledge economies.

2025-26 achievements

- Commercial acceptance was reached in June 2026 with the venue hosting its first official event on 3 July 2026
- Successful co-design outcomes with the Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC), creating a built environment that responds to stories of Country, cultural practice and Wadawurrung knowledge
- 44 apprentices have now been employed on the project through the GEESP program



Regional Sports Infrastructure Program

Development Victoria is delivering projects across four regions on behalf of Sport and Experience Economy, as part of the Victorian Government's investment in regional sporting infrastructure. These sporting and community infrastructure projects include:

- Ballarat Sports Package, which includes upgrades to Mars Stadium and the Ballarat Major Events Precinct
- Bendigo Sports Package, which includes upgrades at Bendigo Stadium and Bendigo Showgrounds
- Geelong Sports Package, which includes new sporting facilities at Armstrong Creek and Waurn Ponds, and upgrades to Stead Park Hockey Facilities
- Gippsland Sports Package, which includes major upgrades to the Gippsland Sports and Entertainment Park and Morwell Gun Club

Program objective

Help increase sports participation in regional communities, bring more elite sport to regional Victoria, support local businesses, and create employment opportunities during each project's delivery.

2025-26 achievements

- Completion of Morwell Gun Club and topping out at the Gippsland Sports and Entertainment Park
- Construction commenced on the Bendigo Stadium upgrades with Stage 1 car park, netball lighting upgrades and courts 9 and 10 completed, new annex erected and fit out underway, as well as First Nations artwork installations
- Construction started on Bendigo Showgrounds upgrades
- Waurn Ponds Sporting Complex construction underway
- Naming of Tarratarra Stadium in Wadawurrung language (Armstrong Creek Sports Centre) and façade complete
- Stead Park Hockey Facilities fit-out underway, including Wadawurrung art mural
- Athletics track completed at Ballarat Major Events Precinct
- Additional scope introduced for Mars Stadium to include a larger scoreboard, Traditional Owner artwork, new viewing embankment and extra change rooms



Artist Impression



Melbourne Arts Precinct Transformation

Twelve Apostles Precinct Redevelopment

The Twelve Apostles Precinct Redevelopment is a priority project in the Shipwreck Coast Master Plan. Funded by the Geelong City Deal, the project will deliver a new Visitor Experience Centre, an improved and expanded carpark and road infrastructure and upgrades.

Regional Development Victoria is responsible for the implementation of the Geelong City Deal and is working in partnership with Development Victoria to deliver the Twelve Apostles Precinct Redevelopment.

The project includes:

- Visitor Experience Centre building and lookout, with full universal access
- Delivery of a high-quality Welcome Garden
- Integrated car and bus parking, including emergency service connectivity
- New road infrastructure and road upgrades
- Landscaping works to target pathways and road edging

Project objective

Change the way visitors experience the region, providing safer and easier access to nature's greatest attractions, while protecting and enhancing the environment and cultural history at this spectacular location.

2025-26 achievements

- Rammed earth façade of Visitor Experience Centre complete and internal fit-out underway
- Temporary car parking handed over to ensure safe venue operations over summer
- Civil works completed and landscaping underway
- Traditional Owner co-design including Eastern Marr artist engaged

Precincts



Development Victoria leads the long-term urban renewal of key Victorian places into thriving precincts of scale, bringing economic growth and social benefit to the State.

We use our balance sheet to unlock brownfield sites to catalyse significant private sector investment. Through these partnerships we are facilitating the delivery of economic development and thousands of new homes to Victorians. Construction commenced on several projects and significant progress was made on others during FY26, which together will see more than 8,500 homes delivered in the coming years through projects including Docklands, Fitzroy Gasworks, Denmark Street, Kew and Ivanhoe.



Docklands Precinct

Docklands is one of the largest government-led urban renewal projects in Australia. The precinct is home to more than 18,500 residents and 67,000 workers and has sustained a significant number of construction jobs over the past 20 years.

Project objective

Urban renewal in Docklands to revitalise a former industrial area to deliver housing, jobs and community spaces, and reconnect the Melbourne CBD with the waterfront.

2025-26 achievements

- Commenced construction of 626 build-to-rent apartments in Waterfront City by Ashe Morgan
- Construction progressing of 620 build-to-sell apartments at Victoria Harbour by Lendlease
- Construction progressing for 499 build-to-rent apartments in Victoria Harbour by Lendlease
- Construction commenced on 984 apartments at Elysium Fields in City Harbour by Gurner
- Completion of the West Tower at Melbourne Quarter by Lendlease, delivering 797 build-to-rent apartments, Australia's largest build to rent project
- Construction underway of Mirvac's Trielle residential building for 191 build-to-sell apartments and new north-facing public promenade along the Yarra River
- Planning permit approval for Mirvac's Tower 12 site in Yarra's Edge for 303 build-to-sell apartments
- Activation of restored heritage shipping shed, Shed 21 in Yarra's Edge Bolte Precinct West via lease to City of Melbourne
- Supported community activations such as Docklands Farmers' Market, Firelight Festival and The Street Social
- Facilitated public realm activations through the temporary installation of the award-winning garden from the 2026 Melbourne International Flower and Garden Show 'We the Wild' at Yanonung Quay
- Delivered 'Echo of Central Pier', a temporary light installation that brings the story of Central Pier back into view



Artist Impression



Fitzroy Gasworks

Fitzroy Gasworks is set to become a vibrant new neighbourhood in the heart of Melbourne – an urban village with diverse housing options, a senior high school, sports centre and public open spaces.

This mixed-use development will set a new benchmark for urban renewal and inner-city housing, delivering around 1,400 new dwellings including a minimum of 20% affordable housing.

Project objective

Renewal of the former Fitzroy Gasworks site into a new urban village.

2025-26 achievements

- Appointment of a development partner, Local: Residential, to deliver around 360 new homes on Parcel A, with 33% affordable
- Parcel B and C Planning permit approval including approximately 1,050 homes, with 20% affordable
- Commenced construction of Parcel B, on the corner of Alexandra Parade and Smith Street, which will provide 513 new homes (121 social and 43 affordable homes)
- Planning permit submission amendment lodged for Parcel A
- Delivery of Wurundjeri Biik open space, co-designed with Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation as well as appointment of Wurundjeri artist to lead a selection of public artworks

Ballarat West Employment Zone

Ballarat West Employment Zone (BWEZ) is a joint initiative between the Victorian Government and the City of Ballarat to support the region's economic growth over the next 20 years. BWEZ is being funded and delivered by Development Victoria, with Regional Development Victoria playing an important investment attraction role.

The project is a staged development using 438 hectares of surplus Crown Land – located on the north-west fringe of Ballarat – to supply serviced and accessible industrial land while providing local jobs and leveraging the project's position within Victoria's freight network with access to road, rail and nearby Ballarat Airport.

Project objective

Economic development and jobs for a growing regional community.

2025-26 achievements

- Sold and settled $10 million worth of serviced industrial land



Artist Impression



Artist Impression

Revitalising Central Dandenong

Development Victoria is working with the City of Greater Dandenong and other stakeholders to create a vibrant precinct that provides commercial, residential, retail, and community services, as well as public open spaces.

Project objective

Raise the profile of Dandenong and position the city as a destination of choice to live, work and visit, accommodate forecast population growth, stimulate economic development and private sector investment, and enhance liveability.

2025-26 achievements

- Launch Housing commenced construction of 70 energy efficient homes designed for people on the Victorian Housing Register
- Development approval granted for stage one of Capital Alliance's multi-use development to deliver homes and a new childcare centre
- Announcement of a new secondary school

Ivanhoe

Development Victoria is helping transform the former Yarra Valley Water site on Upper Heidelberg Road into a vibrant residential community. The development aims to complement the existing neighbourhood and will include much-needed new homes for the area as well as a new council park for the whole community to enjoy.

Project objective

To transform the former Yarra Valley Water Ivanhoe Tank site to create around 275 homes in Melbourne's north, close to employment, public transport, health services and recreation.

2025-26 achievements

- Appointment of Melbourne-based and Australian-owned PDG to deliver hundreds of new homes and new 2,000 square metre public park

Housing



Development Victoria creates communities that are well connected, well serviced and well designed to create liveable and thriving neighbourhoods.

Development Victoria delivers and promotes housing affordability, housing diversity, as well as supporting economic development through our mixed-use projects. Despite the challenging market conditions we continued to make a significant contribution to delivering more homes for Victorians. In FY26 we sold 307 homes and land lots, and progressed agreements with Homes Victoria on our regional housing projects to deliver another 160-plus homes. Our projects continue to support housing affordability, with 44% of sales being to buyers on incomes classified as affordable housing. First home buyers accounted for 33% of total sales.



Aurora, Epping

Aurora is a thriving master-planned community located between Epping and Wollert. It is home to around 7,000 residents and close to schools, employment, transport links, open spaces and community facilities.

Development Victoria is also developing the Koukoura Drive Business Park precinct on Aurora's southern gateway, providing a key link to the Hume Freeway and future employment opportunities. Aurora will continue to deliver much-needed housing throughout Epping and Wollert into 2030.

Project objective

Create a sustainable mixed-use community with diverse housing options, a variety of economic development opportunities and a wide range of community facilities.

2025-26 achievements

- Launched the sales campaign for the Koukoura Business Park, selling all lots
- Divestment of the Southern Town Centre to a developer
- Commenced construction of Koukoura Business Park
- Co-design of the public park with Wurundjeri Woi-wurrung Traditional Owners, including protection of Aboriginal cultural heritage



LUMA, Sunshine North

The LUMA residential development in Sunshine North is transforming a vacant site in Melbourne's west into a thriving new community, located near jobs, schools, transport links and hospitals. To date, the project has delivered 86 townhouses in Stage 1 and is on track to complete 85 new homes in Stage 2.

Project objective

Deliver a development with a diverse range of housing options and quality open-space amenities.

2025-26 achievements

- Continued construction of homes in Stage 2 by SAW Constructions
- Handover of 67 completed houses to new residents in both Stages 1 and 2
- LUMA named Best Affordable Housing Project at the Housing Industry Association's Kitchen and Bathroom Awards
- Detailed design approval achieved for Stage 3



Olearia Morwell

The Olearia housing development in Morwell will deliver 72 residential land lots for people to build their own homes, including an allocation of land for social and affordable homes. The development will connect the broader Latrobe Valley, supporting local businesses and community growth while contributing to housing supply in Gippsland.

Project objective

Deliver diverse and affordable housing for a growing regional community.

2025-26 achievements

- Launched the project and sold out the first release in Stage 1
- Commenced construction



Olio, Officer

Our Olio residential project at Officer will include more than 200 homes in two stages, along with open spaces and pedestrian connections throughout the site.

Development Victoria has partnered with Sienna Homes to deliver both stages, with work underway on Stage 2, which will include around 100 homes.

Olio has been developed as an inclusive community and we have worked with CatholicCare and Aboriginal Housing Victoria to deliver much-needed social housing, while a Priority Access program offered a chance for eligible buyers to secure a home before public release.

Project objective

Deliver diverse and affordable housing for a growing community.

2025-26 achievements

- Completion of Stage 2 civil works
- Construction of townhouses in Stage 2 by Sienna Homes
- Settled 82 dwellings with first residents moving in



Artist Impression

Ovata, Knoxfield

The Ovata residential project at Knoxfield will create a new community featuring around 400 new homes, close to transport, jobs and schools in an established area.

New green open spaces will be created, with a purpose-built wetland system and safe, well-planned cycling and walking paths.

Project objective

Deliver a new residential community in a well-established area, offering new homes.

2025-26 achievements

- Delivery of sales display suite on site
- Launch of project brand and registration of interest website
- Appointment of builder and civil contractor for the first stage of development
- Naming of a new wetland in Woi-wurrung language in partnership with Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation



Riverwalk, Werribee

The project is being delivered through a partnership between Melbourne Water and Development Victoria to transform 197 hectares of land on the former Werribee treatment plant site.

Once completed, Riverwalk will consist of a mixed-use development comprising more than 2,260 homes for approximately 7,300 residents, as well as retail, commercial, employment, education, community and open spaces.

Project objective

Create a sustainable mixed-use community with diverse housing options and a wide range of community facilities.

2025-26 achievements

- Settlement of 136 residential lots
- Delivered Stage 43 and Stage 45, marking the delivery of the 2,000th lot at Riverwalk



Artist Impression

Silverbrook at Mt Duneed

The Silverbrook project at Mt Duneed will deliver around 400 much-needed homes for the Geelong region. Approximately 25% will be delivered as social and affordable homes in partnership with Homes Victoria, supporting more people to access secure, quality housing in the growing Geelong area.

Development Victoria is also facilitating the delivery of vital transport infrastructure to support the new community, including a new intersection and traffic lights, a bus interchange and a new car park for commuters using the Waurn Ponds Train Station.

Project objective

Deliver diverse and affordable housing for a growing regional community.

2025-26 achievements

- Commenced construction on southern portion of the site
- Launched sales, including opening of the sales office
- Contract awarded for transport infrastructure project
- Significant engagement and procurement of a range of local and Indigenous-owned businesses including Stages 1 and 2 civil works and sales office landscaping works



Artist Impression

The Avenue, Coburg

Development Victoria is creating a vibrant new residential community at The Avenue, Coburg close to jobs, schools, public transport, retail and community amenities.

The development will include around 275 apartments, including 10% dedicated to affordable housing across four buildings, as well as indoor and outdoor communal spaces, a new park on The Avenue and approximately 100 square metres of retail space.

Project objective

Accelerate housing supply on surplus government land and offer a range of housing options, including affordable housing, close to jobs, transport, schools, and green spaces.

2025-26 achievements

- Completion of early works to remediate the site and remove existing structures
- Appointment of Hickory as the builder
- Launch of sales campaign with sales tracking well
- Contract of sale executed with Community Housing Provider (Evolve) for 92 social and affordable homes



Olio, Officer

Development Victoria's Board of Directors

Angela Skandarajah (Chairperson)

Angela joined the Board of Development Victoria and was appointed as Chairperson on 1 December 2024.

With over 25 years of experience spanning real estate and law, Angela brings a powerful blend of strategic insight and industry know-how. Her career includes over five years as CEO of Development Victoria and 13 years as a partner at a leading commercial law firm. She's a specialist in transaction structuring, board governance, enterprise risk management, and complex stakeholder environments.

Angela is a long-standing participant in the property sector, actively shaping the industry through her professional contributions and involvement in key industry bodies. She's a passionate champion for inclusion and diversity and deeply committed to mentoring the next generation of leaders.

Beyond Development Victoria, Angela also serves as Chairperson of Aeria Management Group and is on the Board of Trustees for the Queen Victoria Women's Centre and the Walter and Eliza Hall Institute of Medical Research, further reflecting her dedication to community and innovation. She holds a Bachelor of Commerce, a Bachelor of Laws (Hons), and an Executive Master of Public Administration from the University of Melbourne.

Natalie MacDonald (Deputy Chairperson)

Natalie MacDonald is an experienced Non-Executive Director and Executive. She retired from her role as Chief Executive Officer of the Country Fire Authority (an organisation with over 50,000 volunteers in over 1200 locations across the State) in August 2024. Prior to this role, she was Vice-President (Strategy & Development) at La Trobe University where she focused on forward strategy of the University and the transformation of its campuses to create economic growth, community value and high-quality research, teaching and student life environments.

Natalie has extensive experience in public administration, governance and the delivery of services including government services, information services, building and design, accommodation, maintenance, facilities management and procurement services and the delivery of services across wide geographical areas.

She currently serves on Infrastructure Victoria Audit Committee, the RMIT Infrastructure Committee, the Greater Dandenong Council Audit and Risk Committee and as a Board Director of Triple Zero VIC. She has previously held board roles on a range of Commonwealth and state bodies.

James Flintoft

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

James currently serves as Chair of the Burnet Institute and is a Director on the Boards of the Transport Accident Commission, Epworth HealthCare, Victorian Comprehensive Cancer Centre Alliance, Foundation House for Refugees, Social Traders, Mornington Peninsula Foundation and the Foundation for Rural and Regional Renewal.

James worked in the public service, including as Deputy Secretary/Chief Executive of Regional Development Victoria, facilitating civic infrastructure and precinct development. Before joining the public service, he worked in the private sector, including as Managing Director, Business Banking at ANZ Bank, and a management consultant at McKinsey and Company.

