



ACT
Government



Annual Report 2020-2021

Suburban Land Agency



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www.relayservice.gov.au

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Photos in this report are from various Suburban Land Agency events and may have been taken prior to the 2020–21 financial year. Information about the Agency and an electronic version of this annual report can be found on the website www.suburbanland.act.gov.au

Acknowledgement of Country

We acknowledge the Ngunnawal people as Canberra's first inhabitants and Traditional Custodians. We recognise the special relationship and connection that Ngunnawal people have with this Country.

Prior to the displacement of Ngunnawal people from their land, they were a thriving people whose life and culture was connected unequivocally to this land in a way that only they understand and know and is core to their physical and spiritual being.

The segregation of the Ngunnawal people from Culture and Country has had long-lasting, profound, and ongoing health and well-being effects on their life, cultural practices, families, and continuation of their law/lore. We acknowledge the historic interruption of the Ngunnawal people of Canberra and their surrounding regions.

We recognise the significant contribution the Ngunnawal people have played in caring for Country. For time immemorial they have maintained a tangible and intangible cultural, social, environmental, spiritual, and economic connection to these lands and waters.

Ngunnawal Language Acknowledgement

Yuma

Dhawura nguna ngurumbangu gunanggu Ngunnawal.

Nginggada dindi dhawura Ngunnawalbun yindjumaralidjinyin.

Mura bidji mulanggaridjindjula.

Naraganawaliyiri yarabindjula.

This country is Ngunnawal (ancestral/spiritual) homeland.

We all always respect elders, male and female, as well as Ngunnawal country itself.

They always keep the pathways of their ancestors alive.

They walk together as one.

Djan yimaba

(Yuma – Hello;
Djan yimaba – Thank you in Ngunnawal)



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Abbreviations and acronyms

ABW	Activity Based Work	IC	Integrity Commission
ACT	Australian Capital Territory	ILRP	Indicative Land Release Program
ACTIA	ACT Insurance Agency	IZ1	General Industrial Land
ACTPLA	Planning and Land Authority	KPI	Key Performance Indicator
ACTPS	ACT Public Service	LED	Light Emitting Diode
Agency	Suburban Land Agency	LGBTIQ	Lesbian, gay, bisexual, transgender, intersex and queer/questioning
AICD	Australian Institute of Company Directors	LMA	Land Management Agreement
ANU	Australian National University	LPG	Liquid Petroleum Gas
ARIn	Attraction and Retention Initiative	LSE	London School of Economics
AWA	Australian Workplace Agreement	MBA	Master Builders Association
BARC	Board Audit and Risk Committee	MoU	Memorandum of Understanding
BCP	Business Continuity Plan	NCA	National Capital Authority
CEO	Chief Executive Officer	NLA	Net Lettable Area
CIT	Canberra Institute of Technology	NSW	New South Wales
CLARA	Consolidated Land and Rail Australia	NZ	New Zealand
CMP	Crisis Management Plan	PD Act	<i>Planning and Development Act 2007</i>
CMS	Contract Management System	PDP	Performance and Development Plan
CMTEDD	Chief Minister, Treasury and Economic Development Directorate	PIA	Planning Institute of Australia
CNG	Compressed Natural Gas	PID Act	<i>Public Interest Disclosure Act 2012</i>
COI	Conflict of Interest	PO	Purchase Order
CRA	City Renewal Authority	PRZ1	Urban Open Space
CRASLA Act	<i>City Renewal Authority and Suburban Land Agency Act 2017</i>	PSM Act	<i>Public Sector Management Act 1994</i>
CRM	Customer Relationship Management	PSSC	Public Sector Standards Commissioner
CSIA	Customer Services Institute of Australia	PTC	People and Transition Committee
DTF	Victorian Department of Treasury and Finance	QUT	Queensland University of Technology
EAP	Employee Assistance Program	RAP	Reconciliation Action Plan
EDP	Estate Development Plan	RED	Respect, Equity and Diversity
EOI	Expression of Interest	REIT	Real Estate Investment Trust
EPSDD	Environment, Planning and Sustainable Development Directorate	SBMP	Strategic Bushfire Management Plan
FINSIA	Financial Services Institute of Australasia	SEA	Special Employment Agreement
FM Act	<i>Financial Management Act 1996</i>	SERBIR	Senior Executive Responsible for Business Integrity Risk
FOI	Freedom of Information	SOI	Statement of Intent
FOI Act	<i>Freedom of Information Act 2016</i>	SLA	Service Level Agreement
FTE	Full Time Equivalent	SPCC	Significant Programs and Culture Committee
GBCA	Green Building Council of Australia	TCCS	Transport Canberra and City Services
GLO	Government Land Organisation	TRIM	Total Records Information Management
GST	Goods and Services Tax	UDIA	Urban Development Institute of Australia
HIA	Housing Industry Association	WHS	Work Health and Safety
HR	Human Resources	WHS Act	<i>Work Health and Safety Act 2011</i>
HRIMS	Whole of Government Human Resource Information System	WHSMS	Work Health and Safety Management System



Part A

Transmittal Certificate

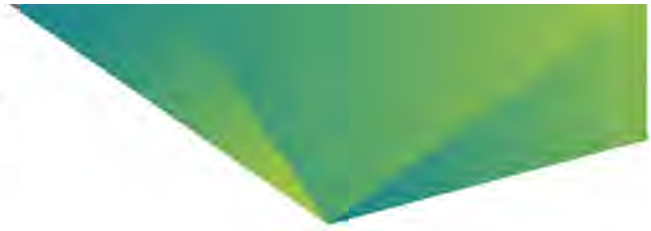


Mulligans Flat ranger sharing story time at a Throsby Nature Play event.



ACT
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Suburban Land
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Ms Yvette Berry MLA
Minister for Housing and Suburban Development
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Mr Andrew Barr
Chief Minister
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Ministers

2020–21 Suburban Land Agency Annual Report

This report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* (the Act) and in accordance with the requirements of the *Annual Reports (Government Agencies) Directions 2021*.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Suburban Land Agency.

I certify that the information in the attached report and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Suburban Land Agency has been included for the period 1 July 2020 to 30 June 2021.

I hereby certify that fraud and prevention has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.3 (see section 113, Public Sector Management Standards 2016).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Annual Report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to the Legislative Assembly sitting day on 2 December 2021.

Yours sincerely

John Fitzgerald
Chair
Suburban Land Agency Board
9 November 2021

John Dietz
Chief Executive Officer
Suburban Land Agency
5 November 2021

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Compliance Statement

The *2020–21 Suburban Land Agency Annual Report* complies with the Annual Report Directions (the Directions) made under section 8 of the *Annual Reports (Government Agencies) Act 2004*. The Directions are available on the ACT Legislation Register at www.legislation.act.gov.au

The Compliance Statement indicates the subsections, under Parts 1 to 5 of the Directions, that are applicable to the Suburban Land Agency and the location of information that satisfies these requirements:

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The *2020–21 Suburban Land Agency Annual Report* complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for the Suburban Land Agency are available within the *2020–21 Suburban Land Agency Annual Report* to give readers an opportunity to provide feedback.

Part 2 Reporting entity Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and the Suburban Land Agency complies with all subsections. The information that satisfies the requirements of Part 2 is found in the *2020–21 Suburban Land Agency Annual Report* as follows:

- A. Transmittal Certificate, see page 1
- B. Organisational Overview and Performance, inclusive of all subsections, see pages 4–89
- C. Financial Management Reporting, inclusive of all subsections, see pages 90–214.

Part 3 Reporting by Exception

The Suburban Land Agency has no information to report by exception under Part 3 of the Directions for the 2020–21 reporting year.

Part 4 Directorate and Public Sector Body Specific Annual Report Requirements

The following subsections of Part 4 of the 2021 Directions are applicable to the Suburban Land Agency and can be found within the *2020–21 Suburban Land Agency Annual Report* as follows:

- Ministerial and Director-General Directions, see page 235
- Public Land Management Plans, see page 235.

Part 5 Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to the Suburban Land Agency. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service directorates as follows:

- Bushfire Risk Management—see the annual report of the Justice and Community Safety Directorate.