Jeremy Loeliger (until 16 October 2025)

Jeremy Loeliger is the former Commissioner and CEO of the National Basketball League.

During his tenure from 2015 to 2024, Jeremy oversaw the League's emergence from the brink of bankruptcy to become a profitable mainstream national sporting league that has captured the attention of basketball fans around the world.

In this period the NBL underwent a major transformation to becoming Australia's fastest growing professional sporting league.

Before joining the NBL, Jeremy was a partner of a national law firm, practising corporate and commercial law with a focus on mergers and acquisitions and equity capital markets. In that time, he also carved out a successful sports law practice. He sat on the Executive Committee of the Victorian Chapter of the Australia China Business Council, is an Adjunct Fellow to Victoria University's Victoria Business Confucius Institute and is a champion of Sino-Australian trade and sports diplomacy.

David Martine

David Martine has extensive public finance, policy and organisational leadership experience across the public sector. He is a director of the Victorian Funds Management Corporation and was previously a director of Treasury Corporation Victoria, and Infrastructure Victoria.

David was the Secretary of the Victorian Department of Treasury and Finance for nearly 10 years until December 2023. He led the department providing economic, policy and commercial advice to the Victorian Government. Prior to this, David worked as a senior executive in the Commonwealth public sector, providing strategic advice to governments on a range of economic and other policy issues.

David has a Bachelor of Economics (Honours) from Monash University and a Master of Business Administration.

Sally Macindoe (from 9 December 2025)

Sally Macindoe is an experienced non-executive director and is a consultant to and former partner and Chair of Norton Rose Fulbright Australia.

Sally is a current director of St Kilda Football Club and has previously served 12 years on the Committee of the Melbourne Cricket Club (including 6 years as Vice President and as Chair of the MCC Foundation Ltd) and as a director of the Melbourne Recital Centre Ltd during its development phase. In addition, Sally holds a number of other not for profit leadership roles including Victorian co-chapter lead of the Minerva Network.

Having practised as a specialised planning and environment lawyer for over 35 years, Sally has assisted both government and private sector clients to obtain planning and environmental approvals to facilitate many state significant strategic development and infrastructure projects. Sally has been named in Best Lawyers for over 13 years and named Best Lawyers Environment and Planning Lawyer of the Year in 2018 and Best Lawyers Land Use & Zoning Lawyer of the Year in 2025.

From 2005 to 2012 Sally was a member of Norton Rose Fulbright Australia's National Partnership Council, Chair of the firm from 2010-2012 and Global Head of Diversity and Inclusion 2013 to 2021. Sally's leadership in diversity and inclusion has been widely recognised including receiving the EOWA (now WGEA) Business Achievement Diversity Leader for the Advancement of Women Award in 2011 and the NAB Women's Agenda Change Champion Award in 2013.

Sonya Miller

Sonya Miller is the founding Director of Dynamic Property Group and Armitage Jones, a specialist project management and property advisory consultancy. She has extensive experience in the property industry with exposure to a diverse range of complex projects.

Prior to establishing Armitage Jones, Sonya worked for a range of private and public property development and construction companies in senior management roles. Throughout her career, she has led significant development projects across commercial, residential, retail, industrial, infrastructure and mixed-use sectors. She has extensive experience working on high profile, complex projects that involve engagement with multiple stakeholders including Joint Venture partners, shareholders, consultants, government authorities and community groups with a diverse range of interests.

Sonya has a Bachelor of Architecture (Hons), a Bachelor of Property and Construction and a Bachelor of Planning and Design and is a Graduate of the Australian Institute of Company Directors.

Brendan Pihan

Brendan is an experienced business leader with more than 25 years of executive experience in the property sector in public and private companies across a broad range of asset classes and regulated industries.

He is the CEO of Essendon Airport Group Ltd and a non-executive director of family violence and homelessness not for profit, Wayss Ltd.

Formerly Brendan was Executive Director of Knowles Group, owner of Arcare aged care, and held senior positions with Lendlease, Stockland and Buxton Group working across masterplanned communities, retirement living, apartments, retail, office, industrial, hospitality and contract housing. He has deep end-to-end functional experience in property spanning acquisitions, marketing, sales, development management, property finance and asset management.

He holds a Bachelor of Arts, Bachelor of Business (Management), and Master of Marketing and has served on the Executive Committee of the Urban Development Institute of Australia (SA), and various committees of the Property Council of Australia. He is a Graduate of the Australian Institute of Company Directors.

The Board

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

The Governor in Council appoints Directors for periods not exceeding five years. The Board is to consist of a Chairperson, a Deputy Chairperson and no more than 7 other Directors.

As of 30 June 2026, the Board comprises 6 Directors. During the year, one new Director was appointed, and 1 Director resigned.

The Board ensures government is informed of all major issues affecting Development Victoria.

The Chief Executive Officer and members of the Executive Team are invited to attend each Board meeting. Attendance by Directors at Board meetings held during the reporting period is detailed below.

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

Development Victoria Board attendance

Development Victoria held 10 Board meetings in 2025-26.

BOARD MEMBER	ELIGIBLE	ATTENDED	NOTE
Angela Skandarajah	10	10	
Natalie MacDonald	10	10	
James Flintoft	10	9	
Jeremy Loeliger	3	3	Director until 16 October 2025
Sally Macindoe	5	5	Director effective 9 December 2025
David Martine	10	9	
Sonya Miller	10	9	
Brendan Pihan	10	10	



Denmark St, Kew

Committees of the Board

Development Victoria has two Board Committees - the Audit and Risk Committee and Investment Committee.

Audit and Risk Committee

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

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

The Audit and Risk Committee consisted of the following members during the 2025-26 period:

- Natalie MacDonald – Chairperson
- James Flintoft – Director
- David Martine – Director
- Angela Skandarajah – Director

Investment Committee

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

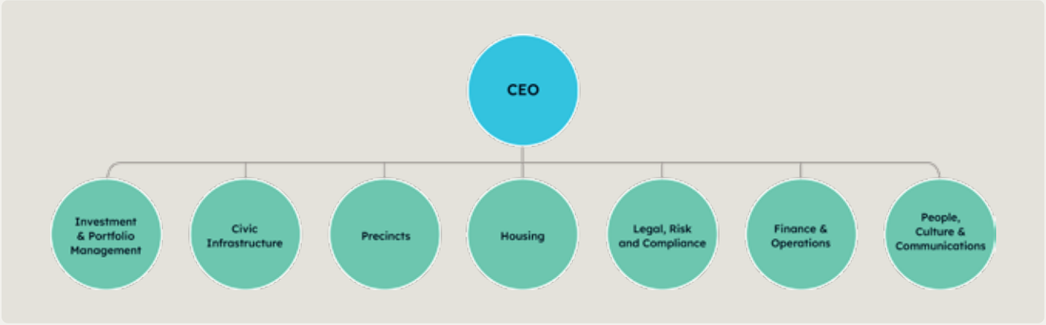
The Investment Committee consisted of the following members during the 2025-26 period:

- Sonya Miller – Chairperson
- Jeremy Loeliger – Director (until 16 October 2025)
- Sally Macindoe – Director (from 9 December 2025)
- Brendan Pihan – Director
- Angela Skandarajah – Director

Development Victoria Committee Membership and Attendance 1 July 2025 to 30 June 2026

	AUDIT AND RISK COMMITTEE		INVESTMENT COMMITTEE		
COMMITTEE MEMBER	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	NOTE
Angela Skandarajah	4	4	11	10	
Natalie MacDonald	4	4	-	-	
James Flintoft	4	4	-	-	
Jeremy Loeliger	-	-	4	2	IC member until 16 October 2025
Sally Macindoe	-	-	5	5	IC member effective 9 December 2025
David Martine	4	4	-	-	
Sonya Miller	-	-	11	11	
Brendan Pihan	-	-	11	11	

Executive Leadership Team



Chief Executive Officer – Anne Jolic

Anne joined Development Victoria as Chief Executive Officer in late April 2025.

Anne boasts a 25-year private sector career with Lendlease and Mirvac, delivering some of Australia's most prominent and awarded projects. Prior to joining Development Victoria she was Head of Operations at Lendlease, overseeing the operations of the development business globally. She was responsible for the performance of a large portfolio of projects including complex mixed use, commercial, residential, retail and build-to-rent projects across Melbourne, Sydney, Brisbane, London, Milan, the US and Singapore.

Anne has deep development and commercial expertise and has collaborated across industry and government throughout her career. She has had a long involvement with the Property Council of Australia and is the Immediate Past President of the Victorian Division, serving on its National Board and Division Council for several years. In 2026 she was also invited to join the Property Champions of Change Coalition – a property industry initiative whose purpose is to bring CEOs together to advance gender equality in the property sector.

Executive General Manager, Finance and Operations – Matthew Borthwick

As Executive General Manager of Finance and Operations, Matthew leads broadly skilled and dedicated teams spanning the Enterprise Finance, Commercial, ePMO, Information Technology and Facilities functions.

Matthew's background has been established across asset management, agriculture, investment banking, and financial services. With a foundation in Chief Operating Officer and Chief Financial Officer leadership roles, Matthew brings expertise in strategy formation and execution, operational and digital transformation, financial stewardship, and governance.

Prior to joining Development Victoria in February 2026, Matthew served as COO for Warakirri Asset Management where he oversaw key uplifts in areas such as data governance and analytics, implementation of a new people and culture strategy and development of the company's inaugural Project Management Framework. Matthew also served as CFO for Louis Dreyfus Company in both Australia and Indonesia and Deutsche Bank in the United Kingdom and the Cayman Islands.

Executive General Manager, Investment and Portfolio Management – Alex Kennedy

Alex heads up the Investment and Portfolio Management group, responsible for creating and leveraging opportunities for the organisation, developing a pipeline of projects to deliver commercial and policy outcomes.

He brings extensive experience in property development, investment strategy and corporate advisory. For the past three years at Development Victoria he has led work on project origination, early-stage structuring, and the strategic repositioning of existing projects.

Alex's career includes senior investment and governance roles at Assemble, Make Ventures and Coles Group, as well as earlier restructuring experience with Deloitte in both Australia and the United Kingdom.

As a Chartered Accountant, Alex combines strong financial acumen with a proven ability to deliver commercially and strategically successful outcomes in complex environments.

Executive General Manager, Precincts – Niall Cunningham

Niall heads up the Precincts group responsible for the long-term urban renewal of key Victorian places into thriving precincts of scale, bringing economic and social growth to the State. The team provides advice to support strategic planning, undertakes master planning and provides delivery advice to balance policy and commercial outcomes.

Niall has worked in various property-related senior executive roles in the private and public sectors, both nationally and internationally. He has more than 25 years' experience in property development projects with particular expertise in precinct-scale development.

His expertise includes working with stakeholders and communities in the planning and delivery of complex urban regeneration projects that deliver community-focused outcomes in keeping with government policy. Niall is a passionate advocate for diversity and inclusion and has served numerous terms on the Property Council of Australia Diversity and Inclusion (D&I) Committee in addition to proactively promoting the D&I agenda across the projects he works on.

Executive General Manager, Housing – Matthew Dean

As Executive General Manager of Housing, Matthew leads a dedicated team focused on delivering more homes for Victorians both in metropolitan and regional areas. The Housing group at Development Victoria is focused on developing communities built on diversity, making home ownership possible for more Victorians.

Matthew's background is rooted in real estate, with more than two decades of private sector experience spanning greenfields, medium density, apartments, house and land, international sales and investment strategy. His extensive experience has equipped him with a deep understanding of market dynamics.

Prior to joining Development Victoria in February 2026, Matthew was the Project Director of the multi-award-winning Woodlea project - a fully integrated 7,000 lot master-planned development home to 16,500 residents and businesses.

Executive General Manager, Civic Infrastructure – Hannah Clement

Hannah is the Executive General Manager of the Civic Infrastructure group, leading the delivery of a diverse portfolio of city-shaping projects in partnership with a wide range of Victorian Government agencies and institutions. Her division is responsible for managing a capital delivery program in excess of $3 billion, encompassing some of the state's most significant civic and cultural developments. Current projects under her leadership include Nyaal Banyul (Geelong Convention and Event Centre) and the $1.7 billion Melbourne Arts Precinct Transformation, building on the success of landmark projects such as the Melbourne Park Redevelopment and the Geelong Arts Centre.

With more than 25 years' experience in planning and delivering complex civic and infrastructure projects, Hannah has consistently delivered outcomes that connect communities and strengthen Victoria's social and cultural fabric.

Prior to joining the Victorian public sector, Hannah worked extensively in the private sector, delivering major projects across Australia, the Middle East and South-East Asia. Originally trained as a civil engineer, she spent over a decade in the engineering consultancy sector, specialising in the design and delivery of linear infrastructure as well as major sporting, event and social infrastructure projects.

Executive General Manager, People, Culture and Communications – Sonja Ruddock

Sonja leads the People, Culture and Communications group, which is responsible for building an organisational culture that enables people to perform at their best so Development Victoria can deliver on its strategic objectives. The People, Culture and Communications team is also responsible for employee communications, corporate communications, community and stakeholder engagement, media, digital, design and reputation management.

As an organisational psychologist with more than 25 years' experience in organisational development, Sonja is passionate about the power of great culture and leadership to transform organisations and deliver tangible business outcomes.

Prior to joining Development Victoria, Sonja held executive and senior leadership roles at Greater Western Water, Bupa and the NAB.

Acting Executive General Manager, Legal, Risk and Compliance – Kate McKenna

As Acting Executive General Manager, Legal, Risk and Compliance, Kate leads the legal, compliance, risk, procurement, and governance functions at Development Victoria.

Kate has more than 20 years' experience across both government and private sector legal practice, including senior roles in the Victorian Public Sector and a leading Australian law firm.

Kate has advised on complex regulatory, infrastructure, construction, and commercial matters throughout her career, supporting major public sector projects and government initiatives.

Kate is a trusted adviser to the Development Victoria Board and senior government leaders, providing strategic legal advice, strong corporate governance and risk management to support the delivery of development projects across Victoria.

Report on Operations

Financial summary

For the 12 months ended 30 June 2026, Development Victoria reported a comprehensive loss of $127.99 million. The reported result was materially impacted by $110.05 million of impairment charges recognised following a comprehensive reassessment of the carrying value of land inventory across the project portfolio, consistent with the requirements of applicable accounting standards.

The reassessment considered updated project feasibilities, current market conditions, forecast development and delivery costs, project timing and expected project outcomes. The resulting impairment charges reflect changes in project economics that have developed over time, including sustained increases in construction and financing costs, challenging property market conditions, cost-of-living pressures affecting purchaser sentiment, and broader supply chain and delivery pressures across the development sector.

For some projects, these conditions have compounded existing project-specific challenges, including remediation, infrastructure and other delivery requirements. Development Victoria also delivers projects that support broader government policy and public value objectives, where financial outcomes need to be considered alongside the economic and social outcomes those projects are intended to achieve.

Recognising the impairments in FY26 ensures that the carrying value of Development Victoria's land inventory appropriately reflects the latest available information and the economic outlook for these projects at 30 June 2026. While the impairments materially affect the reported statutory result, they predominantly represent non-cash accounting adjustments to asset carrying values and are distinct from the underlying operating performance of Development Victoria during the year.

Excluding impairment charges and other economic flows, Development Victoria recorded an underlying Net loss from Transactions of $18.5 million, an improvement of $11.1 million compared with the budgeted loss of $29.6 million.

The comprehensive portfolio review undertaken during FY26 provides greater transparency over the financial position and portfolio risk and establishes a more appropriate baseline for future performance. It also reinforces Development Victoria's focus on disciplined portfolio and capital management, including stronger oversight of project feasibilities, earlier identification of changes in project economics and improved investment decision-making.

The FY26 result therefore reflects both Development Victoria's underlying operating performance and the transparent recognition of changes in the economic outlook for parts of the project portfolio. The actions taken during the year provide a stronger foundation for managing portfolio risk, allocating capital and supporting Development Victoria's long-term financial sustainability.

Total equity of Development Victoria as at 30 June 2026 was $80.8 million.

The Net Cash Inflow from Operating activities for the 12-month period ending 30 June 2026 was $107.7 million.

PERIOD ENDED 30 JUNE	2026	2025
	$'000	**$'000**
Operating results		
Revenue	311,136	403,746
Cost of Sales	(263,510)	(331,035)
Operating expenses	(66,127)	(62,253)
Other economic flows	(109,486)	(9,125)
Income tax equivalent	-	-
Total costs	**(439,123)**	**(402,413)**
Comprehensive result	**(127,987)**	**1,333**
Financial status		
Total assets	1,432,422	1,232,454
Total liabilities	(1,351,551)	(997,893)
Total equity	**80,871**	**234,561**



Project List 2025-26

Civic Infrastructure

Map no.	Project	Location
1	Aboriginal Womens and Girls Sports and Wellness Centre (Fitzroy Stars)	Thornbury
2	Albert Park Pit Building	Albert Park
3	Bendigo Law Courts Feasibility	Bendigo
4	Bundha Sports Centre (carpark works)	Fitzroy
5	Bulleen Park Sports Facility	Bulleen
6	Galkangu: Bendigo GovHub (Heritage recovery)	Bendigo
7	MCG Redevelopment Business Case	East Melbourne
8	Melbourne Arts Precinct Transformation (MAPT), comprising: – Reimagining Arts Centre Melbourne (RACM) – The Fox: NGV Contemporary (NGVC) – Laak Boorndap and – Central Plant and Services	Southbank
9	Nyaal Banyul Geelong Convention and Event Centre	Geelong
10	Old Footscray Hospital demolition	Footscray
11	Point Cook South West Schools Enabling Works	Point Cook
	Regional Sports Infrastructure Program, comprising:	
12	Armstrong Creek Sporting Facility	Regional Victoria
13	Waurn Ponds Sporting Facility	
14	Stead Park Geelong	
15	Ballarat Major Events Precinct	
16	Bendigo Showgrounds Upgrade	
17	Bendigo Stadium Upgrade	
18	Gippsland Sports and Entertainment Park	
19	Morwell Gun Club	
20	State Basketball Centre (intersection upgrade works)	Knox
21	Twelve Apostles Visitor Centre	Port Campbell

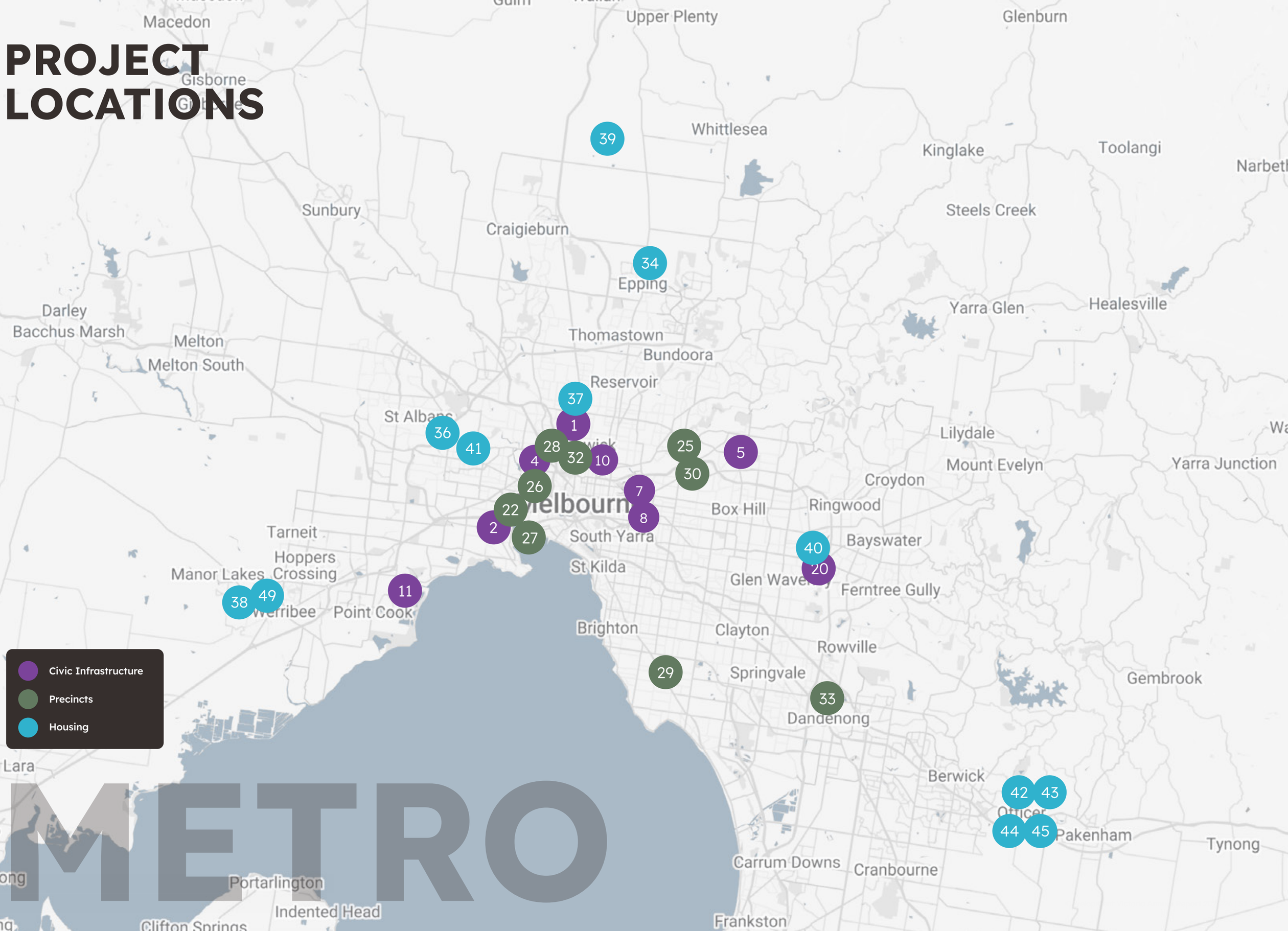
Precincts

Map no.	Project	Location
22	Arden	Arden
23	Bendigo Regional Employment Precinct	Bendigo
24	Ballarat West Employment Zone (BWEZ)	Ballarat
25	Denmark Street, Kew	Kew
26	Docklands, comprising: – Waterfront City precinct – New Quay West & North precincts – City Harbour precinct – Stadium precinct – Victoria Harbour precinct – Kangan precinct – Yarra's Edge precinct	Docklands, Melbourne
27	Fishermans Bend Innovation Precinct	Fishermans Bend
28	Fitzroy Gasworks	Fitzroy North
29	Highett Gasworks	Highett
30	Ivanhoe	Ivanhoe
31	Junction Place	Wodonga
32	Parkville Gardens	Parkville
33	Revitalising Central Dandenong	Dandenong

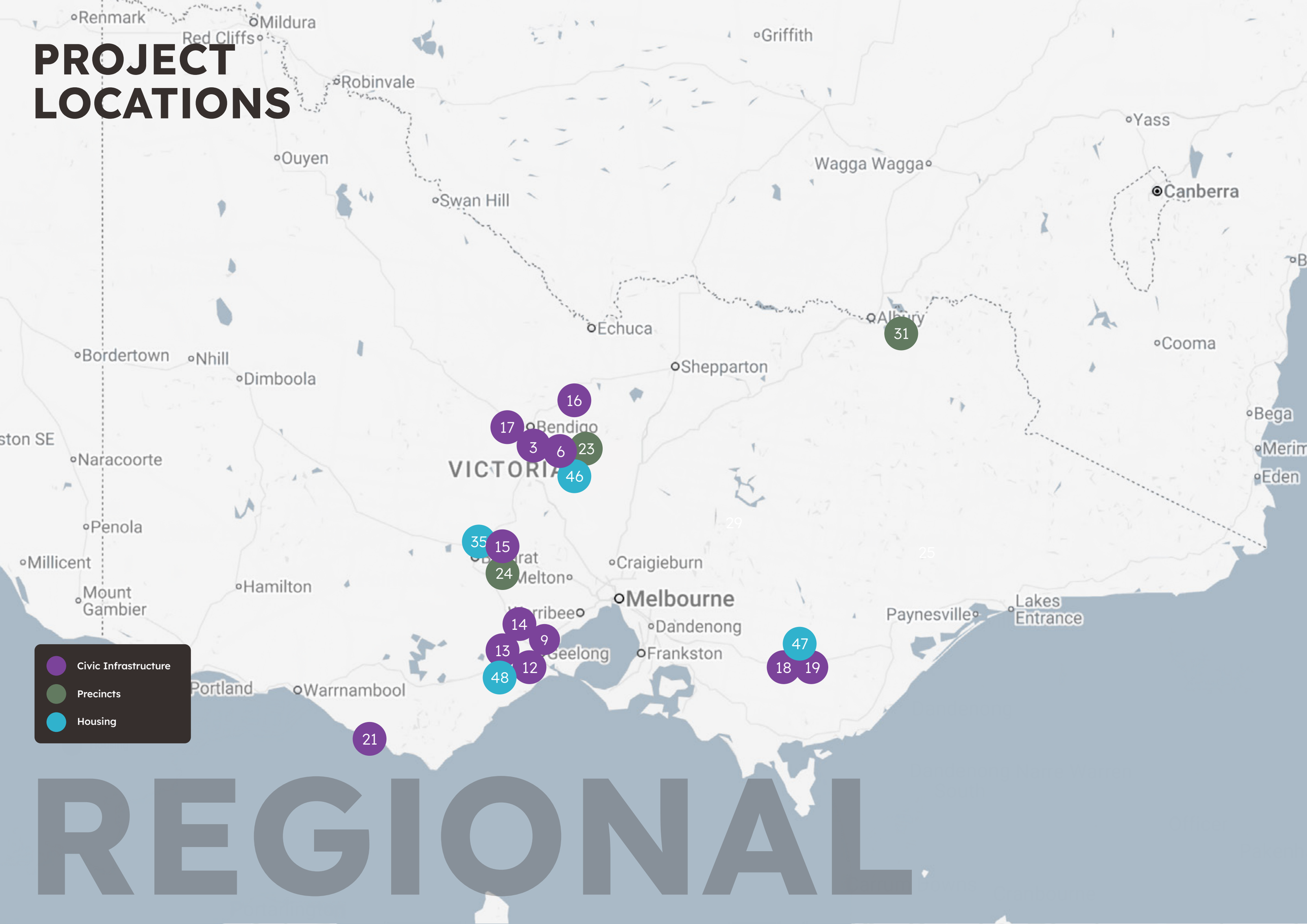
Housing

Map no.	Project	Location
34	Aurora	Epping
35	Ballarat Saleyards	Ballarat
36	Cairnlea	Cairnlea
37	Coburg, The Avenue	Coburg
38	East Werribee Precinct	Werribee
39	Hazelwynde	Beveridge
40	Knoxfield	Knox
41	LUMA	Sunshine North
42	Officer South	Officer
43	Officer Town Centre	Officer
44	Officer Residential - Olio	Officer
45	Officer Quinn	Officer
	Regional Housing Program, comprising:	
46	Flora Hill	Regional Victoria
47	Morwell	
48	Mt Duneed	
49	Riverwalk	Werribee
50	Small Sites Program	Various

PROJECT LOCATIONS



PROJECT LOCATIONS



REGIONAL

Our People

At Development Victoria we are proud of our diverse and highly capable team and are focused on creating a workplace where our people can continue to grow and thrive.

During 2025-26, Development Victoria undertook a range of initiatives to support our employees and build a positive culture:

- Launching our new Diversity, Equity and Inclusion Framework to progress our inclusion agenda, and achieving an inclusion score of 81%
- Supporting the vibrant and active Diversity, Equity and Inclusion Working Groups, which help make Development Victoria a place where everyone can belong, through awareness-raising events and campaigns, education and inclusive policies and practices
- Developing our second Gender Equity Action Plan (GEAP), to build on the momentum and progress made over the life of the first GEAP, including reducing our gender pay gap from 16% in 2021 to 3.6% in June 2026

We are proud to have achieved a gender-balanced workforce overall and have a leadership cohort (Director and above) of 54% women and 46% men. Development Victoria also achieved a Board composition of 57% women, 43% men and an Executive Leadership Team composition of 50% women, 50% men.

Employment and conduct principles

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

Health and Safety

Development Victoria's strategic objective of 'Safe People, Safe Places' reflects our commitment to preventing work-related injury and ill health, protecting the wellbeing of our people, and supporting safe outcomes across the projects, assets, sites and communities connected to our work.

During 2025–26, Development Victoria continued to strengthen its approach to health, safety and environmental management through improved reporting, increased assurance activity, targeted contractor engagement and investment in digital systems. Our focus remains on transparency, learning and continuous improvement, including where incidents occur on projects delivered by principal contractors and subcontractors.

Across the reporting period, 172 incidents were recorded across Development Victoria's activities, with most relating to construction or site-based activity. This reflects the scale and complexity of our delivery portfolio, including 50 projects in construction and more than 3.02 million hours worked on construction sites.

Of the incidents recorded, 87 were safety related, 79 related to property, five related to the environment and one related to heritage. Safety incidents were associated with principal contractor or subcontractor employees. Of the safety incidents, seven resulted in lost time injury, 20 required medical treatment, 38 involved first aid treatment and 22 were recorded as near misses.

Property-related incidents included security matters, property damage, theft, fire, property breaches and near misses. These events continue to inform site security, access control, contractor supervision and project assurance activities.

Development Victoria also completed 115 safety and environmental audits across construction sites during the reporting period. These audits support early identification of risks, verification of contractor controls and sharing of lessons across the project portfolio.

During the year, 30 incidents were notified to WorkSafe Victoria and no incidents were notified to the Environment Protection Authority (EPA). WorkSafe Victoria attended or made enquiries in relation to 43 matters, including 41 inspection reports or virtual enquiries and two improvement notices. The EPA attended or made enquiries in relation to nine matters, including seven inspection reports or virtual enquiries, one improvement notice and one infringement notice.



Workforce data

Figure 1 Details of employment levels at 30 June 2026

All employees			Ongoing			Fixed Term	
	Headcount	FTE	Full-time Headcount	Part-time Headcount	FTE	Headcount	FTE
Gender							
Male	153	149	108	6	113	39	36
Female	208	195	122	40	151	46	44
Self-described	1	1	1	0	1	0	0
Total	362	345	231	46	265	85	80
Age	Age						
Under 25	8	5	1	1	1	6	4
25-34	83	80	66	8	71	9	8
35-44	128	122	83	25	103	20	20
45-54	102	99	55	10	62	37	37
55-64	35	34	23	2	25	10	10
Over 64	6	5	3	0	3	3	2
Total	362	345	231	46	265	85	81
Classification							
ISBP	6	4	0	0	0	6	4
Level 1	15	14	10	3	12	2	2
Level 2	61	59	52	3	54	6	5
Level 3	94	90	71	18	85	5	5
Level 4	14	12	7	7	12	0	0
Level 5	107	104	91	15	103	1	1
Executive	65	63	0	0	0	65	63
Total	362	345	231	46	266	85	80

The number of executives indicated above reflects Development Victoria's role in delivering some of the State's largest and most complex infrastructure, urban renewal and housing projects. Managing these projects, and the substantial public assets and funding involved, requires specialist expertise across planning, design, delivery, commercial and legal functions, much of which sits at a senior level. Of the 65 executives employed at 30 June 2026, 11 received remuneration equivalent to the non-executive VPS Band 7 but were employed on executive contracts as a result of the remuneration framework under the Development Victoria Enterprise Agreement.

Workforce data

Figure 2 Details of employment levels at 30 June 2025

All employees			Ongoing			Fixed Term	
	Headcount	FTE	Full-time Headcount	Part-time Headcount	FTE	Headcount	FTE
Gender							
Male	151	149.50	112	4	114.80	35	34.70
Female	213	202.19	134	36	160.80	43	41.40
Self-described	0	0.00	0	0	0.00	0	0.00
Total	364	351.70	246	40	275.60	78	76.10
Age	Age						
Under 25	6	5.00	4	2	5.00	0	0.00
25-34	105	103.40	91	6	95.40	8	8.00
35-44	120	114.00	77	21	92.60	22	21.40
45-54	97	94.40	52	9	59.00	36	35.40
55-64	29	28.10	18	2	19.60	9	8.50
Over 64	7	6.80	4	0	4.0	3	2.80
Total	364	351.70	246	40	275.60	78	76.10
Classification							
ISBP	1	1.0	0	0	0.00	1	1.00
Level 1	13	11.20	6	5	9.20	2	2.00
Level 2	73	71.60	64	5	67.60	4	4.00
Level 3	99	96.00	84	10	91.20	5	4.80
Level 4	16	15.20	12	4	15.20	0	0.00
Level 5	98	94.00	80	16	92.40	2	1.60
Executive	64	62.70	0	0	0.00	64	62.70
Total	364	351.70	246	40	275.60	78	76.10

Creating impact

This year we have created impact through the provision of affordable and diverse housing, continuing to meet our commitment to sustainable outcomes, partnerships with First Peoples and a focus on social and economic impact.