- Human Rights—see the annual report of the Justice and Community Safety Directorate.
- Legal Services Directions—see the annual report of the Justice and Community Safety Directorate.
- Public Sector Standards and Workforce Profile—see the annual State of the Service Report.
- Territory Records—see the annual report of the Chief Minister, Treasury and Economic Development Directorate.

ACT Public Service Directorate annual reports are found at www.cmtedd.act.gov.au/open_government/report/annual_reports

As required by Australian Auditing Standards, the ACT Audit Office reviews financial statements included in annual reports (and information accompanying financial statements) for consistency with previously audited financial statements. This includes reviewing the consistency of statements of performance with those statements reviewed (where a statement of performance is required by legislation).

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
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Part B

Organisational Overview and Performance



Our vision

Creating great places where communities thrive is our vision. We pride ourselves on delivering sustainable urban environments that bring people and businesses together and help our community and natural environments to thrive. Our developments aim to optimise social, economic, and environmental benefits for all Canberrans through:

- affordable living
- a safe and healthy population
- social inclusion and diversity
- housing choices
- environmental sustainability.



B.1 Organisational overview

Establishment

The Suburban Land Agency (Agency) was established as a statutory authority under the *City Renewal Authority and Suburban Land Agency Act 2017* (CRASLA Act).

Our 2020–21 Statement of Intent (SOI) outlines our statutory objectives, as well as the deliverables expected by our ministers. We are required to comply with directions given by the relevant minister under section 41 of the CRASLA Act. A summary of performance against these objectives is provided in **Section B2 Performance analysis**.

An independent Board governs our operations. The Board was established, with members appointed, under section 45 of the CRASLA Act.

Our role

As a statutory authority within the Environment, Planning and Sustainable Development Directorate (EPSDD) portfolio, we are responsible for delivering people-focused neighbourhoods on behalf of the ACT Government. We encourage and promote inclusive and sustainable communities through suburban development and urban renewal.



Mission and values

People and their environment are the focus and the heart of every neighbourhood we design and deliver. We engage with the traditional land custodians, the Ngunnawal people, and other Aboriginal and Torres Strait Islander community leaders, to guide the stories of each place. Through greenfield development and urban renewal, we aspire to create place experiences and lifestyles that are uniquely Canberran, where everyone feels welcome and at home. We seek to capture the history, unique features, and place stories of all developments we design and sell.

Our development projects aim to connect current and future residents with their neighbourhood and community through consultation and engagement. Our community development programs support the residents of our neighbourhoods so that their lives in the community flourish. We celebrate their diversity and help them feel welcome in their new homes.

Our urban renewal approach includes complex land sale methods that focus on quality place and design outcomes. By working closely with developers, we guide industry in creating sustainable mixed-use precincts that showcase Canberra's unique business and art community and become much-loved urban destinations.

We offer a choice of land that supports a diverse mix of housing types to support the changing needs and preferences of the Canberra community. In delivering the government's Indicative Land Release Program (ILRP), we use a variety of sales methods to ensure all segments of the market have an equitable chance to purchase land to build a home. This includes a supply of land for affordable, community and public housing, consistent with the *ACT Housing Strategy* and



A tour of passive irrigation measures from the Whitlam Living Infrastructure Demonstration Project under construction.

Housing Targets. We strive to act in a trustworthy, responsible and professional manner to ensure long-term social, design, environmental and economic objectives are considered when developing and selling land.

Our approach to what we do is steeped in creativity. To think beyond, design in new ways, try different approaches. We experiment, invent and innovate to find solutions that best serve the community.

We consider our impact on the natural environment beyond the changing climate and how we can create strong and resilient communities with good quality of life. Our sustainability strategy provides us a measurable framework for developing more sustainable outcomes to deliver a city of net zero emissions by 2045 at the latest.



Functions and services

We are responsible for developing and releasing suburban land, encouraging and promoting urban renewal outside of declared urban renewal precincts, promoting high quality and affordable built form outcomes, contributing to the growth and diversification of the Territory’s economy, and social and environmental sustainability.

Our functions encompass a wide range of activities that support the creation of great places and thriving communities. We manage land in new communities and rural areas, undertake planning and construction work for new neighbourhoods, create opportunities for affordable and diverse housing, focus on environmentally and socially sustainable outcomes, market and promote purchasing opportunities in new communities, and engage and develop strong connections with existing and future residents of the neighbourhoods we are delivering. As part of the Built Form program, demonstration projects are showcasing excellence in sustainable design and built form to the community and industry.

These activities are reflected in the roles of our different teams as outlined below.

In exercising these functions, we operate in a way that delivers value for money, in accordance with sound risk management practices.



Whitlam land release information session.

Our key functions outlined in the CRASLA Act are to:

- buy and sell leases of land on behalf of the Territory
- ensure a mixture of public and private housing in new suburbs
- increase the supply of affordable and community housing
- meet housing targets
- carry out development of land in a manner that is environmentally sustainable
- exercise our functions in a way that supports statutory greenhouse gas emissions targets and delivers environmentally sustainable development
- follow and support whole of government strategies.

Clients and stakeholders

We actively engage with our primary client, the ACT community, in all facets of our land development activities. We regularly seek their views and strive to deliver socially, economically and environmentally responsible land and development outcomes.

We work closely with our minister, the ACT Government and other primary stakeholders, including:

- the Traditional Custodians of Ngunnawal land
- community councils, resident groups and associations
- community groups and services representing various interests
- designers, architects and place specialists
- builders, suppliers and contractors
- local real estate professionals
- local, national and international industry peak bodies and business groups
- ACT Government directorates and other agencies and authorities.



Organisational structure

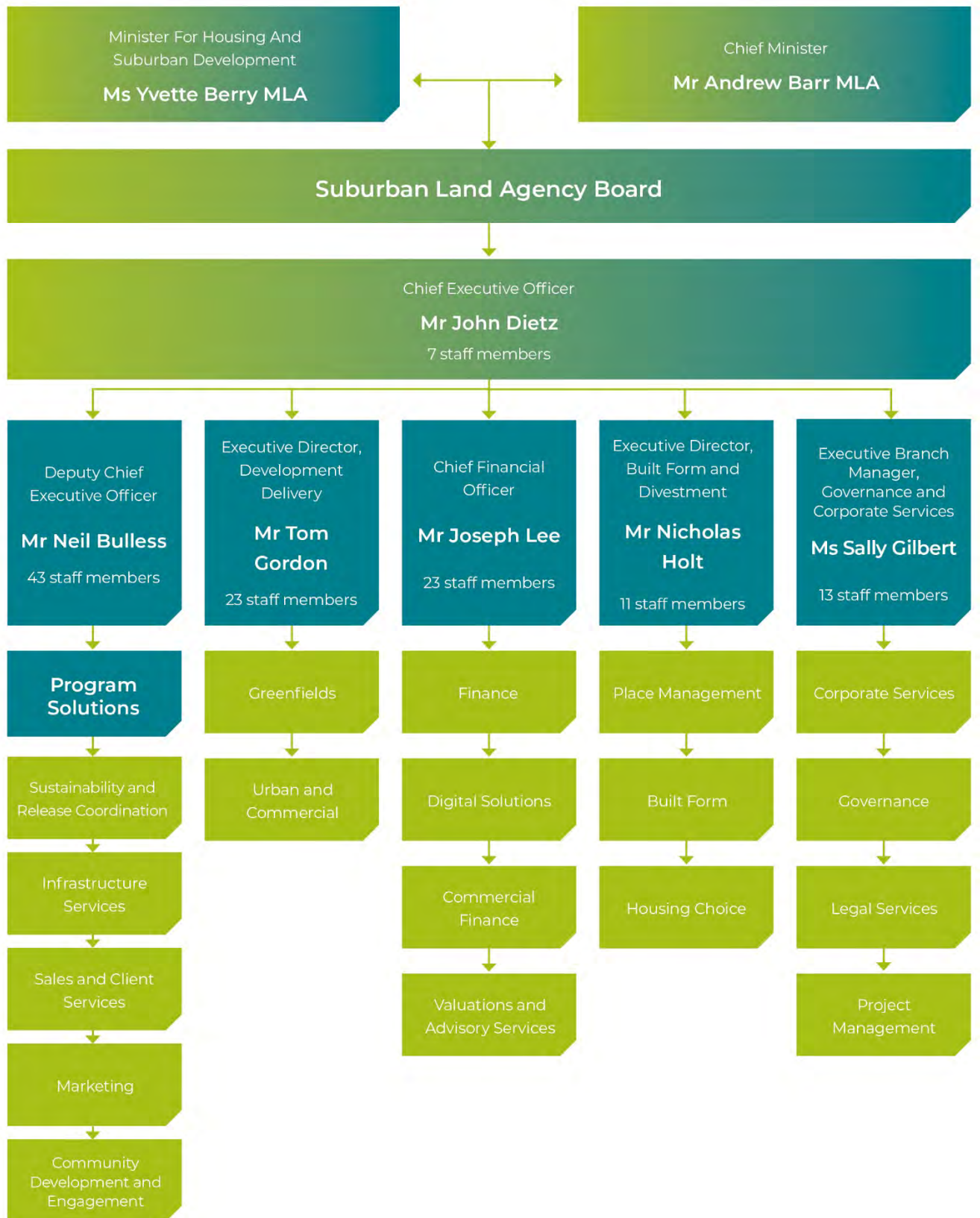
We are a statutory authority within EPSDD. Under the *Administrative Arrangements 2021 (No. 1)*, EPSDD provides administrative support and advice to ministers and our executive on all relevant matters. We work openly and collaboratively with EPSDD.