Property Council awards night

Delivering affordable and diverse communities

Development Victoria is committed to making home ownership and long-term rental more accessible, so Victorians can live close to jobs, education, transport and services.

As the Victorian Government's property developer, we are required under the *Development Victoria Act 2003* to deliver government policies and strategies relating to affordability and housing diversity, without compromising our financial stability or sustainability. We approach our projects with the aim of demonstrating best practice development and delivering resilient and thriving communities.

All housing projects delivered by Development Victoria aim to include a minimum of 10% affordable housing, addressing ongoing affordability challenges and providing more people with a place to call home.

Our Sustainability Strategy in action

We are working to build capacity inside our organisation and the sector to ensure we are well placed to lead Victoria's action on climate change and deliver a sustainable future for all Victorians.

We're working to shift the dial on best practice, including leveraging nature and First Peoples knowledge to build climate-resilient projects, and unlocking circular economy outcomes that reduce reliance on finite resources and create broad economic opportunity.

Our Sustainability Strategy sets out three key goals that consistently define and shape how we work.

Deliver Best Practice

Our best practice requirements seek to ensure our projects are optimised for resilience and performance. These requirements cover the broad themes of Resilience, Circular Economy, Materials and Waste, Water, Nature, Energy and Carbon, and Health, Wellbeing and Liveability.

'Best Practice' is based on a review of global influences, trajectories from peak national bodies, government policies, relevant case studies and review of our own live projects.

Carbon Neutral by 2030

Development Victoria's operations have been certified Carbon Neutral under the Australian Government's Climate Active scheme since 2019-20. We continue to support the *Victorian Climate Change Act 2017* to deliver carbon neutral developments by 2030 by:

- Developing carbon reduction targets for all projects and engaging with industry to progress carbon accounting across our portfolio and inform a Decarbonisation Action Plan
- Mapping our carbon impacts against sectoral standards. By doing this we understand where our biggest impacts lie and where the greatest impact interventions can be made. We are targeting action in these areas, including for circular economy, renewable energy, design interventions and sustainable transport outcomes.

Invest in Sustainability

To move the sector towards more sustainable outcomes, Development Victoria recognises the significant potential benefits gained through investing in sustainability. The following are some of the initiatives that we continue to develop:

- Mechanisms to better articulate the value of socially and environmentally sustainable outcomes, to make it easier to consider this impact alongside financial value and other considerations in investment decisions. We are working across our government networks to collaborate with and learn from our peers in this important area
- Exploring circular economy best practice. Our project teams have been proactively facilitating pathways for and celebrating material reuse, including across our own and broader government portfolios, and from outside uses into our projects. We have also piloted the use of circularity metrics to inform decision making and assess project performance
- We have developed and tested Nature Positive Guidelines, to facilitate best-practice outcomes. The development and iteration of these guidelines is done in partnership with industry and has informed the costs, barriers and metrics for delivering positive outcomes.

We maintain our position on industry reference groups, committees and as a member of key industry and cross-government organisations.

We will continue to prioritise those opportunities to support Victoria's transition to a sustainable economy and contribute direct action on one of the most important issues of our time - climate change.

We continue to refine our approach to engagement and communication of our Best Practice outcomes to ensure stakeholders, including residents, recognise the value of sustainable approaches.

First Peoples Partnerships

We are committed to fostering strong partnerships with First Peoples communities and embedding a consistent, targeted approach to advancing self-determination and delivering meaningful outcomes.

Development Victoria's efforts to deliver on our First Peoples Partnerships Strategy in 2025–26 include:

- Completing our Innovate Reconciliation Action Plan, with 70 of 76 deliverables achieved, and carrying forward key actions into our next phase of work
- Developing a new First Peoples Partnerships Action Plan, with a stronger focus on outward-facing deliverables that will grow year on year and support more meaningful outcomes with First Peoples communities
- Strengthening our approach to cultural heritage capability, best practice and compliance, ensuring project teams are better equipped to understand and meet their responsibilities
- Supporting the revitalisation of Traditional Owner languages through naming opportunities, with more than 20% of projects incorporating Traditional languages and a commitment to increase this each year
- Embedding visible cultural values through co-design, with 40 per cent of projects working with Traditional Owners to showcase culture through design, art, storytelling, language and other project outcomes
- Continuing to leverage our corporate partnership with Kinaway Chamber of Commerce to increase procurement opportunities for Aboriginal-owned businesses, with direct spend reaching $292,000 in 2025–26, which is an increase of 47% from 2024-25

In 2025–26, we continued to strengthen our First Peoples Partnerships approach, with a focus on deepening relationships, building organisational capability, preparing for Victoria's Treaty, and improving the way we work with Traditional Owners across our projects.

- **Relationships** – Strengthening trusted, coordinated and transparent partnerships with Traditional Owner groups, supporting more consistent engagement at both project and organisation-wide levels
- **Capability and learning** – Building the cultural capability of our people to listen deeply, understand First Peoples' perspectives, and work in ways that respect and celebrate First Peoples
- **Improved ways of working** – Embedding more proactive and practical approaches to partnering with Traditional Owners across the project lifecycle, including earlier engagement during feasibility, planning and business case phases

Throughout this year, we have also focussed on increasing organisational awareness and readiness for Victoria's Treaty in response to the *Statewide Treaty Act 2025 (Vic).* This has included strengthening our understanding of how Treaty may influence our partnerships, decision-making and ways of working with First Peoples and Traditional Owners in Victoria.

Social and Economic Impact

We have an important role to play in creating economic inclusion for Victorians through the way we do business.

In May 2025 the first Social and Economic Impact Strategy and two-year Implementation Plan were endorsed. In FY26, we continued to embed its 3 core objectives:

1. Creating meaningful work, education and training opportunities for priority jobseekers, including roles underrepresented in our workforce and our suppliers' workforces
2. Contributing to First Peoples' economic empowerment, by including Aboriginal-owned businesses in our supply chains
3. Driving gender equity within the construction industry

We apply government procurement policies, including Local Jobs First (LJF), the Major Projects Skills Guarantee (MPSG) and the Building Equality Policy (BEP), to our major project spend. We also extend these objectives to smaller procurements and corporate transactions such as Development Agreements, so quality social and economic outcomes are felt across all our activities, not just where policy requires it. This year's results show that approach translating into measurable progress.

Social Procurement

Social procurement spend across our reportable projects totalled $32.8 million*, directed toward Victorian Aboriginal businesses ($23.2 million), Victorian social enterprises ($7.8 million), and Australian Disability Enterprises ($1.2 million). This spans our core project portfolio, the Regional Sports Infrastructure Program (RSIP), and the MAPT North and NGVC precincts.

The Nyaal Banyul Geelong Convention and Exhibition Centre Main Works project was a standout contributor, reflecting the scale of social procurement opportunity available on major construction works of this size.

After nearly quadrupling our direct social procurement spend in FY25 we sustained this level of spend for FY26 with ambition to increase further in FY27.

Major Projects Skills Guarantee

Across our MPSG-reportable projects, apprentices, trainees and cadets delivered 10.39% of total labour hours, meeting the MPSG 10% requirement at a portfolio level. Nyaal Banyul was a standout project creating 44 local apprenticeships and MAPT delivered over 65,000 apprentice/trainee/cadet hours.

Gender Equity in Construction (Building Equality Policy)

Women contributed 535,868 hours of labour across our BEP-applicable projects this year, spanning trade, non-trade, management/supervisory and apprenticeship roles.

The Regional Sports Infrastructure Program demonstrates the Building Equality Policy's impact in practice, meeting or approaching three of the policy's four workforce targets. Women's participation in trade covered labour reached 7.95% (against a 3% target), non-trade participation reached 10.32% (against 7%), and women apprentices, trainees and cadets reached approximately 4.2% (against 4%). Management and specialist representation reached 32.58%, approaching the 35% target.

The Twelve Apostles Precinct Redevelopment is a further standout among individual projects, with women's trade participation reaching 7.51% (against a 3% target) and apprentice/trainee/cadet participation at 5.13% (against a 4% target).

We are continuing to strengthen our category-level reporting methodology across the broader portfolio, to ensure future reports can measure performance against these benchmarks with full confidence across every project. We remain committed to the targets across all four workforce categories, with particular focus on lifting representation in management and specialist roles, consistent with sector-wide trends in female participation at this level.

*Total expenditure of $32.8 million is made up predominantly of the three categories listed above, with the balance comprising spend recorded against combined or non-standard commitment categories.



Engaging with our communities

Development Victoria works closely with the community and stakeholders to make informed decisions, ensure projects achieve a balance of environmental, social, cultural and economic needs, and deliver the best outcomes for Victoria.

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

In 2025-26 we worked with the community across the following projects:



Denmark Street, Kew

In early 2025, Development Victoria invited the Kew community to help shape the future of the former VicRoads site through a targeted engagement process. A Community Aspirations Report was created to capture local views, informing the development tender process and ensuring the new residential community aligns with local expectations.

Engagement activities included an online survey and interactive map hosted on Engage Victoria, allowing residents to share ideas and highlight valued features of the area. Two in-person engagement sessions were also held, giving the community a chance to meet the project team, ask questions, and contribute directly to the project's early planning.

The feedback is helping to guide a development that not only delivers much-needed housing close to central Melbourne, but also reflects the character, values, and needs of the Kew community.



Former Footscray Hospital

Development Victoria launched a community engagement program in FY26 to help shape the future of the former Footscray Hospital site, one of Melbourne's largest urban renewal opportunities. The program has been designed to focus engagement on progressing the site's master planning, with community feedback informing future land uses, open space planning and community facilities. Development Victoria will continue to engage with the community to establish the vision and guiding principles for the precinct and prepare the draft open space concepts. To support this work, a Community Working Group will meet in the later part of 2026 to provide informed advice on the open space design, ensuring local knowledge and community aspirations continue to inform project planning.



Melbourne Arts Precinct

Development Victoria works closely with its key stakeholders on the Melbourne Arts Precinct, including MAP Co, the Arts Centre Melbourne, National Gallery of Victoria and Creative Victoria to regularly engage with the local Southbank community and businesses, as well as other key stakeholders. MAP Co has set up a Community Reference Group (CRG) for the project. The CRG, representing local residents, businesses, and the Southbank3006 and Southbank Residents Association has provided an invaluable channel for information sharing and two-way communication with the project team. CRG met 4 times in FY26 and held one community information session in Feb 2026.

Other disclosures

Development Victoria refers to the way it applies the Government Procurement Policies to its projects and corporate procurements as 'Social and Economic Impact', which is part of our broader impact portfolio. More information on how we strategically apply these policies is in the Impact section of this report.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy and the Major Project Skills Guarantee.

Development Victoria has provided ongoing employee training, resources and support to enable delivery teams to comply with the requirements of the Local Jobs First (LJF) Policy including the Major Projects Skills Guarantee (MPSG). Development Victoria's procurement templates and contracts incorporate the LJF model clauses and instructions for bidders.

The evaluation spreadsheets used by the delivery teams in assessing tender submissions, incorporate the required LJF policy weightings for applicable procurements. Additionally, bidders who do not submit a valid Local Industry Development Plan are excluded from the tender process.

In accordance with the definitions advised by the Department of Jobs, Skills, Industry and Regions, the department responsible for administering the LJF policy, a project is deemed to have commenced when the contract for the head contractor or a substantial portion of the works is let. A project is deemed completed when practical completion of the main works is achieved.

During the reporting period:

- 5 Standard Local Jobs First projects commenced
- 2 Standard Local Jobs First projects were completed
- 4 Strategic Local Jobs First projects commenced
- 2 Strategic Local Jobs First projects were completed.

Social Procurement Framework

Development Victoria supports a range of priority Social Procurement Framework objectives, including the Building Equality Policy (BEP) and works with its key suppliers on larger projects to deliver on these objectives through the inclusion of specific social procurement contractual commitments, typically targeting:

- 2.5% total contract expenditure with social benefit suppliers including Victorian Aboriginal-owned businesses, Victorian disability enterprises and other social enterprises
- 3% employment hours for Victorian First Nations people, people with disability and other priority jobseekers including long term unemployed, young people, refugees and workers in transition (with a 1.5% minimum target for Victorian First Nations People)
- Building Equality Policy targets for labour hours to be undertaken by women including 3% of trades, 7% of non-trades and 35% of project management staff, and organisational commitments to gender equality and safety.

Modern slavery reporting

Development Victoria commenced Modern Slavery Reporting activities in the 2019-20 financial year, in compliance with the obligations of the *Modern Slavery Act 2018 (Cth).*

Development Victoria's Modern Slavery Policy is published on Development Victoria's website and reviewed annually to ensure relevance. All suppliers are required to sign a declaration that they have read and agree to comply with this policy and agree to support Development Victoria's modern slavery compliance activities.

A risk assessment of key suppliers has been undertaken, and the overall risk of modern slavery was determined to be very low, as Development Victoria does not outsource any of its operations and the categories of specialist services Development Victoria procures are low risk by nature. Development Victoria must comply with the Local Jobs First policy, which requires its construction contractors to use local labour and source locally produced materials wherever possible, further mitigating the risk of modern slavery occurring within the immediate levels of the supply chain.

Ongoing training and development of people is critical in assessing any ongoing or residual modern slavery risks within Development Victoria's supply chain. An online training module to inform staff of modern slavery risks and Development Victoria's policies and procedures has been developed.

As part of ongoing monitoring, any new supplier with a contract value of $1 million or more is required to complete a supplier questionnaire. The questionnaire asks suppliers to provide details about their corporate structure, workforce and labour hire arrangements, supply chain, steps taken to address modern slavery, relevant policies and procedures, and their approach to governance and compliance monitoring. The process is automated, with all responses assessed by the procurement team and actioned by the project teams.



Tarratarra Stadium

Government advertising expenditure

Development Victoria undertook 7 advertising campaigns with a total media spend of $100,000 or greater (exclusive of GST) during the reporting period.

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

CAMPAIGN NAME	CAMPAIGN SUMMARY	START DATE	END DATE	ADVERTISING (MEDIA) EXPENDITURE	CREATIVE AND CAMPAIGN DEVELOPMENT EXPENDITURE	RESEARCH EXPENDITURE	POST-CAMPAIGN EVALUATION EXPENDITURE	PRINT AND COLLATERAL EXPENDITURE	OTHER CAMPAIGN EXPENDITURE	TOTAL
LUMA Sunshine North	LUMA is a townhouse development in Sunshine North. Marketing activity, including advertising was undertaken to drive property sales	Jul-25	Will continue into 2026-27	$222,881	$1,093	NIL	$1,700	$13,956	$86,354	$325,984
Olearia Morwell	Olearia is a land development in Morwell. Marketing activity, including advertising was undertaken to drive property sales	Mar-26	Will continue into 2026-27	$70,246	$63,445	NIL	NIL	$11,948	$43,361	$189,000
Olio Officer	Olio is a townhouse development in Officer. Marketing activity, including advertising was undertaken to drive property sales	Jul-25	Will continue into 2026-27	$164,897	NIL	NIL	$1,700	$9,226	$18,545	$194,368
Ovata Knoxfield	Ovata is a townhouse development in Knoxfield. Marketing activity, including advertising was undertaken to drive property sales	May-26	Will continue into 2026-27	$4,847	$62,562	NIL	NIL	$14,096	$356,376	$437,881
Riverwalk	Riverwalk is a land development in Werribee. Marketing activity, including advertising was undertaken to drive property sales	Jul-25	Will continue into 2026-27	$217,361	$1,333	NIL	$1,700	$8,362	$84,336	$313,092
Silverbrook Mt Duneed	Silverbrook is a land and townhouse development in Mt Duneed. Marketing activity, including advertising was undertaken to drive property sales	April-26	Will continue into 2026-27	$20,057	$16,450	NIL	NIL	$23,975	$437,385	$497,867
The Avenue Coburg	The Avenue is an apartment development in Coburg. Marketing activity, including advertising was undertaken to drive property sales	Jul-25	Will continue into 2026-27	$311,088	$165,230	NIL	NIL	$67,799	$501,817	$1,045,934

Sponsorships

Details of sponsorships undertaken by Development Victoria during the reporting period are provided below.

RECIPIENT	PURPOSE	AMOUNT (EX GST)
Property Council of Australia	Corporate sponsorship	$23,500
Urban Development Institute of Australia (UDIA)	Awards for Excellence - Category Partner - Affordable Housing sponsorship	$11,000
Multicultural Association of Property Professionals	Annual foundation level sponsorship	$8,900
Kinaway Chamber of Commerce Victoria Ltd	2025 Kinaway Victorian Aboriginal Business Awards Silver Sponsorship	$5,000
Property Council of Australia	VIC People in Property Awards 2026 Table sponsorship	$3,136
Aboriginal Housing Victoria Limited	NAIDOC Family Day sponsorship	$3,000
Urban Development Institute of Australia (UDIA)	UDIA Awards for Excellence 2025 Ceremony and End of Year function sponsorship	$2,611
National Association of Women in Construction (NAWIC)	NAWIC VIC Awards for Excellence 2025 Table sponsorship	$2,545
Mind Tribes Pty Ltd	Business in Colour Awards Table sponsorship	$495



International Day of People with Disability

Consultancy expenditure (valued at $10,000 or greater)

For the reporting period, there were 47 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during the reporting period in relation to these consultancies is $2,870,705 (excluding GST).

Details of individual consultancies are outlined below. All consultancies were completed within the relevant approved fee scope and estimate.

CONSULTANT	PURPOSE	EXPENDITURE (EX GST)
Corporate Consultancy		
Arthur J. Gallagher & Co (Aus) Limited	Professional Services and Advice	$20,000
AtivasInc Pty Ltd	Professional Services and Advice	$12,500
Barnes, Emily Jean T/A Carta Strategy	Professional Services and Advice	$51,900
Blak Wattle Consulting Pty Ltd	Professional Services and Advice	$14,234
Centre For Strategic Communication Excellence Pty Ltd	Professional Services and Advice	$35,000
Charter Keck Cramer Pty Ltd	Professional Services and Advice	$35,000
Deloitte Touche Tohmatsu	Professional Services and Advice	$122,000
Envand Pty Ltd	Professional Services and Advice	$10,920
Fair Supply Analytics Pty Ltd	Professional Services and Advice	$40,000
Ingrid Langtry	Professional Services and Advice	$12,000
M21 Advisory Pty Ltd	Professional Services and Advice	$10,280
Maddocks	Professional Services and Advice	$54,699
Solentive Systems Pty Ltd	Professional Services and Advice	$35,000
The Reputation Agency Pty Ltd	Professional Services and Advice	$17,863
The Trustee For Levant Consulting Trust	Professional Services and Advice	$141,173
The Trustee For The Ashurst Risk Advisory Trust	Professional Services and Advice	$75,000
Think Impact Pty Ltd	Professional Services and Advice	$13,200
TOTAL		**$700,769**
Project Consultancy		
Allens	Professional Services and Advice	$193,480
Az Share Investments Pty Ltd & Others T/A Urban Planning Col	Professional Services and Advice	$14,648
Catalyst Development Services Pty Ltd ATF Pinan Business Trust	Professional Services and Advice	$26,063
CBRE (C) Pty Ltd	Professional Services and Advice	$25,000
CBRE Valuations Pty Limited	Professional Services and Advice	$65,000
Charter Keck Cramer Pty Ltd	Professional Services and Advice	$155,050
Clayton Utz (Melbourne)	Professional Services and Advice	$110,651
Cushman & Wakefield (Valuations) Pty Ltd	Professional Services and Advice	$188,880
D'Amico Family Trust & Others T/A Ratio Consultants	Professional Services and Advice	$30,187
Deep End Services Pty Ltd	Professional Services and Advice	$21,655
DKO Architecture (Victoria) Pty Ltd Atf DKO Architecture (Victoria) Pty Ltd Unit Trust	Professional Services and Advice	$45,000
Global Art Projects Pty Ltd	Professional Services and Advice	$23,520
Hayball Pty Ltd	Professional Services and Advice	$19,510
Jones Lang Lasalle Advisory Services Pty Limited	Professional Services and Advice	$125,481
KPMG[1]	Professional Services and Advice	$658,463
Lucid Consulting Engineers (Vic) Pty Ltd	Professional Services and Advice	$24,160
Mesh Livable Urban Communities Pty Ltd	Professional Services and Advice	$77,250
Michelle Tabet Pty Ltd T/A Left Bank Co	Professional Services and Advice	$25,032
Minter Ellison	Professional Services and Advice	$14,649
Navy Blue Planning Pty Ltd	Professional Services and Advice	$24,070
NJ Abrahams & Others T/A Norton Rose Fulbright Australia	Professional Services and Advice	$52,288
One Mile Grid Pty Ltd	Professional Services and Advice	$22,050
Purcell Architecture Australia Pty Ltd	Professional Services and Advice	$11,750
Sixone Property Group Pty Ltd	Professional Services and Advice	$17,600
The Trustee For Dalton Consulting Engineers Unit Trust T/A D	Professional Services and Advice	$12,000
The Trustee For Ns Development Advisory Trust	Professional Services and Advice	$60,000
The Trustee For Plan4 Trust	Professional Services and Advice	$15,000
TSA Riley Pty Ltd	Professional Services and Advice	$38,500
Victorian Government Solicitor's Office	Professional Services and Advice	$42,310
WTP Australia Pty Limited	Professional Services and Advice	$30,689
TOTAL		**$2,169,936**

1 - Advisory contract awarded in 2024.

Details of consultancies under $10,000

For the 12-month reporting period from 1 July 2025 to 30 June 2026, there were 23 consultancy engagements where the total fees payable for each consultancy was less than $10,000.

The total expenditure incurred during the reporting period in relation to these consultancies was $162,014 (ex GST).

Grants and transfer payments

There are no grants or transfer payments to disclose in the reporting period.

Information and Communication Technology Expenditure

For the 2025-26 reporting period, Development Victoria had a total Information and Communication Technology (ICT) expenditure of $4,980,108 with the details shown below.

ALL OPERATIONAL ICT EXPENDITURE $'000		ICT EXPENDITURE RELATED PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES $'000	
Business as usual (BAU) ICT expenditure	Non-Business as usual (Non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
3,858	1,122	562	560

* All Operational ICT expenditure disclosed in the table has been rounded up.

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

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

Freedom of information (FOI)

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

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

FOI statistics

For the reporting period 1 July 2025 to 30 June 2026, Development Victoria received six new requests.

REPORTING PERIOD – 1 JULY 2025 TO 30 JUNE 2026	
Source of Requests received in 2025-26	
Total VCAT reviews	0
FOI Requests from Members of Parliament	1
FOI Requests from media	1
Other FOI Requests	4
TOTAL	**6**
Decisions made on FOI requests in 2025-26 ^	
Access granted in full	0
Access granted in part	4
Access refused	1
Other – request withdrawn	1
TOTAL	**6**
Processing time	
Decision made in accordance with timeframes prescribed by the FOI Act	1
Decision made outside timeframes prescribed by the FOI Act*	4
Not applicable – request withdrawn	1
Currently being processed ^	1
^request received in previous reporting period.	
Decisions under review	
Total FOI Commissioner reviews	0

**Development Victoria strives to meet all its statutory timeframes, however during the reporting period a small number of FOI requests were completed outside of these timeframes largely due to their complexity and scope.*

Making a request

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

Freedom of Information Officer

Development Victoria
GPO Box 2428
Melbourne VIC 3001
Email: foi@development.vic.gov.au

When making an FOI request, applicants should ensure requests are in writing and clearly identify what types of material/documents are being sought. An application fee of $34.50 applies (effective 1 July 2026). The application fee may be waived in certain circumstances. Access charges may also be payable (for example, photocopying and search and retrieval charges).

Further information

Further information regarding the operation and scope of FOI can be obtained from Development Victoria's website, the Office of the Victorian Information Commissioner's website (www.ovic.vic.gov.au), *Freedom of Information Act 1982*, and the regulations made under that Act.

Compliance with the *Building Act 1993*

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

Competitive neutrality policy

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

The Department of Premier and Cabinet ensures Development Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

In accordance with the *Development Victoria Act 2003*, Development Victoria carried out its functions using commercial disciplines. The National Competition Policy requires Development Victoria to act within a competitively neutral framework. This means that, except in respect of declared projects, and other than by having access to the list of surplus government sites published by the Department of Treasury and Finance, Development Victoria:

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

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

COMPLAINTS MADE UNDER COMPETITIVE NEUTRALITY POLICY	2025-26 NUMBER	2024-25 NUMBER
The number of complaints made by an individual to the Department and notified to Better Regulation Victoria	**Nil**	**Nil**
Assessable disclosures	**0**	**0**

Compliance with the *Public Interest Disclosures Act 2012*

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

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

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

Reporting procedures

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

Independent Broad-based Anti-corruption Commission

North Tower, Level 1
459 Collins Street
Melbourne VIC 3000
GPO Box 24234, Melbourne, VIC 3001

Telephone: 1300 735 135

Website: www.ibac.vic.gov.au

Email: info@ibac.vic.gov.au (see the website above for the secure email disclosure process, which also provides for anonymous disclosures).

The Victorian Ombudsman

Level 2,
570 Bourke Street
Melbourne VIC 3000

Telephone: 03 9613 6222

Website: https://www.ombudsman.vic.gov.au/

Email: complaints@ombudsman.vic.gov.au
(see the website to lodge a complaint via the online complaints portal)

The Victorian Inspectorate

PO Box 617
Collins Street West
Melbourne VIC 8007

Telephone: 1800 518 197

Website: https://www.vicovicinspectorate.vic.gov.au/

Email: info@vicinspectorate.vic.gov.au

Employees of Development Victoria are also encouraged to raise matters with their supervisors and managers at any time.

Development Victoria's Policy and Procedure, for reporting disclosures to the IBAC, the Victorian Ombudsman and the Victorian Inspectorate is available on Development Victoria's website.

DISCLOSURES UNDER THE PUBLIC INTEREST DISCLOSURES ACT 2012	2025-26 NUMBER	2024-25 NUMBER
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission		
Assessable disclosures	**0**	**0**

Other disclosures

Compliance with *Carers Recognition Act 2012*

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

These include:

- workplace flexibility policies that offer employees a variety of flexible working options, to support our people in managing their work and caring responsibilities
- providing every employee with 4G enabled laptops, delivering physical flexibility in relation to working locations, which gives employees greater control over how they perform their roles
- providing access to up to 16 weeks parental leave for either parent - in the last year, 23 people have accessed parental leave
- results from the 2026 People Matter Survey indicating that 94% of employees agree their direct line manager would enable them to work flexibly if required – a 7% increase on the previous year
- updating our recruitment candidate application practices to promote our support for employee accessibility and inclusion.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

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

This includes:

- compulsory workplace behaviour training that emphasises human rights and provides a refresher on anti-discrimination legislation and employer obligations
- maintaining office facilities that provide wheelchair accessibility
- offering Mental Health First Aider training to all employees to equip our people to provide support to others who experience mental health issues in the workplace. At 30 June 2026, 28 employees had completed the mental health first aider accredited training

Disclosure of Emergency Procurement

There were no emergency procurements undertaken during the reporting period.

Disclosure of procurement complaints

No procurement complaints were received during the reporting period.

Operational environmental impacts

At Development Victoria we're taking action on climate change. As part of our commitment to reducing our impacts, Development Victoria has been certified as a Climate Active Organisation, and has publicly disclosed our impacts since 2020.

As a Victorian Government entity, we also disclose our impacts under the Department of Treasury and Finance's Financial Reporting Directions framework (FRD). This data is a subset of our Climate Active-certified footprint. For the purposes of environmental reporting, Development Victoria is classified as a Tier 3b entity. This refers to public sector entities with individual estimated emissions between 0.1% and 1% of whole-of-Victorian Government emissions (i.e. collectively material), or who have significant capital works programs.

TITLE	MANDATORY TIER 3B?	UNITS	FY23-24	FY24-25	FY25-26
Total electricity consumption segmented by source [EL1]	Yes	MWh	199.1	234.9	200.4
- Purchased grid electricity		MWh	199.1	234.9	200.4
- Self generated		MWh	-	-	-
On-site electricity generated segmented by usage and source [EL2]	Yes	MWh	-	-	-
On-site installed generation capacity segmented by source [EL3]	Yes	MWh	-	-	-
Total electricity offsets segmented by offset type [EL4]	Yes	MWh	199.1	234.9	200.4
- LGCs		MWh	-	-	132.0
- GreenPower		MWh	199.1	234.9	68.3
Total fuels used in buildings and machinery segmented by fuel type [F1]	Yes	MJ	-	-	-
- Gas		MJ	-	-	-
- Diesel		MJ	-	-	-
Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [F2]	Yes	t CO2-e	-	-	-
Total energy used in transportation within the entity segmented by fuel type and vehicle category [T1]	Yes	MJ	126,369	125,697	117,062
- Petrol		GJ	126,369	111,028	117,062
- Diesel		GJ	-	14,669	0
Number and proportion of vehicles in the organisational boundary segmented by engine/ fuel type and vehicle category [T2]	Yes	Total #	5	3	3
- Petrol		#	1	0	0
- Diesel		#	1	0	0
- Hybrid		#	3	3	3
- EV		#	0	0	0
Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category [T3]	Yes	t CO2-e	10.5	8.5	7.9
- Petrol		t CO2-e	7.5	7.5	7.9
- Diesel		t CO2-e	3.1	1.0	-
- Electricity		t CO2-e	-	-	-
Total energy usage from fuels [E1]	Yes	MJ	126,369	125,697	117,062
Total energy usage from electricity [E2]	Yes	MJ	716,933	845,728	721,324
Total energy usage segmented into renewable and non-renewable sources [E3]	Yes	MJ	843,302	971,425	838,386
- Renewable		MJ	716,933	845,728	721,324
- Non-renewable		MJ	126,369	125,697	117,063
Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity [E4]	Yes	MJ/pers.	2,430.3	2,590.5	2,402.3
Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings [B1]	Yes	Development Victoria does not typically develop or retain buildings for entity ownership. Where this changes in the future, this category will be reported.			
Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule [B2]	Yes	In FY26 there are no new leases.			
NABERS Energy ratings of newly completed/ occupied entity-owned office buildings and substantial tenancy fit-outs [B3]	Yes	-	N/A – no relevant assets owned or leased		
Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades >$1 million [B4]	Yes	-	N/A – no relevant assets owned or leased		
Total scope one (direct) greenhouse gas emissions [G1]	Yes	t CO2-e	10.5	8.5	7.9
Total scope two (indirect electricity) greenhouse gas emissions [G2]	Yes	t CO2-e	0	0	0
Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposals [G3]	No	t CO2-e	27.8	23.7	Not yet available

Notes to the disclosures:

1. Development Victoria has been certified as a Climate Active Carbon Neutral Organisation (since 2020) and will certify the organisation against FY26 emissions.
2. Data for Scope 3 (commercial air travel and waste) are not yet available but will be included in the Climate Active certification.
3. The organisation's operational boundary has been determined based on the GHG Protocol and includes all relevant and material emissions for the entity. This includes energy use of leased office spaces (Melbourne and Geelong), sales offices for Housing projects delivered by Development Victoria (Riverwalk, The Avenue - Coburg and Luma) and fuels used in fleet vehicles.
4. Fleet vehicle leasing includes three (3 no.) hybrid petrol-electric vehicles.
5. Energy and emissions conversion factors are drawn from the National Greenhouse Account Factors as obtained from the Federal DCCEEW website, correct for FY26 (latest available).
6. As some data is yet to be received for the end of the period, estimation has been included as follows:
   - End of year electricity billing is yet to be received for Luma, Riverwalk or Geelong sites. As all electricity accounts are 100% GreenPower, this will not have any effect on total emissions reported under G2.
   - Data gaps have been estimated using extrapolation, applying a daily kWh usage from the last bill received.
   - The estimated impact of these current data gaps on total emissions is approximately 3.6%.