We have developed a comprehensive governance framework, which includes a strong focus on financial and non-financial performance. This approach has helped strengthen and improve our operations.

Our organisation is structured using a project-centric approach, with integrated delivery teams. This enhances our accountability, responsibility, authority and supports a collaborative approach to delivering our vision.



Our structure



Office of the Chief Executive Officer

Our Chief Executive Officer (CEO) was appointed by the Board and engaged under the *Public Sector Management Act 1994*. The CEO is accountable to the Board for the operation of the Agency and management of its staff. The CEO is not a member of the Board.

As per the CRASLA Act, the CEO is responsible for managing day-to-day operations in line with whole of government policies and legislative requirements, including:

- ensuring compliance with the Board's decisions
- managing Agency finances
- developing and implementing, with the approval of the Board, corporate and operational strategies
- providing information and advice to the Board and our ministers on relevant matters
- other functions as required by the Board.

Program Solutions

The Program Solutions Group, led by the Deputy CEO, provides expertise and organisational support to the Agency. The Group consists of five teams responsible for provision of services for projects, sale of government-owned land, development of marketing strategies, community development and engagement, and provision of support to ensure non-financial objectives are met.

The Program Solutions Group was responsible for the:

- provision of services for projects, including design review, documentation and construction supervision of new estate civil works packages
- sale of government-owned land in accordance with the ILRP for residential, commercial, industrial purposes
- managing the sales process and associated policy requirements for Agency sites and properties, including for community and urban purposes
- managing the provision of commercial and residential property agents and legal service providers through procurement panel arrangements
- liaising with, and managing, client and stakeholder relationships
- development of marketing strategies and campaigns which offer housing choice to residential customers and development opportunities to the industry
- strategies, place branding and design to showcase how the Agency delivers on its vision
- promotion of the brand, including communication to the public and customers on social media and the Agency's website
- facilitating community development and activation in greenfield estates through the Mingle program embedded in Molonglo Valley, Throsby, Moncrieff and Taylor, and more recently, Whitlam
- development and coordination of the Stakeholder Engagement Strategy across the Agency
- establishment and maintenance of strategic relationships with external stakeholders, including industry, media and the community, as well as sponsorship and partnership arrangements
- community engagement to help inform release strategies and sales documentation for urban renewal and brownfield commercial sites

- provision of organisation-wide support to ensure non-financial objectives are met, including coordination for the development of the ILRP, delivery of associated affordable, community and public housing targets, and implementation of environmentally and socially sustainable development outcomes.

Development Delivery

The Development Delivery Group, led by the Executive Director Development Delivery, was responsible for delivering land development activities in accordance with the ILRP. This included the development of government-owned land releases for residential, commercial, industrial, community and education use.

The Development Delivery Group is structured into two main areas of responsibility—greenfields and urban/commercial. The Development Delivery group was responsible for establishing project teams and managing projects from inception to completion, including:

- obtaining relevant approvals, including environmental, development, detailed design and construction
- procurement and project management of consultants
- undertaking complex negotiations for development outcomes to meet planning, policy and community expectations
- delivering the ILRP on time and as budgeted, through the release and settlement of sites
- meeting affordable, community and public housing targets
- being at the forefront of sustainable design, through the delivery of environmentally and socially sustainable land development and construction in the Agency's greenfield estates
- engaging with the National Capital Design Review Panel
- championing 'place-led' design through collaboration with communities.



Built Form and Divestment, Housing Choice and Place Management

The Built Form and Divestment, Housing Choice and Place Management Group, led by the Executive Director, Built Form and Divestment, comprised of three teams being Built Form and Divestment, Housing Choice, and Place Management. The Group was responsible for:

- the design, development and delivery of innovative, high-quality built form showcasing social and environmental sustainability
- divestment of surplus ACT Government properties
- leadership in the development and implementation of the Agency's housing choice initiatives, including the Affordable Home Purchase Scheme
- providing strategic and operational support to the Agency through its land management and custodianship function
- contributing to the Agency land development process, including place visioning, place creation, place development, and place management
- the management, maintenance and activation of urban open space, residential greenfield, brownfield and urban blocks for sale as well as industrial land and the Agency's rural properties.

Finance, Digital Solutions and Valuations

The Finance, Digital Solutions and Valuations Branch was led by the Chief Financial Officer and was responsible for:

- supporting the business with strategic, operational and financial decision making
- value creation through strategic commercial and taxation advice
- leading and managing financial governance across the organisation with a focus on risk mitigation and minimisation
- internal and external budgeting
- financial reporting and compliance
- provision of valuation and advisory services through coordination of independent valuation advice for the purpose of informing decisions relating to reserve sale prices, revenue forecasting, taxation reporting and business case development
- digital strategy, security, management and administration.



Governance and Corporate Services

The Governance and Corporate Services Branch was led by the Executive Branch Manager, Governance and Corporate Services, and was comprised of four teams that supported the Board and managed the day-to-day operations of the business: Governance, Corporate Services (including People and Capability, and Work Health and Safety (WHS)), Legal Services, and the Project Management Office (PMO). The Branch was responsible for:

- providing strategic advice to the CEO, the Board (including its committees) and the executive team
- liaising between the executive and the Board to facilitate the provision of advice and information to ensure the Board make informed decisions and implement good governance practices
- ensuring the Agency and its Board comply with obligations under relevant laws and regulations, including developing better practice frameworks, guidance material and corporate reporting
- providing oversight of WHS matters affecting the Agency, including reporting, ensuring compliance with relevant legislation, leading staff training, and coordinating investigations
- managing day-to-day Agency administrative support, including contract management and procurement oversight, office management, facilities and accommodation matters
- providing in-house legal support to the Agency, working closely with the ACT Government Solicitor
- working collaboratively with EPSDD to provide strategic and operational human resource management strategy, policy support and advice across all human resource functions
- providing expert advice in project management and procurement across the Agency, and supporting the quality and transparent governance related to project management and procurement frameworks.



Report by the Chair and Chief Executive Officer

Our vision

Creating great places where communities thrive is our vision.

- We aspire to create place experiences and lifestyles that are uniquely Canberran, where everyone feels welcome and at home.
- We pride ourselves on delivering sustainable urban environments that bring people and businesses together and help our community and natural environments to thrive.
- We foster quality place and design outcomes during development and through our land sales processes.



Safety

Safety comes first in everything we do.



Innovation

Innovation is the cornerstone of our culture and practice.



Customer Focus

The Agency will **listen to its customers** and provide responsive outcomes to address their specific needs.



Government Partnerships

The Agency will **engage with its partners** to support whole of government strategies and positively contribute to important decisions through leadership and delivery.

Our strategic priorities embrace:

We continue to measure performance using the Balanced Score Card approach to managing outcomes against these priorities. The score card measures activities across key focus areas:

- financial
- customers and stakeholders
- internal business processes
- people, learning and growth.

Workplace health and safety

We continue our commitment to the health, safety and wellbeing of all our workers, those contracted to perform work on behalf of the Agency, and volunteers at, or visitors to, our workplaces and developments.

During the year, we continued to provide support and information to workers in response to the pandemic and changing work environments. Initiatives included the redesign of event risk management, increased WHS training, support in the move to increased flexible arrangements, and increased peer check-ins.

We regard safety with the utmost importance and expect those working with us, as contractors or partners, to also prioritise their management of workplace health and safety. Our active certification audits

continued to be well received by our civil contractors, with continual improvements made in safety systems across the civil construction industry.

Market

While the impacts of COVID-19 on buyer confidence was evident over the early months of the pandemic, the market for detached single residential blocks in the ACT experienced unprecedented demand during 2020–21. Market conditions for single residential blocks throughout 2020–21 significantly improved from 2019–20 with recovery in the housing market evidenced through strong sales in the Agency estates of Coombs, Taylor, Throsby, Whitlam and Wright. We sold all over-the-counter inventory from 2019–20 and sold all single residential releases for 2020–21.

The demand for development sites also remained strong during 2020–21, mainly due to increased market confidence in this segment of the market, as well as targeted marketing campaigns and the continuation of stimulus measures by the ACT and Australian Governments. We achieved a record result for sales in 2020–21.

Despite the underlying COVID-19 risks and uncertainty that remained, the result for 2020–21 was a significant turnaround from the 2019–20 financial year.

We continued to undertake extensive community engagement in relation to planned commercial and mixed-use sites. Feedback from community and industry was sought to help inform the release strategy and sales documentation. Several projects, including Belconnen Town Centre, Gold Creek Homestead, and Molonglo Valley, as well as Gungahlin sites in Moncrieff and Taylor, used this approach with success. The outcome resulted in better-informed land release for future development.



Agency Board Chair, John Fitzgerald, at a meet and greet for the Board and the Young at Heart community group.

Operations

We continued to build our capability to deliver urban projects to meet future demand in infill land releases. Of note, the design development of Canberra Brickworks Precinct by Doma Group has been proactively managed in collaboration with the Agency and the community panel.

We also successfully implemented community engagement within the Belconnen Town Centre, developing a Place Design Brief with the community for three identified precincts in the area. The Place Design Brief formed part of the Belconnen Lakeshore Request for Proposal release, which also included the requirement for the 5 Star Green Star Building certification to be met.

Gold Creek Homestead Precinct tender assessment and negotiations concluded, with Lendlease agreeing to continue community engagement to deliver a 5 Star Green Star Communities development, with independent living units, an aged care facility, and publicly accessible community spaces to be established in the adapted Gold Creek Homestead.

We progressed a number of planning works activities to deliver on our objectives. Planning and approval works progressed with the approval of the Whitlam Stage 2 development application, and lodgement of Whitlam Stage 3 development application and Jacka 2 Stage 1 development application. Planning works progressed in Whitlam Stage 4 and Jacka 2 Stage 2, with both to be progressed as a development application submission in 2021–22.

Construction has started for an innovative multi-generational living hub in Whitlam, designed to showcase a high-performance building envelope, a green roof and a series of other sustainable landscape ideas. The hub will function as a display village, sales office and meeting space for Mingle’s community development program.

In Coombs, the final design and approval of the Edgeworth Parade play space has been completed, with construction to commence in 2021–22, along with completing path links in Coombs to Denman Prospect.



The suburb of Taylor remained the Agency’s northernmost community, with significant works progressing in this development in planning, construction, sales, marketing, and community development. A dedicated sales office was opened to assist land buyers to ask questions and seek information to assist in their land buying journey. In the Gungahlin Town Centre, we continued with the release of four mixed-use commercial sites, working to address related concerns raised by the local community council.

Development works continued with civil and landscape construction works in Whitlam and Taylor. The final civil construction works stage of Taylor was completed in 2020–21.

In line with our vision of ‘creating great places where communities thrive’, we undertook extensive community engagement activities for several development sites to inform the release strategy. In Molonglo, four development sites—three at the main commercial node along Fred Daley Avenue/Steve Irwin Avenue and John Gorton Drive, and one in Wright being a community facility zone site—undertook a comprehensive engagement process with the local community to inform the release and sales documentation.

In Gungahlin, we undertook engagement activities on two blocks in Moncrieff and one in Taylor. These three blocks have been released to the market and play a significant role in servicing the community needs for local shopping and other retail services.

We offered a Front Garden Landscape Rebate of up to \$12,500 for land-ready single residential blocks sold in communities of Coombs, Taylor, Throsby and Wright between 8 August 2020 and 31 October 2020. The Rebate was designed to encourage sustainable, water wise and local native front gardens. Over 300 new homeowners were eligible for the rebate.



In addition to the land development projects, we are undertaking three infrastructure projects required to support development in Molonglo, being the Deep Creek Pond in Whitlam, the 132KV electrical relocation in northern Molonglo and the Molonglo Valley Intercept Sewer odour mitigation project. Significant steps in these projects were undertaken in 2020–21 with resolution of several design issues, obtaining environmental approvals, and releasing of tender documentation and awarding of contracts for works to commence.

The Mingle community development program featured various activities and events that focused on delivering environmentally and socially sustainable outcomes. A modest program was delivered in the second half of 2020 whilst adhering to COVID-19 restrictions.

The Mingle program will continue its success in community development with a stronger focus on resident-led initiatives. In the last quarter of the financial year, Mingle welcomed its newest program in the suburb of Whitlam.

We worked collaboratively across the ACT Government to identify innovative options for providing housing choice, and we outlined further opportunities for home ownership, rental options and other ways to provide housing as part of thriving communities in a Strategic Action Plan to progress further during 2021–22.

We had more than 2,000 new registrations as part of the Affordable Home Purchase Scheme, and we focused on connecting eligible buyers participating in this scheme with properties available at fixed price thresholds. We also released land to support the delivery of affordable, public and community housing targets in locations across Canberra.

The sale of the former Asset Recycling Initiative site, Macarthur House (Block 4 Section 115 Lyneham), exchanged in January 2021, with design development underway. The site is due to settle in June 2022.

Financial outcomes

The Agency delivered an operating surplus of \$294.9 million and paid \$455.6 million in cash distributions to the ACT Government in the 2020–21 reporting period. Land sales revenue of \$806.4 million for this period was largely driven by our residential greenfield estates in Molonglo, Gungahlin and West Belconnen.

This land sales revenue result was in line with the target set within the 2020–21 SOI, reflecting strong demand for land throughout the financial year.

We finished the year ended 30 June 2021 with strong asset holdings of \$614.6 million, which included \$354.9 million of inventories. Our outlook is positive with strong market demand for land continuing, although uncertainties related to the impact of the COVID-19 pandemic remain.

John Fitzgerald
Chair

John Dietz
Chief Executive Officer

Outlook

Amidst COVID-19 and economic uncertainty, 2020–21 was a record-breaking year for Agency land sales. The outcome was due to pent-up market demand, a diverse product offering, continued low interest rates, ACT Government stamp duty concessions, the Commonwealth’s HomeBuilder program, as well as other Agency-led incentives, including a limited time landscape rebate promotion across build-ready land and an energy rebate in Whitlam. Consistent marketing and customer nurturing strategies also resulted in high sales enquiries and conversions. To manage the volume of customer interest and ensure an equitable and transparent approach to land sales, the ballot method of sale was implemented across new single residential land releases in Taylor and Whitlam.

In 2021–22, our sales and marketing strategy will continue to focus on customers by enhancing the digital experience with the development of a new website, increasing customer confidence in buying land for residential homes, and climate-wise building. We will also be developing strategies to collaborate with visionary property developers across Australia to deliver more housing choice for Canberrans.

We continue to have a strong focus on achieving the best environmental, economic and social outcomes through our developments. Our Sustainability Strategy 2021–25 supports the objectives set out in *Canberra’s Living Infrastructure Plan* and the *ACT Climate Change Strategy*. We will continue to work closely with ACT Government directorates, industry and the community to support the development of zero emissions suburbs through investigating community-scale battery storage in Jacka, developing the Molonglo Group Centre as all-electric, trialling electric vehicle charging infrastructure, and supporting the community to design and build all-electric homes.