Asset Management Accountability Framework (AMAF) Maturity Assessment

Development Victoria has undertaken a risk-based assessment of its maturity against the requirements of the Asset Management Accountability Framework (AMAF) across the 5 prescribed category areas. Development Victoria's target maturity rating is 'competence', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Development Victoria has no material non-compliance to the framework and for the most part met its target maturity level across the 5 categories. For categories assessed as 'developing', Development Victoria is in the process of establishing improvement plans where appropriate, to reach its target maturity level. This is in context of Development Victoria's assets subject to AMAF, consisting of low value assets in the form of office equipment, ICT equipment and operational assets (such as sales offices), with a total net carrying value of $2.501 million at 30 June 2026.

The table below summarises Development Victoria's maturity assessment against the 41 perspectives over five category areas:

CATEGORY AREA	MATURITY RATING			
	NOT APPLICABLE	DEVELOPING	COMPETENCE	TOTAL
Leadership and Accountability	3	5	11	19
Planning	0	2	2	4
Acquisition	0	0	2	2
Operation	0	8	7	15
Disposal	0	0	1	1
Total	3	15	23	41

Additional information available upon request

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

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

The information can be requested from:

Freedom of Information Officer

Development Victoria

GPO Box 2428

Melbourne VIC 3001

Email: foi@development.vic.gov.au

Additional information included in annual report

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

- The occupational, health and safety of employees (page 54)
- Commitment to employment and conduct principles (page 54)
- Committees of the Board of Development Victoria (pages 43).

Information that is not applicable

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

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

Attestation for financial management compliance with ministerial standing direction 5.1.4 Development Victoria financial management compliance attestation statement

Development Victoria is required to comply with the Standing Directions 2018 of the *Financial Management Act 1994*, which set the standard for financial management by Victorian Government agencies

Development Victoria undertakes an annual internal review of its performance against these Directions, reviewed by a formal internal audit program

Development Victoria has not identified any Material Compliance Deficiencies in relation to the 2025-26 compliance year.

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



Angela Skandarajah
Chairperson
24 September 2026

First Peoples Partnerships Working Group site visit



Albert Park Pit Building Redevelopment

Development Victoria Financial Report 12 months to 30 June 2026

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Consolidated Comprehensive Operating Statement for the Financial Year ended 30 June 2026

	NOTES	2026 $'000	2025 $'000
Continuing operations			
Revenue and income from transactions			
Land sales	2.2	262,734	350,465
Interest income		12,460	5,813
Other income	2.3	35,942	47,468
Total revenue and income from transactions		**311,136**	**403,746**
Expenses from transactions			
Costs of sales	3.2	(263,510)	(331,035)
Employee benefits	3.3.1	(40,216)	(41,733)
Depreciation and amortisation	4.1.1	(3,701)	(3,886)
Other operating expenses	3.4	(22,210)	(16,634)
Total expenses from transactions		**(329,637)**	**(393,288)**
Net result from transactions before income tax equivalent expense		**(18,501)**	**10,458**
Net result from transactions after income tax equivalent expense		**(18,501)**	**10,458**
Other economic flows included in net result			
Impairment of land inventory	8.1	(110,046)	(8,361)
Net loss on financial instruments	8.1	-	(157)
Other gains/(losses) from other economic flows	8.1	560	(607)
Total other economic flows included in net result		**(109,486)**	**(9,125)**
Net result		**(127,987)**	**1,333**
Comprehensive result		**(127,987)**	**1,333**

The accompanying notes form part of these financial statements.

Consolidated Balance Sheet as at 30 June 2026

	NOTES	2026 $'000	2025 $'000
Assets			
Financial assets			
Cash and deposits	6.3	398,507	206,970
Receivables	5.1	167,043	138,635
Shared equity investment	4.2	1,415	1,415
Total financial assets		**566,965**	**347,020**
Non-financial assets			
Prepayments		5,172	1,832
Land inventories	5.3	855,980	877,885
Property, plant and equipment	4.1	4,305	5,717
Total non-financial assets		**865,457**	**885,434**
Total assets		**1,432,422**	**1,232,454**
Liabilities			
Payables	5.2	566,629	346,312
Land sale deposits	5.5	11,638	15,964
Borrowings	6.1	716,309	595,702
Right-of-use lease liability	6.2.1	2,276	4,835
Employee related provisions	3.3.2	11,763	11,828
Provisions	5.6	42,937	23,252
Total liabilities		**1,351,552**	**997,893**
Net assets		**80,870**	**234,561**
Equity			
Contributed capital		125,765	125,765
Accumulated (deficit)/surplus		(44,895)	108,796
Net worth		**80,870**	**234,561**

The accompanying notes form part of these financial statements.

Consolidated Cash Flow Statement for the Financial Year Ended 30 June 2026

	NOTES	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
Receipts from customers [a]		1,197,744	890,342
GST recovered from ATO [b]		-	467
Interest received		13,178	6,628
Total receipts		**1,210,922**	**897,437**
Payments			
Payments to suppliers and employees		(1,042,391)	(620,358)
Interest and other costs of finance paid		(26,275)	(23,467)
Land inventory purchases		(10,680)	(19,254)
GST paid to ATO [b]		(24,093)	-
Total payments		**(1,103,439)**	**(663,079)**
Net cash flows from operating activities		**107,483**	**234,358**
Cash flows from investing activities			
Purchases of non-financial assets		(2,311)	(774)
Shared equity investment	4.2	-	621
Net cash flows used in investing activities		**(2,311)**	**(153)**
Cash flows from financing activities			
Dividends paid	8.2	(25,704)	-
Proceeds from project funding		250	-
Borrowing costs		(6,234)	(3,004)
Repayment of borrowings		(368,766)	(390,228)
Proceeds from borrowings		489,373	313,956
Repayment of principal portion of lease liabilities		(2,554)	(2,532)
Net cash flows from/(used in) financing activities		**86,365**	**(81,808)**
Net increase in cash and deposits		191,537	152,397
Cash and cash equivalents at the beginning of the financial year		206,970	54,573
Cash and cash equivalents at the end of financial year	6.3	**398,507**	**206,970**

The accompanying notes form part of these financial statements.

Note:

(a) Development Victoria delivers major project development and delivery services to clients within the Victorian State Government. For work completed on a fee-for-service basis, only consultancy fees associated with projects are recognised as revenue. Development Victoria includes cash received from such clients within the receipts from customers line of the cash flow with FY26 amounting to $873m (2025: $489m). Refer to Notes 5.1 and 5.2 for fee-for-service receivables and payables recognised.

(b) GST recovered/paid to the Australian Taxation Office is presented on a net basis.

Consolidated Statement of Changes in Equity for the Financial Year Ended 30 June 2026

	NOTES	ACCUMULATED (DEFICIT)/SURPLUS $'000	CONTRIBUTIONS BY OWNER $'000	TOTAL $'000
Balance at 1 July 2024		107,463	125,765	233,228
Net result for the year		1,333	-	1,333
Dividends paid and declared	8.2	-	-	-
Balance at 30 June 2025		**108,796**	**125,765**	**234,561**
Net result for the year		(127,987)	-	(127,987)
Dividends paid and declared	8.2	(25,704)	-	(25,704)
Balance at 30 June 2026		**(44,895)**	**125,765**	**80,870**

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

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

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

BASIS FOR PREPARATION

These financial statements are Tier 2 general purpose financial statements prepared in accordance with *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101). Development Victoria is classified as a Public Non-Financial Corporation (PNFC) and is a for-profit property development agency.

These consolidated financial statements are presented in Australian dollars, the functional and presentation currency of Development Victoria. The historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgment derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision.

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

- provision for employee benefits (refer to Note 3.3.2);
- impairment and Net Realisable Value (NRV) inventory assessment (refer to Note 5.3); and
- the provision for property and development related costs (refer to Note 5.6);
- cost of sales (refer to Note 3.2)

Consistent with AASB 13 *Fair Value Measurement*, Development Victoria determines the policies and procedures for recurring fair value measurements such as financial instruments and for non-recurring fair value measurements, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions. In the current year Development Victoria has undertaken review of all property, plant and equipment for impairment.

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

All amounts in the financial statements for Development Victoria have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Where appropriate, items in the comparative periods have been reclassified to more accurately reflect the current presentation and enable better comparison between periods.

BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of Development Victoria and its subsidiaries at 30 June 2026. Control is achieved when Development Victoria is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, Development Victoria controls a subsidiary if, and only if, Development Victoria has:

- power over the subsidiary;
- exposure, or rights, to variable returns from its involvement with the subsidiary; and
- the ability to use its power over the subsidiary to affect its returns.

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

Development Victoria holds four wholly owned Australian subsidiary trusts for property development. As Development Victoria has full control over all four subsidiary trusts, they are fully consolidated into the Development Victoria Financial Statements.

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, Financial Reporting Directions and applicable Australian Accounting Standards (AASs) 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.* Development Victoria is a designated for-profit entity in accordance with FRD 108 *Classification of entities as for-profit.*

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

2. FUNDING DELIVERY OF OUR SERVICES

INTRODUCTION

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

Structure		Page
2.1	Summary of income that funds the delivery of our services	88
2.2	Land sales	88
2.3	Other revenue	89
2.4	Lease receivable	89

2.1 Summary of income that funds the delivery of our services		2026	2025
	NOTES	$'000	$'000
Land sales	2.2	262,734	350,465
Interest income		12,460	5,813
Other income	2.3	35,942	47,468
Total income from transactions		**311,136**	**403,746**

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

2.2 Land sales	2026	2025
	$'000	$'000
Property development land sales	125,236	250,272
Precincts land sales	137,498	100,193
Total land sales	**262,734**	**350,465**

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

Long-term development agreements with stage-based performance obligations and payment terms are typically used for large-scale precinct land developments. The performance obligations are in the form of works undertaken to deliver contractual outcomes and will vary depending upon nature of contract. The agreements commonly grant development rights over parcels of land through an initial land payment or deposit, with subsequent stage-based land or revenue share payments and cost contributions for infrastructure works.

For other land assets, land transfers are transacted through land sale contracts under terms of an initial deposit and full payment on contract settlement, with any relevant revenue share distributions to partners determined on the date of settlement.

Revenue from property development and precincts land sales is recognised in line with AASB 15 *Revenue from Contracts with Customers* when:

- Development Victoria has identified a contract with a customer, which has separately identifiable performance obligations;
- Development Victoria no longer continues managerial involvement to the degree usually associated with ownership or effective control over the land;
- The amount of income and the costs incurred or to be incurred in respect of the transaction can be reliably measured for each performance obligation; and
- Development Victoria has satisfied the contractual performance obligation. A performance obligation is deemed to be satisfied on transfer of land title, which is usually on the date of settlement. No further obligations exist after the transfer of the title.

2.3 Other revenue	2026	2025
	$'000	$'000
Project management fees	31,844	35,564
Property rental income	3,550	11,282
Grant revenue recognised	250	608
Other revenue	298	14
Total other income	**35,942**	**47,468**

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

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

During the 2025 financial year, Development Victoria was allocated $104.88m in line with the Victorian Housing Support Program Implementation Plan. The funding is in accordance with the requirements of the Federation Funding Agreement – Affordable Housing, Community Services and Other agreed between the Commonwealth and Victorian governments in June 2024. The grant will be released to Development Victoria in tranches across three financial years which commenced in March 2025 ($17.54m received in 2025) with $31.63m invoiced in June 2026. The grant funding will be recognised as revenue through the profit and loss $Nil in 2026 ($0.6m in 2025) when the conditions of the grant have been met and when the revenue for the land inventory to which the grant relates is recognised, in accordance with the principles of AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance.*

2.4 Lease receivables	2026	2025
	$'000	$'000
Non-cancellable operating lease receivables		
No longer than one year	2,384	2,165
Longer than one year but not longer than five years	5,954	6,591
Longer than five years	22,979	22,606
Total lease receivables	**31,317**	**31,362**

Development Victoria's accounting policy under AASB 16 *Leases* has not changed from the comparative period. As a lessor, Development Victoria classifies its leases as either operating or finance leases.

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

Operating leases relate to properties held for the purposes of long-term development owned by Development Victoria with lease terms between one and twenty-five years (2025: one and twenty-six years). The lessee does not have an option to purchase the property at the expiry of the lease period.

The risks associated with rights that Development Victoria retains are not considered to be significant and properties are primarily held for development purposes rather than as long-term investment properties.

3. THE COST OF DELIVERING GOODS AND SERVICES

INTRODUCTION

This section presents the major components of expenditure incurred by Development Victoria in relation to operating activities during the reporting period, as well as any related obligations outstanding as at 30 June 2026.

Structure		Page
3.1	Expenses incurred in delivery of goods and services	90
3.2	Cost of sales	90
3.3	Employee benefits expenses	90
3.4	Other operating expenses	92

3.1 Expenses incurred in delivery of goods and services		2026	2025
	NOTES	$'000	$'000
Cost of sales	3.2	263,510	331,035
Employee benefit expenses	3.3	40,216	41,733
Other operating expenses	3.4	22,210	16,634
Total expenses incurred in delivery of goods and services		**325,936**	**389,402**

3.2 Cost of sales	2026	2025
	$'000	$'000
Cost of land sales	228,720	297,070
Salaries, wages, long service leave and on costs	34,790	33,965
Total cost of sales	**263,510**	**331,035**

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

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

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

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

3.3 EMPLOYEE BENEFITS EXPENSES

3.3.1 Employee benefits in the comprehensive operating statement		2026	2025
	NOTES	$'000	$'000
Salaries and wages, annual and long service leave and on costs		31,823	33,730
Defined benefit superannuation expense		29	29
Defined contribution superannuation expense		7,546	7,446
Termination benefit		818	528
Total employee expenses		**40,216**	**41,733**

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

Development Victoria employees are entitled to receive superannuation contributions, and the organisation contributes to both defined benefit and defined contribution plans. The amount recognised as employee benefits in the Comprehensive Operating Statement in relation to superannuation represents employer contributions paid or payable during the reporting period for members of both plan types. The amount recognised as part of employee benefits in the Comprehensive Operating Statement in relation to superannuation, relates to employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan provides benefits based on years of service and final average salary. The basis for determining the level of contributions is determined by an actuary of the defined benefit superannuation plan. Development Victoria does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, Development Victoria accounts for contributions to these plans as if they were defined contribution plans under AASB 119 *Employee Benefits*. The Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when Development Victoria is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.3.2 Employee benefits in the balance sheet	2026	2025
	$'000	$'000
Current provisions		
Annual leave	3,797	3,523
Long service leave	4,185	4,034
Provision for on-costs	1,360	1,489
Total current provisions for employee benefits	**9,342**	**9,046**
Non-current provisions		
Employee benefits	2,027	2,324
Provision for on-costs	394	458
Total non-current provisions for employee benefits	**2,421**	**2,782**
Total provisions for employee benefit	**11,763**	**11,828**

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

WAGES, SALARIES AND ANNUAL LEAVE

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

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As Development Victoria expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as Development Victoria does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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. The on-costs provision is not considered material for the 2026 financial period.

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

The components of the current long service leave liability are measured at:

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

Conditional long service leave 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 long service leave liability is measured at present value.

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

3.4 Other operating expenses	2026	2025
	$'000	$'000
Operating and other expenses	22,210	16,634
Total other operating expenses	**22,210**	**16,634**

Other operating expenses includes all other expenses not included in cost of sales and employee benefits expense and are deemed relevant for the understanding of this financial report. They include marketing, insurance, litigation, legal and professional fees, borrowing and operating costs expensed in the period in which they are incurred.

Borrowing costs include interest on short-term and long-term borrowings, in accordance with AASB 123 *Borrowing Costs.* Borrowing costs of $32.51m (2025: $26.55m) are directly attributable to the acquisition or construction of qualifying assets and are capitalised to land assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Financial accommodation levy is an additional interest charged by the Treasurer (DTF) for providing Development Victoria with access to borrowing.

The levy is based on the level of borrowing and a percentage rate determined by the Treasury on an annual basis.

Financial accommodation levy is capitalised to land inventory when attributable to the underlying acquisition or construction of a qualifying asset.