We will implement actions under our Tree Canopy Cover Framework to maintain Canberra’s urban tree canopy, monitor new living infrastructure technology in Whitlam, and develop guidelines to protect the interface with nature reserves around the new suburb of Kenny. We will implement our Placemaking Framework to create a sense of identity in new developments, as well as designing places that support community wellbeing, health and inclusivity.

We remain committed to achieving the best social outcomes for the Canberra community by delivering the actions outlined in the *ACT Housing Strategy* and working closely with other areas of government. In delivering the ACT Government’s Affordable Home Purchase Scheme, we have focused on improving the customer experience, offering a broader range of opportunities such as house and land packages, and increasing the number of participants. We will continue to work with other ACT Government agencies to identify and implement new initiatives to support housing choice and to meet housing targets for affordable, community and public housing in new developments.

Our community development program—Mingle—is designed to achieve social objectives that help new residents feel part of the community and encourage their involvement in community life and activities. The program will continue to support the creation of networks, groups and programs among residents, which will ultimately become self-sustaining. The program will centre around skills and experiences designed for residents to ensure confidence in building their own community networks.

Collaboration will continue to be an ongoing focus in 2021–22. We will continue to engage with other government agencies and directorates to ensure the ACT Government’s strategic objectives are met and the best outcomes for our community are achieved. We will actively engage with Traditional Custodians and the Indigenous Elected Body. Our key engagement projects will seek direct feedback from Indigenous groups that recognises the connection to Country and the traditional custodians of the ACT and region.



Internal accountability

Suburban Land Agency Board

The Agency Board was established as a governing board under section 45 of the CRASLA Act. The Minister for Housing and Suburban Development appoints members to the governing board. The minister must, as far as practicable, ensure that members of the Board have knowledge of, or experience in, at least one of the following disciplines and areas of expertise:

- urban design and planning
- social inclusion and community building
- civil engineering and civil works
- real estate sales
- property development
- law, public administration and governance
- affordable housing, community housing and public housing
- environmentally sustainable development.

Under section 56 of the *Financial Management Act 1996* (FM Act), the Board is responsible for the efficient and effective financial management of the Agency. Section 77 of the FM Act states the functions of a governing board as follows:

- setting the authority's policies and strategies
- governing the Agency consistently with the authority's establishing Act and other relevant legislation
- ensuring, as far as practicable, that the authority operates in a proper, effective and efficient way
- ensuring, as far as practicable, that the authority complies with applicable governmental policies (if any).

For the majority of the 2020–21 financial year the Board was comprised of seven Board members. On 22 June 2021, terms expired for two Board members. Both members were subsequently appointed for an additional term in July 2021. The Board's Charter sets out the roles and responsibilities of the Board and individual Board members, processes for Board meetings, conflicts of interest and Board member conduct.

Board members

John Fitzgerald (Chair)

John has extensive experience in infrastructure policy and delivery, public transport and urban renewal. He has a strong background in governance, finance and commercial negotiations. In recent years he was a Specialist Advisor to KPMG and Interim CEO of Infrastructure Australia, leading the organisation through substantial change and the production of the first Australian Infrastructure Audit.

He is Chairman of Evolution Rail Pty Ltd (manufactures and maintains high capacity Melbourne metro trains), and Infranexus Management Pty Ltd (an IFM Investors subsidiary). He is also a Director on the Board of Infrastructure Australia. John's previous positions included Chair of Canberra Light Rail Board, Chair of NSW Government's Sydney International Convention Exhibition and Entertainment Precinct project, Director of Victorian Funds Management Corporation Board, Barangaroo Delivery Authority, Port of Melbourne Corporation and Infrastructure Partnerships Australia Boards.

Prior to joining KPMG in 2011, John was Deputy Secretary at the Victorian Department of Treasury and Finance (DTF). Before joining DTF in 2000, John predominantly had an investment banking background.

John holds a Master of Public Infrastructure (Research) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors (AICD) and the Institute of Public Administration Australia (Victoria).

Peter Howman (Deputy Chair)

Peter is an executive director and chair, non-executive director, board committee member, and National CEO of the Year. He has more than a decade of board-level experience across the public, private and not-for-profit sectors, with particular experience in the property funds (REIT), urban development, housing construction, high technology, and investment management sectors.

Peter brings experience in all major board disciplines, including accounting, audit, finance, governance, legal, policy, high technology, strategy and specifically property. In an executive capacity, Peter is experienced in a range of organisations from high technology start-ups to large multinationals and multi-billion-dollar residential development and property management. He was awarded the coveted Australian CEO of the Year in 2015–16 by the Customer Services Institute of Australia (CSIA).

Peter is a past director of the Urban Development Institute of Australia—NSW (UDIA) and chair of the Urban Renew Committee, which included assistance in developing the Housing Affordability and Diversity Housing reports for NSW as well as a member of judging panels in NSW and Queensland.

Peter is Chair of the Agency Board Audit and Risk Committee. He is currently Chair of OzHelp Foundation, which is a not-for-profit, ACT-based organisation focused on workplace wellbeing and suicide prevention. In addition, Peter is a Director of Consolidated Land and Rail Australia (CLARA), which was formed to deliver new ways of imagining, planning, and building sustainable, smart-cities, transport and infrastructure.

Peter has an MBA, GradDip Management, GradDip Computer Science and a MSc in Sustainable Urban Development from the University of Oxford, UK, with a Dissertation 'Imaging the Real: The Post Autonomous Vehicle City'. Peter is also a Fellow of the AICD and has completed many AICD courses.

Peter's term on the Board concluded 22 June 2021.

Angus Dawson

Angus Dawson has over 35 years' experience in property development and commercial construction. He has worked in senior executive roles in private and public sector organisations in NSW, Queensland and throughout the UK.

In the private sector Angus established Lansdown Homes for the UK-based Beazer PLC, an integrated residential development company in Sydney and Brisbane. He was instrumental in bringing the development division of Urban Pacific (formerly Pioneer Homes) to commercial profitability.

As CEO, Angus has led the NSW Government's delivery of the \$3.45 billion Building the Education Revolution, the Growth Centres Commission, and the Honeysuckle Development Corporation.

He now consults to industry and government on property, infrastructure, governance and management.

Angus has sat on numerous boards, government selection panels and review committees. Directorships include Lansdown Homes, The Illawarra Housing Trust, The Growth Centres Commission, Hunter Medical

Research Institute, City West Housing, and the UDIA. He was President of the NSW division of the UDIA, Chair of the Hunter Red Shield Appeal and currently chairs the Penrith City Council's Property Advisory Panel.

Angus holds a Bachelor degree in Applied Science (Building), is a member of the AICD and a life member of the UDIA.

Angus' term concluded 22 June 2021.

Katrina Fanning

Katrina Fanning is a Wiradjuri woman from NSW who has had a long career in the government, community and sport sectors. She held senior executive positions in Centrelink, Aboriginal Hostels, and the Department of Education, Employment and Workplace Relations, and completed a secondment to the Ministry of Social Development based in Auckland in 2008.

Katrina is currently a board member for the Fred Hollows Foundation, Canberra Raiders, ACT Women's Legal Centre, and Winnunga Nimmityjah Aboriginal Health and Community Service. She is the Chairperson of the ACT Aboriginal and Torres Strait Islander Elected Body and the Australian Rugby League Indigenous Council. In addition, she is part of advisory bodies for the ANZ Business Leadership Forums and is a small business owner in Canberra.

Katrina was named the ACT Australian of the Year in 2020, ACT Woman of the Year in 2014, and awarded a Public Service medal in 2015 for her work in Indigenous Affairs, women's rights, homelessness and family violence.

Julie Garland McLellan

Julie Garland McLellan is a professional director with experience on a range of boards in the not-for-profit, government and commercial sectors.

She has served on the boards of the Melbourne Water Corporation, Victorian Energy Networks Corporation, City West Water, Victorian Minerals and Energy Council, the University of Melbourne's Engineering Foundation, Kimbriki Environmental Enterprises, Oldfields Holdings, Hats Holdings, Professional Speakers Association, Kyoto Energy, Wind Hydrogen, Bounty Mining, Melbourne Chamber of Mines, Fitness Australia, and Hassall & Associates.

Julie has held senior management, strategic planning and executive leadership roles with major and international corporations, including Thames Water, Tillyard, BHP, KPMG, and Gamesa Energy Australia.