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

INTRODUCTION

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

Structure		Page
4.1	Total property, plant and equipment	93
4.2	Shared equity investment	94

4.1 Total property, plant and equipment			2026
			$'000
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Plant and equipment	4,737	(2,926)	1,811
Leasehold improvements	6,303	(5,613)	690
Buildings	2,002	(2,002)	-
Right-of-use assets	16,641	(14,837)	1,804
Total property, plant and equipment	**29,683**	**(25,378)**	**4,305**

4.1 Total property, plant and equipment			2025
			$'000
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Plant and equipment	3,460	(2,350)	1,110
Leasehold improvements	5,284	(4,915)	369
Buildings	2,002	(1,780)	222
Right-of-use assets	17,028	(13,012)	4,016
Total property, plant and equipment	**27,774**	**(22,057)**	**5,717**

INITIAL RECOGNITION

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

The cost of non-financial physical assets includes purchase price of the asset, and all costs associated with bringing the asset into use (e.g. installation and delivery costs).

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

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

SUBSEQUENT MEASUREMENT

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

Development Victoria has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right of use assets arising from market leases, in accordance with the updated requirements under FRD 104 *Leases.* Refer to Note 8.11.1

IMPAIRMENT

Property, plant and equipment are tested for impairment whenever there is an indication that the asset may be impaired. No impairments were identified for non-financial assets.

4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment					2026
					$'000
	RIGHT OF USE ASSETS	BUILDINGS	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Gross amount at the start of the financial period					
Opening balance	**17,028**	**2,002**	**3,460**	**5,284**	**27,774**
Additions	-	-	1,277	1,019	2,296
Disposals	(387)	-	-	-	(387)
Closing balance	**16,641**	**2,002**	**4,737**	**6,303**	**29,683**
Accumulated depreciation					
Opening balance	**(13,012)**	**(1,780)**	**(2,350)**	**(4,915)**	**(22,057)**
Depreciation	(2,205)	(222)	(576)	(698)	(3,701)
Disposals	380	-	-	-	380
Closing balance	**(14,837)**	**(2,002)**	**(2,926)**	**(5,613)**	**(25,378)**
Carrying amount at the end of the financial period	**1,804**	**-**	**1,811**	**690**	**4,305**

4.1.2 DEPRECIATION & AMORTISATION

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

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

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

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

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

Class of assets	Useful life
Buildings	4 to 20 years
Plant and equipment	3 to 10 years
Leasehold improvements	7 to 15 years
Intangible assets	5 years
Right-of-use assets	2 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and no change was deemed necessary.

4.2 Shared equity investment	2026	2025
	$'000	$'000
Gross carrying amount		
Opening balance	1,415	2,036
Additions	-	-
Disposals	-	(480)
Shared equity investment measured at fair value	-	(141)
Closing balance	**1,415**	**1,415**

Development Victoria participated in the Victorian Government's pilot shared equity initiative, administered by Homes Victoria and State Trustees as Victoria's public trustee. The scheme assists Victorian low-middle income earners who are buying their first home by the Victorian Government making a financial contribution of up to 25% towards the purchase of the property in exchange for a proportional interest in the property. A property valuation is performed annually to determine the fair value. There was no change in fair value of the shared equity investment and no disposals occurred during the current financial period.

5. OTHER ASSETS AND LIABILITIES

INTRODUCTION

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

Structure		Page
5.1	Receivables	95
5.2	Payables	96
5.3	Land inventories	97
5.4	Income and deferred tax	98
5.5	Land sale deposits	99
5.6	Provisions	99

5.1 Receivables	2026	2025
	$'000	$'000
Contractual		
Trade receivables – Civic Infrastructure projects	79,496	85,933
Trade receivables – All other projects	45,869	673
Provision for estimated credit loss	(146)	(146)
Amounts receivable under development agreements	36,738	45,486
Other receivables	3,016	4,430
Statutory		
GST input tax credit recoverable	2,070	2,259
Total receivables	**167,043**	**138,635**
Represented by:		
Current receivables	163,472	107,675
Non-current receivables	3,571	30,960
Total receivables	**167,043**	**138,635**

Receivables consist of:

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

Contractual receivables are classified as financial instruments and categorised as 'receivables' (refer to 7.1). They are initially recognised at fair value plus attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Amounts receivable for Civic Infrastructure projects relate to government funded projects. These projects are for fee-for-service arrangements where Development Victoria provides project management services. A liability is separately recognised where cash is received in advance of project management services and remains on-going (refer Note 5.2) and related impact on cashflows on the Cashflow Statement.

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

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

5.2 Payables

	2026	2025
	$'000	$'000
Contractual		
Trade payables	5,408	11,747
Other creditors	64,225	48,829
Other creditors – Civic Infrastructure projects	241,474	156,491
Accrued expenses	87,292	47,516
Deferred income	88,349	16,927
Total contractual payables	**486,748**	**281,510**
Statutory		
Accrued expenses	9,144	5,574
Other taxes payable	70,737	59,228
Total statutory payables	**79,881**	**64,802**
Total payables	**566,629**	**346,312**
Represented by:		
Current payables	555,238	337,026
Non-current payables	11,391	9,286
Total payables	**566,629**	**346,312**

Payables consist of:

- contractual payables, such as trade payables, accrued expenses and deferred income. Trade payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Development Victoria prior to the end of the financial year that are unpaid.
- statutory payables, such as Goods and Services Tax and Fringe Benefits Tax. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.
- other creditors mainly relate to Development Victoria's obligation to complete projects funded under the Victorian Housing Support Program, with a liability of $56.8m.
- other creditors - Civic Infrastructure projects include accruals and permitted spend received in advance from government as part of major project development and delivery services to clients within the Victorian State Government. Spend received in advance, under memorandum of understanding, will be utilised to deliver projects for clients.
- deferred income relates to project grant funding received under the Victorian Housing Support Program Implementation Plan. As required by AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*, the deferred income will be recognised through the profit and loss at the same time as the related project expenditure is released.

5.3 Land Inventories

	2026	2025
	$'000	$'000
Inventories		
Development properties	214,927	206,765
Land under development	550,405	439,311
Undeveloped land	209,055	240,170
Less: Provision for impairment	(118,407)	(8,361)
Total land inventories	**855,980**	**877,885**

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

Costs capitalised to land inventories includes:

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

Overhead allocations and salaries not directly attributable are not capitalised into inventory and are expensed through the profit and loss as incurred. Net realisable value is determined on each individual project based on the expected net cash flows from the development and sale of land in the ordinary course of business, as determined in the Development Victoria Corporate Plan, discounted to their present values using a market-determined, risk adjusted rate.

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

A land inventory impairment can be reversed by either:

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

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

Prevailing economic and market conditions have adversely impacted expected project returns across the portfolio. This has impacted whole-of-life project cash flows and required a reassessment of key financial assumptions, including escalation assumptions, internal rates of return, borrowing costs and the weighted average cost of capital. As a result, management has assessed the carrying value of land inventory and recognised an impairment expense of $110m (2025: $8.36m). This includes $40m relating to Directed Projects and $70m arising from broader market deterioration. In addition, the identification of latent conditions at the Flora Hill, Bendigo Directed Project, has further diminished expected returns and has contributed to the impairment.

Of the $21.9m decrease in inventory in the period, $189.9m worth of inventory was released into the Comprehensive Operating Statement at the point of settlement as cost of goods sold which was offset by $26.24m related to borrowing cost, $10.7m related to purchase of land, and $131.1m related to payments to Development Victoria suppliers. Consistent with AASB 101 *Presentation of Financial Statements*, land held as inventory is classified as a current asset, notwithstanding that a portion is not expected to be realised within the next 12 months.

5.4 INCOME AND DEFERRED TAX

Development Victoria is exempt from income tax in accordance with section 50-25 of the *Income Tax Assessment Act 1997* but is subject to the National Tax Equivalent Regime (NTER) pursuant to section 88 of the *State Owned Enterprises Act 1992.* Any activity relating to the Docklands area or declared projects are exempt from the National Tax Equivalent Regime in accordance with section 67 of the *Development Victoria Act 2003.*

Subsidiaries are subject to *Income Tax Assessment Act 1997.*

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

(a) Current Tax

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

(b) Deferred Tax

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

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

5.4 Income and deferred tax	2026	2025
	$'000	$'000
(a) Numerical reconciliation between aggregate tax expense recognised in the comprehensive operating statement and tax expense calculated per the statutory income tax rate		
Accounting (loss) /profit from continuing activities before income tax equivalent expense	(18,501)	10,458
Accounting (loss) from ordinary activities subject to income tax equivalent expense	(102,682)	(40,148)
Prima facie income tax calculated at 30%	(30,805)	(12,044)
Effect of tax losses not recognised as deferred tax assets	30,805	12,044
Aggregate income tax equivalent expense/(benefit)	**-**	**-**

(b) Capitalised deferred tax assets and liabilities

Development Victoria has not recognised any deferred tax assets.

(c) Unrecognised deferred tax assets

The unrecognised net deferred tax assets are $62,662,564 of which deferred tax assets of $67,588,225 are presented under NTER and a deferred tax liability of $4,925,661 under the *Income Tax Assessment Act 1997.*

5.5 Land sale deposits	2026	2025
	$'000	$'000
Land sale deposits	11,638	15,964
Total land sale deposits	**11,638**	**15,964**
Represented by:		
Current payables	3,184	3,229
Non-current payables	8,454	12,735
Total land sale deposits	**11,638**	**15,964**

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

For precinct land sales, land sale deposits represent non-interest-bearing deposits received for land sales and associated trunk infrastructure from developers in accordance with their relevant precinct development agreements. Upon the associated stage release of part or all of a precinct these amounts are subsequently recognised as revenue in accordance with AASB 15 *Revenue from Contracts with Customers.*

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

5.6 Provisions	2026	2025
	$'000	$'000
Current provisions		
Property and development related costs (a)	26,145	18,732
Other provisions	698	-
Total current provisions	**26,843**	**18,732**
Non-current provisions		
Property and development related costs (a)	16,094	3,848
Other provisions	-	672
Total non-current provisions	**16,094**	**4,520**
Total provisions	**42,937**	**23,252**

(a) Property and development related costs give rise to obligations, recognised either as contracted commitments or as estimates of anticipated costs. These are periodically reviewed to reflect current market conditions to carry out future development works under relevant planning permits or development agreements. The property and development related costs of $42.24m (2025: $22.58m) relate to Docklands infrastructure of $4.10m (2025: $4.02m) and development project portfolio of $38.14m (2025: $18.56m).

Reconciliation of movement in provisions			2026
	PROPERTY AND DEVELOPMENT RELATED COSTS	OTHER PROVISIONS	$'000 TOTAL
Opening balance	**22,580**	**672**	**23,252**
Additional provisions recognised	33,858	-	33,858
Amounts utilised during the year	(14,199)	(1)	(14,200)
Other movements and fair value adjustment	-	27	27
Closing balance	**42,239**	**698**	**42,937**

6. HOW WE FINANCE OUR OPERATIONS

INTRODUCTION

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

Structure		Page
6.1	Borrowings	100
6.2	Leases	101
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6.4	Commitments for expenditure	102

6.1 Borrowings	2026	2025
	$'000	$'000
Current borrowings		
Loans from Treasury Corporation of Victoria	311,708	248,601
Total current borrowings	**311,708**	**248,601**
Non-current borrowings		
Loans from Treasury Corporation of Victoria	404,601	347,101
Total non-current borrowings	**404,601**	**347,101**
Total borrowings	**716,309**	**595,702**

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

Borrowings are classified as financial instruments.

All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

Maturity analysis of borrowings								$'000
2026	MATURITY DATES							
	WEIGHTED AVERAGE INTEREST RATE	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR	1 – 5 YEARS	5+ YEARS
Loans from Treasury Corporation of Victoria	4.97%	716,309	716,309	161,708	50,000	100,000	379,601	25,000
Total		**716,309**	**716,309**	**161,708**	**50,000**	**100,000**	**379,601**	**25,000**

Maturity analysis of borrowings								$'000
2025	MATURITY DATES							
	WEIGHTED AVERAGE INTEREST RATE	CARRYING AMOUNT	NOMINAL AMOUNT	LESS THAN 1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR	1 – 5 YEARS	5+ YEARS
Loans from Treasury Corporation of Victoria	4.68%	595,702	595,702	83,625	25,000	139,976	337,101	10,000
Total		**595,702**	**595,702**	**83,625**	**25,000**	**139,976**	**337,101**	**10,000**

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

Interest expense attributable to the acquisition or construction of a qualifying asset are capitalised to inventories. Other borrowing costs are recognised as expenses in the period in which they are incurred. Total interest expense for Treasury Corporation of Victoria loans incurred during 2026 was $32.42m (2025: $29.43m), inclusive of the Financial Accommodation Levy (FAL) of 1.16%.

6.2 LEASES

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

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

6.2.1 RIGHT-OF-USE LEASE LIABILITY

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

Development Victoria presents right-of-use assets as 'property plant equipment' (refer to note 4.1). Lease liabilities are presented as 'right of use liability' in the balance sheet.

Minimum Future Lease Payments	2026	2025
	$'000	$'000
Not longer than 1 year	2,116	2,617
Longer than 1 year but not longer than 5 years	161	2,261
Longer than 5 years	-	15
Minimum future lease payments	**2,277**	**4,893**
Less future finance charges	(1)	(58)
Present value of minimum lease payments	**2,276**	**4,835**

6.2.2 AMOUNTS RECOGNISED IN THE CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

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

	2026	2025
	$'000	$'000
Interest expense on lease liabilities	57	122
Total amount recognised in the consolidated comprehensive operating statement	**57**	**122**

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

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

6.3 CASH FLOW INFORMATION AND BALANCES

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

	2026	2025
	$'000	$'000
Cash at bank	398,507	206,970
Cash and cash equivalents	**398,507**	**206,970**

6.4 COMMITMENTS FOR EXPENDITURE

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

6.4.1 Total Commitments Payable				$'000
NOMINAL AMOUNTS 2026				
	LESS THAN 1 YEAR	**1 – 5 YEARS**	**5+ YEARS**	**TOTAL**
Capital commitments payable (a)	58,410	-	-	58,410
Total commitments (inclusive of GST)	**58,410**	**-**	**-**	**58,410**
Less GST receivable	(5,310)	-	-	(5,310)
Total commitments (exclusive of GST)	**53,100**	**-**	**-**	**53,100**

(a) Capital commitments relate to a contractual obligation at 30 June 2026 to purchase land after this date. Total Capital Commitments of $68.6m were reported in 2025.

7. FINANCIAL INSTRUMENTS, CONTINGENCIES AND VALUATION JUDGEMENTS

INTRODUCTION

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

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7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

INTRODUCTION

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

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

CATEGORIES OF FINANCIAL ASSETS UNDER AASB9 FINANCIAL INSTRUMENTS

Financial assets at amortised cost

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

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

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

The following assets are recognised in this category:

- cash and deposits; and
- receivables

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result.

The following assets are recognised in this category:

- Shared Equity Investment

CATEGORIES OF FINANCIAL LIABILITIES

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

Development Victoria recognises the following liabilities in this category:

- payables;
- borrowings; and
- right-of-use liability.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

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

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

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

7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial risk management is carried out by the Finance and Operations team under policies approved by the Board.

FINANCIAL INSTRUMENTS: CREDIT RISK

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

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

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

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

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

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

FINANCIAL INSTRUMENTS: LIQUIDITY RISK

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

Development Victoria operates under the Government fair payments policy of settling financial obligations within 10 days and in the event of dispute, making payments within 10 days from date of resolution.

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

Development Victoria manages liquidity risk by:

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

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

FINANCIAL INSTRUMENTS: MARKET RISK

Development Victoria in its daily operations, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and/or net worth of Development Victoria. These market risks primarily relate to foreign currency risk, equity price risk and interest rate risk. Development Victoria does hold a Shared Equity Investment and is therefore subject to related price risk, though not material.

FINANCIAL INSTRUMENTS: INTEREST RATE RISK

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

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

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

7.2 FAIR VALUE DETERMINATION

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

The following assets and liabilities are carried at fair value:

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

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

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

FAIR VALUE ESTIMATION

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

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

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

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

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

Right-of-use assets are carried at cost as at 30 June 2026.