She holds a Bachelor degree in Civil Engineering with Honours from City University, London. She has an Executive MBA from the Instituto de Empresa Madrid, a Graduate Diploma in Applied Finance and Investment from Securities Institute (now FINSIA), and an Advanced Diploma in Company Directorship from the AICD.

She is an AICD Fellow and an accredited Certified Speaking Professional through Professional Speakers Australia. Julie has written textbooks on company directorship for the commercial, government and not-for-profit sectors.

Shelley Penn

Shelley Penn is a Melbourne-based architect, urbanist and non-executive director. Established in 1993, her practice has been recognised through architecture awards, publication and exhibition in Australia and overseas. In 2000, her focus broadened to encompass strategic advice to government and the private sector on the achievement of high quality outcomes in public architecture and urban design.

She is the Monash University Architect, Director of the Australian Centre for Contemporary Art and Director of Infranexus Management Pty Ltd. She is a member of the advisory board of the Office of Projects Victoria and the Board of Open House Melbourne—Centre for Architecture Victoria. Shelley is an Adjunct Professor in Architecture Practice at Monash University, Associate Professor in Architecture at the Melbourne School of Design, and a member of State Design Review Panels for Victoria, NSW, WA and the ACT.

Past roles include Chair National Capital Authority, National President Australian Institute of Architects, Associate Victorian Government Architect and Co-chair for the Barangaroo Review 2011. In 2014, she was named an AFR/Westpac '100 Women of Influence' in the Public Policy Category. Through practice, advocacy and advisory work, Shelley is driven by her commitment to improving social outcomes, enriching culture, and sustainability through advancing the quality of the built environment. She was made a Member of the Order of Australia in 2021.

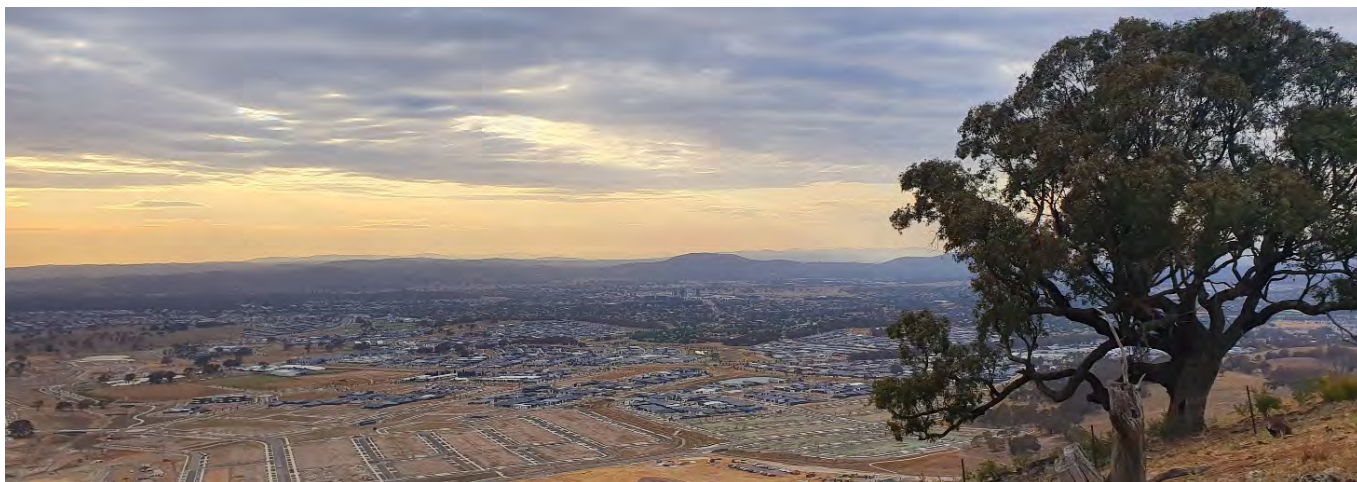
Clare Petre

Clare Petre has a long career in the government, community and media sectors. She was the Energy and Water Ombudsman NSW for over 16 years and prior to that was a Senior Assistant Commonwealth Ombudsman.

Clare was previously a board member of City West Housing and Energy Consumers Australia, and has served on a range of NSW and Australian Government advisory bodies. She chaired the consumer advisory panels for ASIC and the Credit and Insurance Ombudsman, and was Chair of the Australian and New Zealand Ombudsman Association.

Clare is currently the Customer Advocate (Wealth Remediation) for NAB, Chair of the New Energy Tech Consumer Code Council, Chair of the Independent Accountability Panel for the Energy Charter, Chair of the Code of Conduct Committee of the Australian Council for International Development, and Deputy Chair of the Asylum Seekers Centre.

Clare has a Master degree in Social Administration (LSE), Bachelor of Social Studies and Diploma of Criminology (Sydney), and is a member of the AICD.



Board member attendance

A total of 11 meetings were held during the 2020–21; of these, three were extraordinary meetings.

Table 1: Board member attendance

Name	Position	Meetings Attended
John Fitzgerald	Chair	11
Peter Howman	Deputy Chair (appointment expired 22 June 2021)	11
Angus Dawson	Member (appointment expired 22 June 2021)	11
Katrina Fanning	Member	8
Julie Garland McLellan	Member	11
Shelley Penn	Member	11
Clare Petre	Member	11

Board decisions

Matters considered by the Board in 2020–21 included:

- Annual Report for 2019–20
- Belconnen Ex-Water Police Site re-release
- East Lake Precinct
- Ginninderry Joint Venture
- Kingston Arts Precinct
- Lawson Stage 2
- Macarthur House Release Methodology
- Molonglo 132K Relocation Project
- Significant Programs and Culture Committee
- Suburban Land Agency 2020–21 Budget Review
- Suburban Land Agency Board and Committee Charters
- Suburban Land Agency FTE Review
- Suburban Land Agency Housing Affordability Strategic Action Plan
- Suburban Land Agency Internal Audit Annual Work Plan 2020–21 and Risk Registers
- Suburban Land Agency Internal Audit Charter
- Suburban Land Agency Procurement Governance Framework
- Suburban Land Agency Risk Management Framework and Policy Statement



- Suburban Land Agency Sponsorship Policy and Standard Operating Procedure
- Suburban Land Agency Stakeholder Engagement Strategy Refresh
- Suburban Land Agency Sustainability Strategy
- Urban infill options
- Wright Affordable Built Form Project Initial Business Case.

Board committees

In accordance with section 50 of the CRASLA Act, the Board appointed a Board Audit and Risk Committee (BARC), a People and Transition Committee (PTC) and a Significant Programs and Culture Committee (SPCC). The PTC was dissolved on 31 December 2020 and the SPCC commenced on 1 January 2021.

These committees consisted of both Board and independent members as shown in Table 2.

Table 2: Committee membership and roles

Name of Committee	Membership	Role
Audit and Risk Committee	Peter Howman	Chair
	Julia Garland McLellan	Member
	Margaret Walker*	Member
	Clare Petre	Member
People and Transition Committee	Shelley Penn	Chair
	Angus Dawson	Member
	John Fitzgerald	Member
Significant Projects and Culture Committee	Shelley Penn	Chair
	Angus Dawson	Member
	John Fitzgerald	Member
	Katrina Fanning	Member

(*) = Independent Committee Member



Remuneration for Chief Executive Officer and Board members

The Remuneration Tribunal, in line with the *Remuneration Tribunal Act 1995*, determines the remuneration for the CEO and Board members.

Table 3: Senior Executives (Band 2 and Band 3) as at 30 June 2021

Name	Position
John Dietz	Chief Executive Officer
Neil Bulless	Deputy Chief Executive Officer
Tom Gordon	Executive Director, Development Delivery
Nicholas Holt	Executive Director, Built Form and Divestment

Joint Venture Board

West Belconnen

The West Belconnen Joint Venture (Ginninderry) is a shared operation between the Territory, represented by the Agency and Riverview Developments Pty Limited. Ginninderry will develop land in the ACT and NSW to help meet future demands for housing.