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

7.2.1 FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS

Valuation techniques and significant assumptions of non-financial physical assets measured at fair value.

Buildings, Leasehold Improvements & Plant and Equipment (including right-of-use assets) is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Development Victoria has not performed a full independent valuation of all Development Victoria's non-financial physical assets in the last five years. Due to the value and nature of Development Victoria's assets, being IT Equipment and Leasehold Improvements and the Riverwalk Sales Office, Development Victoria's assessment is that in performing a full independent valuation it would not result in any material misstatement to the financial statements.

For all assets measured at fair value, Development Victoria considers the current use is the highest and best use.

Description of significant assumptions applied to fair value measurement.

2026 and 2025	VALUATION TECHNIQUE	SIGNIFICANT ASSUMPTION	RANGE/(WEIGHTED AVERAGE)
Buildings	Current replacement cost	Direct cost per square metre	4.5 years
		Useful life of specialised buildings	(4.5 years)
Leasehold	Current replacement cost	Cost per unit	2 – 10 years
		Useful life of l/hold improvements	(5 years)
Plant and equipment	Current replacement cost	Cost per unit	3 – 10 years
		Useful life of plant and equipment	(6 years)

7.3 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

Contingent assets

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

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

Quantifiable contingent assets	2026	2025
	$'000	$'000
Contingent assets		
Bank guarantees (a)	148,017	112,937
Total	**148,017**	**112,937**

Note:

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

There are no non-quantifiable contingent assets as at 30 June 2026.

CONTINGENT LIABILITIES

Contingent liabilities are:

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

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

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

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

There are no non-quantifiable contingent liabilities as at 30 June 2026.

Quantifiable contingent liabilities	2026	2025
	$'000	$'000
Contingent liabilities		
Bank guarantees (a)	20,254	22,146
Total	**20,254**	**22,146**

Note:

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

8. OTHER DISCLOSURES

INTRODUCTION

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

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8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

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

	2026	2025
	$'000	$'000
Net gain/(loss) on non-financial assets		
Impairment land inventory	(110,046)	(8,361)
Total net loss on non-financial assets (a)	**(110,046)**	**(8,361)**
Net gain/ (loss) on financial instruments		
Shared equity investment measured at fair value	-	(157)
Total net loss on financial instruments	**-**	**(157)**
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	560	(607)
Total other gains/(losses) from other economic flows (b)	**560**	**(607)**
Total	**(109,486)**	**(9,125)**

Notes:

(a) Net gain/(loss) on disposal of non-financial assets is recognised at the date of disposal and is determined after deducting the proceeds from disposal from the carrying value of the asset at the time.

(b) Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rate.

8.2 DIVIDENDS PAID

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

Paid And Declared	2026
	$'000
Development Victoria paid 2024-25 Efficiency Savings Dividends on 17 September 2025, in accordance with direction from the Treasurer of the State of Victoria dated 21 August 2025.	704
Development Victoria paid 2024-25 Dividends on 02 December 2025, in accordance with direction from the Treasurer of the State of Victoria dated 10 November 2025.	25,000
Total dividends paid	**25,704**

No dividends were paid or declared in the financial year ended 30 June 2025.

8.3 SUBSIDIARIES

Development Victoria holds four wholly owned Australian subsidiary trusts for the purposes of property management activities in the normal course of business. Development Victoria holds all 10 units at a value of $1 per unit, in each trust.

The consolidated financial statements of the Development Victoria Group include:

	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	2026	2025
Trust 1	Property management	Australia	100%	100%
Trust 2	Property management	Australia	100%	100%
Trust 3	Property management	Australia	100%	100%
Trust 4	Property management	Australia	100%	100%

In the current year, loans from Development Victoria to wholly owned subsidiaries totaled $145.0m (2025: $136.9m).

8.4 JOINT OPERATIONS

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

Riverwalk – Werribee, Victoria

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

8.5 RESPONSIBLE PERSONS

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

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

Name	Position	Relevant period (2025-26)
The Hon. Gabrielle Williams	Minister for Transport Infrastructure	1 July 2025 to 30 June 2026
The Hon. Sonya Kilkenny	Minister for Planning	1 July 2025 to 30 June 2026
The Hon. Harriet Shing	Minister for Development Victoria and Precincts	1 July 2025 to 15 April 2026
The Hon. Jaclyn Symes	Minister for Development Victoria and Precincts and Treasurer	15 April 2026 to 30 June 2026
Angela Skandarajah	Chairperson	1 July 2025 to 30 June 2026
Natalie MacDonald	Board member	1 July 2025 to 30 June 2026
James Flintoft	Board member	1 July 2025 to 30 June 2026
Sonya Miller	Board member	1 July 2025 to 30 June 2026
David Martine	Board member	1 July 2025 to 30 June 2026
Jeremy Loeliger	Board member	1 July 2025 to 16 October 2025
Brendan Pihan	Board member	1 July 2025 to 30 June 2026
Sally Macindoe	Board member	9 December 2025 to 30 June 2026
Anne Jolic	Chief Executive Officer (Accountable Officer)	1 July 2025 to 30 June 2026

8.6 REMUNERATION

Remuneration received or receivable by the Accountable Officer in connection with the management of Development Victoria during the 12-month reporting period is included in Note 8.6.1.

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

8.6.1 REMUNERATION OF RESPONSIBLE PERSONS

Remuneration received or receivable by the Accountable Officer in connection with the management of Development Victoria during the reporting period was in the range: $660,000 - $669,999. During the 2024-25 financial year, a total of four individuals held the position of Accountable Officer in either an acting or ongoing capacity (including the current incumbent). Aggregate remuneration received or receivable by the persons who performed the role of Accountable Officer during 2024–25 was in the range: $620,000 - $629,999.

Other Responsible Persons

The number of responsible persons, excluding the Accountable Officer and Minister, and their remuneration during the reporting period, was in the range as shown in the table below.

	2026	2025
$20,000 - $29,999	1	1
$30,000 - $39,999	1	-
$40,000 - $49,999	-	1
$50,000 - $59,999	5	4
$60,000 - $69,999	-	1
$70,000 - $79,999	-	1
$130,000 - $139,999	1	-
Total number of other responsible persons	**8**	**8**
Total remuneration ($'000)	**460**	**427**

Remuneration of the relevant Minister is included in the financial statements of the State's Annual Financial Report.

8.6.2 REMUNERATION OF EXECUTIVES

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

Remuneration comprises employee benefits (as defined in *AASB 119 Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of Development Victoria, in exchange for services rendered, and is disclosed in the following categories.

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include superannuation entitlements, pensions, post-employment life insurance, post-employment health care and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long service benefits or deferred compensation.
- Termination benefits include termination of employment payments, such as severance packages.

Remuneration of Executive Officers	2026	2025
	$'000	$'000
Total remuneration (a)	**20,241**	**20,404**
Total number of executives (b)	**76**	**78**
Total annualised employee equivalent (AEE) (c)	**63.88**	**68.90**

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Development Victoria under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Refer to Note 8.7).

(b) In 2026, 14 of the 76 persons classified as executive officers received remuneration equivalent to the non-executive VPS Band 6 and 7 (2025: 23 of 78 were equivalent to VPS Bands 6 and 7) but were employed on executive contracts as a result of the remuneration framework under the Development Victoria Enterprise Agreement.

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

8.7 RELATED PARTIES

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

Related parties of Development Victoria include:

- all key management personnel and their close family members and personal business interests;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.
- all related party transactions have been entered into on an arm's length basis.

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

Government-related entities	Nature of transaction	2026 $'000	2025 $'000
Receipts			
Department of Jobs, Skills, Industry and Regions	Capital provided towards Civic Infrastructure Projects	287,672	105,921
Department of Jobs, Skills, Industry and Regions	Project Cost Recovery	26,841	32,669
Department of Premier & Cabinet	Project Cost Recovery	822	-
Department of Transport and Planning	Capital provided towards Civic Infrastructure Projects	36,080	240
Department of Transport and Planning	Capital provided towards Housing Support Program	71,422	17,535
Department of Transport and Planning	Project Cost Recovery	37,425	58,960
Central Highlands Water	Project Cost Recovery	-	493
Great Ocean Road Authority	Capital Provided Towards Civic Infrastructure Projects	3,467	-
Greater Western Water	Project Cost Recovery	-	564
Greater Western Water	Utility Contribution Refund	3,030	-
Melbourne & Olympic Parks Trust	Capital Provided Towards Civic Infrastructure Projects	1,886	-
Melbourne Arts Precinct Corporation	Capital provided towards Civic Infrastructure Projects	263,948	247,909
Melbourne Cricket Ground Trust	Project Cost Recovery	5,430	-
National Gallery of Victoria	Property Sale	-	108,978
North East Link	Capital provided towards Civic Infrastructure Projects	41,634	7,269
Parks Victoria	Capital Provided Towards Civic Infrastructure Projects	550	-
Regional Development Victoria	Capital provided towards Civic Infrastructure Projects	612	2,836
State Revenue Office	Shared Equity Proceeds	464	-
State Sport Centers Trust	Capital provided towards Civic Infrastructure Projects	149,202	40,370
Zoos Victoria	Capital provided towards Civic Infrastructure Projects	-	23,358

Government-related entities	Nature of transaction	2026 $'000	2025 $'000
Payments			
Council of Trustees of The National Gallery of Victoria	Project costs	4,335	3,045
Department of Jobs Skills Industry and Regions	Project costs	1,395	1,500
Department of Transport and Planning	Project Costs	791	15,287
Department of Transport and Planning	Taxes and Levies	1,078	687
Department of Treasury and Finance	Dividends	25,704	-
Department of Treasury and Finance	Taxes and Levies	30,455	21,061
Greater Western Water	Authority Fees	683	1,037
Melbourne Water Corporation	Authority Fees	714	397
Melbourne Arts Precinct Corporation	Project costs	333	-
States Sport Centres Trust	Project costs	831	1,081
Victorian Building Authority	Authority Fees	2,333	775
Victorian Government Solicitor's Office	Land purchase deposit	-	5,900
Victorian Managed Insurance Authority	Insurances	5,909	3,285
Australian Grand Prix	Project Costs	703	375
Central Highlands Region Water Corporation	Authority Fees	-	544
Treasury Corporation of Victoria	Borrowings	716,309	595,702

The Department of Treasury and Finance guarantees Development Victoria's Treasury Corporation of Victoria Borrowings detailed at Note 6.1.

Details of transactions between Development Victoria and its wholly owned subsidiaries is detailed at Note 8.3.

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

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

Key Management Personnel	Position title	2025-26
Hannah Clement	Executive General Manager, Civic Infrastructure	1 July 2025 to 30 June 2026
Hannah Clement	Acting Chief Development Officer	1 July 2025 to 18 August 2025
Niall Cunningham	Executive General Manager, Precincts	1 July 2025 to 30 June 2026
Niall Cunningham	Acting Executive General Manager, Housing	1 July 2025 to 17 August 2025
Bernard Stute	Executive General Manager, Legal, Risk & Compliance	1 July 2025 to 12 June 2026
Sonja Ruddock	Executive General Manager, People, Culture & Communications	1 July 2025 to 30 June 2026
Kate McKenna	Acting Executive General Manager, Legal, Risk & Compliance	13 June 2026 to 30 June 2026
Matthew Borthwick	Executive General Manager, Finance and Operations	2 February 2026 to 30 June 2026
Matthew Dean	Executive General Manager, Housing	12 January 2026 to 30 June 2026
Alex Kennedy	Executive General Manager, Investment and Portfolio Management	6 October 2025 to 30 June 2026
Alex Kennedy	Acting Executive General Manager, Investment and Portfolio Management	18 August 2025 to 6 October 2025
Dionne Heafield	Acting Executive General Manager, Finance and Operations	4 August 2025 to 2 February 2026
Nemesia Kennett	Acting Executive General Manager, Housing	18 August 2025 to 30 September 2025 20 October 2025 to 12 January 2026
Chris Hatcher	Acting Executive General Manager, Housing	1 October 2025 to 17 October 2025
Andre van Baalen	Group Head, Operations	1 July 2025 to 4 August 2025
Julie Browning	Executive Director, Corporate Affairs	1 July 2025 to 18 August 2025
Julie Browning	Executive Director, Office of the CEO	18 August 2025 to 31 December 2025

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 the State's Annual Financial Report.

Compensation of Key Management Personnel	2026	2025
	$'000	$'000
Total compensation (a)	**3,758**	**3,979**

Notes:

(a) KMPs (excluding the CEO) are also reported in the disclosure of remuneration of executive officers (Note 8.6.2). Where relieving arrangements are in place and the substantive KMP remains in their position, higher duties expenses have not been included in the remuneration disclosure as remuneration of the substantive KMP has already been reported.

Transactions and balances with key management personnel and other related parties

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

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

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

8.8 REMUNERATION OF AUDITORS

The amount paid or due and payable to the Auditor-General for auditing the financial statements for the reporting period is $202,400 (2025: $176,000).

8.9 SUBSEQUENT EVENTS

Management has evaluated up to the date of 22 September 2026, and no subsequent events have been identified.

8.10 DEED OF SUPPORT

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

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

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

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

8.11 CHANGES IN ACCOUNTING POLICY

8.11.1 RIGHT OF USE ASSETS

Development Victoria has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right of use assets arising from market leases, in accordance with the updated requirements under FRD 104 Leases.

Previously, Development Victoria had measured all right of use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, Development Victoria will measure all right-of-use assets using the cost model.

Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon adoption of the cost model, Development Victoria has applied a modified retrospective approach. The approach takes the right of use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right of use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Right of use assets arising from significantly below-market leases

Development Victoria is not required to make any adjustments to right of use assets arising from significantly below-market leases, including peppercorn leases, as Development Victoria already measures these right of use assets using the cost model in accordance with AASB 16 and FRD 104, and are thus not impacted as a result of this accounting policy change.

Impacts on financial statements

On transition to the cost model, there was no impact on Development Victoria's financial statements. No impairment was identified by Development Victoria for the right of use asset held as at 30 June 2026.

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2026

DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for Development Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of Development Victoria at 30 June 2026.

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

We authorise the attached statements for issue on 24 September 2026.



Angela Skandarajah
Chairperson



Anne Jolic
Chief Executive Officer



Matthew Borthwick
Executive General Manager,
Finance and Operations

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Development Victoria

Opinion

I have audited the consolidated financial report of Development Victoria (the authority) and its controlled entities (together, the consolidated entity), which comprises the:

- consolidated balance sheet as at 30 June 2026
- consolidated comprehensive operating statement for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- declaration in the financial statements.

In my opinion, the consolidated financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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

Other information

The Board of the authority is responsible for the "other information" included in the authority's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the consolidated financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Board's responsibilities for the consolidated financial report

The Board of the authority is responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Financial Management Act 1994*, 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.

In preparing the financial report, the Board is responsible for assessing the authority's and the consolidated entity'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.

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

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the consolidated 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 consolidated 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 and the consolidated entity'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 and consolidated entity'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 and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the authority and the consolidated entity to express an opinion on the consolidated financial report. I am responsible for the direction, supervision and performance of the audit of the authority and the consolidated entity. I remain solely responsible for my audit opinion.

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
1 October 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Disclosure index

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

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With the exception of the Development Victoria financial statements and additional reporting requirements, the information contained in this document is based on material and information collated by Development Victoria, its employees and consultants and from publicly available information.

Any interested party (including developers and their advisers) must make its own independent assessment and investigations and should not rely on the significance, adequacy or accuracy of this information.

This information does not purport to contain all the information a party may require. Development Victoria, its employees and consultants shall have no liability to any person under law of contract, tort, the principles of restitution or unjust enrichment or otherwise any loss, expense or damage that may arise from, or be incurred or suffered as a result of anything contained in this document or otherwise arising in any way from the purchase of land from Development Victoria, or building or development within any Development Victoria project.

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While all reasonable efforts have been made to ensure the information contained in this document is accurate and correct at the date of its issue, Development Victoria is not responsible for any errors in or omissions from this document, whether arising out of our negligence or otherwise.

No investment opportunity or other matter referred to in this document in relation to the projects of Development Victoria considers the specific objectives, situation or needs not intended to be, advice on legal, financial, taxation or investment matters relating to any opportunities with Development Victoria.


DEVELOPMENT VICTORIA
VICTORIA State Government