A Board and Project Control Group govern the joint venture and manage the operational aspects of the project.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



B.2 Performance analysis

There was unprecedented interest in single residential land across the Agency's estates in 2020–21. This was evidenced by the exceptionally strong interest in land sales information through our digital media channels, the level of registrations for sales events, and the record number of sales of single residential blocks for the year, which totalled 1,400. As a result, we sold all over-the-counter inventory from 2019–20 and all single residential releases in 2020–21.

We also sold a further 125 compact dwelling sites, 33 commercial, multi-unit and mixed-use sites (with a combined yield of 2,670 dwellings), and one aged care site capable of delivering 30 independent living dwelling units. We sold eight industrial zoned sites with a combined land area of 71,340m² and two community-use sites with a combined land area of 10,784m².

During 2020–21, we continued to work closely with Housing ACT, resulting in the sale of 12 sites yielding 49 public dwellings. The sites comprised single residential, compact, and multi-unit blocks. Land was released for a total of 345 affordable, public and community housing dwellings against the target of 302 dwellings.



Stakeholders and clients

With a focus on collaboration, we continued to prioritise engagement within government, community and industry. A comprehensive refresh of the Stakeholder Engagement Strategy was finalised in 2020–21. We held Agency-wide workshops and key stakeholders assisted us to embed stakeholder engagement across the Agency.

In line with our vision of ‘creating great places where communities thrive’, we undertook proactive and wide-ranging online and in-person community consultation to inform the release strategy and sales documentation for several development sites in 2020–21.

Engagement for the Belconnen Town Centre land release sites across the Circus Site Precinct, Lathlain Street Precinct and the former Water Police sites resulted in a Place Design Brief. This articulated the place proposition and what place character should be preserved or enhanced as part of the development of the land release sites. Co-designed with community stakeholders, this document established the non-financial objectives of the land sales to guide future development outcomes. As a result of this engagement process, the first release of Belconnen Lakeshore was tendered through a two-stage process.

Community and stakeholder feedback on the three key mixed-use sites in Coombs and Wright, adjacent to John Gorton Drive, resulted in the Coombs and Wright Village Design and Place Framework. Intended to guide developers in creating a vibrant commercial hub for the Molonglo Valley, it responds to community feedback on ground floor commercial uses, green spaces, pedestrian connectivity, park linkages and a community activity centre. Similar to the Belconnen Town Centre release, the three development sites were released via a two-stage tender process, with the successful tenderers required to enter a Concept Delivery Deed with the Agency, requiring their Development Application to be approved before settlement on the site.



Three sites in Moncrieff and Taylor are following a similar process of engagement and delivery, with a two-stage tender process to be completed in 2021–22.

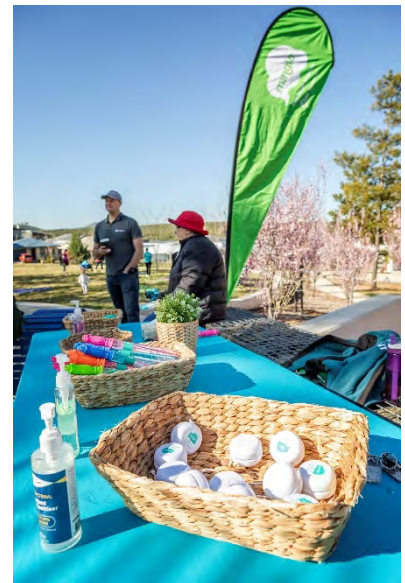
As noted in **Section B8 Community engagement and support**, other engagement activities in 2020–21 included:

- draft design for the Kama Nature Reserve buffer in Whitlam
- a proposed Throsby community garden
- Lower Deep Creek infrastructure works in Molonglo Stage 3
- a Landscape Management Plan for Lane Poole Place in Yarralumla
- Brickworks Precinct redevelopment
- Coombs pathway and landscaping upgrades.

A major engagement process concluded in 2020–21 with the final concept approved for the Coombs Play Space. This extensive community consultation commenced in 2018 for the project planned at Holdens Creek Pond and it attracted considerable attention from a wide section of the community. Construction on the play space is scheduled to commence in 2021–22.

Another key focus for 2021–22 will be to continue to strengthen our active engagement with Traditional Custodians and stakeholders. Our key engagement projects will seek direct feedback from Indigenous groups that recognises the connection to country and the traditional custodians of the ACT and region.

We are working to recruit an Indigenous engagement officer in 2021–22, with the role commencing as a pilot in the first phase.



The Board endorsed a strategy in October 2019 for a stronger focus on placemaking—a collaborative and multidisciplinary process focusing on people and drawing from the unique qualities of a place. The Placemaking Framework identifies a pathway for the Agency to transition to a place-led delivery agency and highlights opportunities to incorporate placemaking into all aspects of our work. In 2020–21, placemaking was incorporated into the design and development of a number of sites, including the Whitlam Display Village, Belconnen Lakeshore and Gold Creek Homestead.

Through the 2019–20 Budget process, the government agreed to the Agency taking ownership of, and funding responsibility for, three major critical infrastructure projects required to support development in the Molonglo Valley. There were significant advancements made in 2020–21 on:

- the Deep Creek Water Quality Control Pond in Whitlam
- the High Voltage Electrical Relocation in northern Molonglo (construction is due to commence in 2021–22)
- the Molonglo Valley Intercept Sewer Odour Mitigation Project (construction is due to commence in 2021–22).

In November 2020, the first stage of Whitlam was officially declared open. An event was held to mark the estate’s opening at the public entry off John Gorton Drive into Sculthorpe Avenue. Aunty Violet Sheridan conducted the welcome to country, and Ngunnawal-Kamilaroi man, Richie Allan, provided an interpretation of the local area’s Aboriginal history.

Whitlam Mingle launched all digital platforms, including Facebook and its webpage, in April 2021 to generate interest for future residents. Approximately 140 people attended the first Whitlam Mingle event in May 2021 to welcome soon-to-be residents and introduce Agency staff. There were activities for children and families, as well as Indigenous walks to share stories about local culture.



Agency staff providing information on sustainable development initiatives.

Market research was undertaken to better understand the context of what customers value, especially in a COVID-19 environment, and to identify opportunities to increase the value and services we provide to them. Insights from the market research were implemented through marketing campaigns which considered customer needs, in particular, helping first home builders gain confidence in the buying process and helping them leverage sustainability rebates provided by the Agency. Due to COVID-19, information sessions were held online and were well attended by customers.

There was an increased focus on promoting the Agency as a trusted seller of land and to showcase how we deliver great places and thriving communities. Stories about our community, our respectful engagement with traditional custodians, and successful outcomes of our land releases were produced and shared on social media.

As part of delivering on ‘thriving communities’, a place plan was developed for the suburb of Whitlam, which involved engaging with the community and customers on what they would like to see in the neighbourhood. In response to the feedback from the surveys, the commencement of the Mingle program was brought forward and introduced to the neighbourhood earlier. The insights from this engagement will continue to influence marketing and community development strategies in Whitlam and future neighbourhoods.

The Agency website was visited by over 208,000 users in 2020–21. In enhancing the digital customer experience, we conducted a series of internal workshops to develop a concept and approach to the redesign and refresh of a new website. This project will commence in 2021–22.



As part of our sales and marketing strategy for 2021–22, we will continue to focus on customers by:

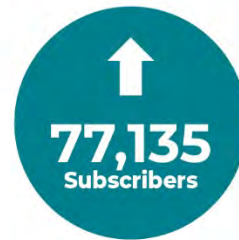
- enhancing the digital experience with the development of a new website
- increasing single residential customer confidence in buying land
- climate-wise building.

Our marketing strategy will see us continue to build our brand and increase familiarity and trust across the community and with industry. Further work will be undertaken to develop a more connected content ecosystem with the development of an education hub, and to create a seamless online to offline experience across the Whitlam display village and sales suite.



208,263

Annual unique users visiting the Agency website



Internal business processes

The SOI identifies innovation as a strategic priority for the Agency. We developed an Innovation Framework which sets out a plan to grow the culture of innovation. The framework draws on best practice innovation strategies and research from across the public and private sectors.

We implemented the Innovation Framework in 2020–21 by delivering six virtual training sessions on a variety of topics, including creating a culture of innovation, design thinking and pitch readiness. We ran a Pitch Innovation Challenge around the theme of 'Your 2021 Workplace', where a panel of judges assessed ideas put forward by teams across the Agency. Ten ideas were put forward by eight different teams, and all were supported by the panel.

We progressed the implementation of the Digital Transformation Strategy and roadmap of innovation and modernisation initiatives. The roadmap is premised on a number of transformation building blocks:

- Intelligent Customer Management
- Insights and Reporting
- Digital Ways of Working
- IT Delivery Model
- Inventory Management
- Integrated Project Delivery.

Key achievements in the Digital Transformation Strategy in 2020–21 included:

- Engagement of a Salesforce Implementation Partner to manage the rollout of the new Customer Relationship Management (CRM) system, which will improve the management of land inventory, customer and stakeholder interaction and provide enhanced, real-time reporting for our core business. Anticipated implementation timeframe is by end of 2021.
- The implementation of a new Contract Management System (CMS) to improve visibility, administration and reporting against active contracts managed by the Agency has progressed. This includes linkages to our existing financial management system to streamline purchase order and invoice processing and reporting. In conjunction with this new CMS, we implemented a new WHS system for monitoring and tracking WHS compliance for principal contractors and contractual arrangements.
- The successful implementation of a range of other business systems to improve our reporting, transparency and efficiency. Examples include a Board management software solution to streamline access to board papers, decision resolutions and associated reporting, as well as the customisation of IBM Planning Analytics (TM1) to streamline the forecasting process and improve financial reporting capabilities.

In response to COVID-19, we have been driving innovation in business processes and systems to ensure it is well placed to respond to the changing environment. We continued to support staff to work remotely through provision of the necessary information and communications technology. With the intranet a central point for key information and communication for staff, a new intranet was introduced in September



2020. The home page features a number of content zones with hero banners, latest news, quick links for both internal and external information, and integration into social media feeds. Overall site traffic to pages, news post and documents is more than 10 times that of the previous financial year and continues to see growth each quarter.



Sustainability processes

We continued to expand our understanding of best practice sustainability by engaging with national forums, including:

- the Government Land Organisation (GLO) network
- Clean Energy Council
- Infrastructure Sustainability Council of Australia (ISCA)
- the Green Building Council of Australia (GBCA).

We developed case studies looking at different aspects of sustainability, including medium density housing, electric vehicle charging, design guidelines and gas-free commercial centres.

We undertook research into sustainability strategies and policies as part of preparing our Sustainability Strategy 2021–25.

We implemented a number of initiatives to support social and environmental sustainability for:

- resilient communities
- zero emissions suburbs
- responsible consumption and production
- healthy, prosperous, and inclusive places.

Some of the key projects delivered included:

- piloting sustainability rating tools such as the Green Star Communities and Green Star Buildings tools in a number of urban release sites
- implementing actions under the Tree Canopy Cover Framework
- implementing actions under the Innovation Framework
- progressing work on the Jacka Community Battery project
- creating a Climate Wise Garden Designs booklet for residents
- piloting the Green Star Communities tool as part of the tender for the Gold Creek Homestead site.

These projects were promoted across Agency channels, including the website and social media. Find out more about our activities in **Section B12 Ecologically sustainable development**.

The Mingle program provides the opportunity for residents in our new estates to participate



in their community and connect with their neighbours. During 2020–21, the Mingle program provided a range of activities that focused on health, wellbeing and sustainability, including ranger-led walks in the Molonglo Valley, Nature Playgroup in Throsby, and Neighbour Day Community Picnics in Moncrieff, Taylor and Throsby. The Mingle program also encourages residents to walk or ride to events and provides healthy catering options.

In addition to these events the Mingle program provided communications to residents through newsletters and social media on topics including recycling, energy efficient design, and local environmental areas. All events include recycling options to minimise waste to landfill. Mingle also partnered with Love Food, Hate Waste, an initiative of an ACT Government, to educate the community about avoiding food wastage.

To continue to improve the Agency’s social sustainability, the Mingle community development program undertook a review at the end of 2020. Community development will remain a core focus in developing future Mingle programs with a stronger emphasis on resident-led activities.

We continued to deliver initiatives that offer housing choice for the Canberra community, with a commitment to supporting the ACT Government in delivering the *ACT Housing Strategy*.

In 2020–21, we continued to release land to support the ACT Government’s housing targets for affordable, public and community housing. Sites for a total of 345 dwellings were released against the target of 302 dwellings. While there were no sites to be released against targets from prior financial years, where sites were released but did not sell, we continued to ensure that these included the appropriate affordable, public or community housing targets.



Table 4: Affordable, public and community housing targets and delivery

Suburb	Block/ Section or Location Description	Target: Affordable Housing	Actual: Affordable Housing	Target: Public Housing	Actual: Public Housing	Target: Community Housing	Actual: Community Housing
Casey*	Blocks 12 and 13, Section 132	10	-	-	-	-	-
Gungahlin	Block 3 Section 249	14	14	-	-	-	-
Gungahlin	Block 5 Section 249	37	37	3	3	-	-
Gungahlin	Block 6 Section 249	20	20	5	5	-	-
Belconnen	Blocks 26 and 30 Section 52 and Block 1 Section 151	50	50	25	25	-	-
Moncrieff	Block 2 Section 22	16	16	-	-	-	-
Coombs	Block 1 Section 60	17	17	-	-	-	-
Coombs	Block 2 Section 36	3	3	-	-	-	-
Coombs	Block 1 Section 21	30	30	-	-	-	-
Kenny**		15	-	10	-	10	-
Wright	Block 1 Section 39	27	27	10	10	-	-
Totals:		239	214	53	43	10	-
Land Rent Releases^	Taylor and Whitlam	-	82	-	-	-	-
Other Releases^^	Wright and Bonner	-	-	-	6	-	-
Total outcome		239	296	53	49	10	-

Notes:

* The release of these sites was delayed as the sites were not yet in the Agency's control. The target will continue to apply to the sites until they are released.

** The release of this site was not achieved as the site is not yet in the Agency's control. The assigned target will carry over against Kenny until the associated release takes place.

^44 single residential blocks in Taylor and 38 in Whitlam were released as part of Land Rent ballots.

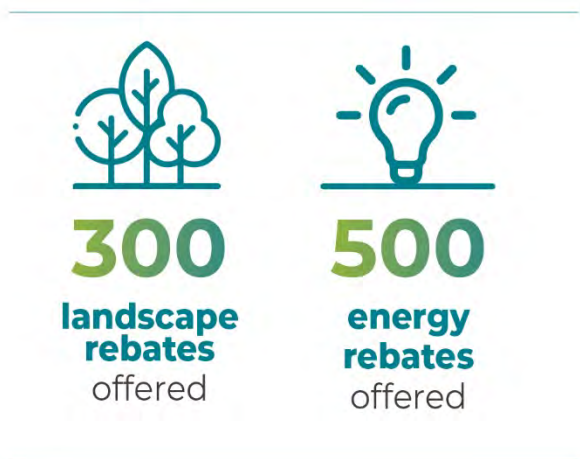
^^There was no target for public housing assigned to these sites, however, an additional 6 single residential blocks across Wright and Bonner were released to Housing ACT.

We focused on providing opportunities through the Affordable Home Purchase Scheme, with more than 2,000 new registrations received. We worked to connect eligible buyers participating in this scheme with properties available at fixed price thresholds.

Innovative options for providing housing choice and encouraging affordable living and social inclusion have also been considered by the Agency, working collaboratively with other teams across the ACT Government.

We are considering further opportunities for home ownership, rental options and other ways to provide housing as part of thriving communities. These opportunities are outlined in a Strategic Action Plan to progress further in 2021–22.

To support potential customers, a buyers' guide to the Affordable Home Purchase Scheme was developed and the website updated for a more streamlined user registration journey. Social media advertising was also used to reach new audiences and drive public awareness of the scheme.



To encourage sustainable, waterwise and local native front gardens, a Front Garden Landscape Rebate of up to \$12,500 was offered for land ready single residential blocks sold in the communities of Coombs, Taylor, Throsby and Wright between 8 August 2020 and 31 October 2020. Over 300 new homeowners were entitled to receive the rebate if they met the eligibility requirements.

An Energy Rebate Program designed to help reduce energy consumption and reliance on fossil fuels was offered to all

buyers of single residential land in Whitlam. A \$10,000 rebate was available where the buyer decided to go 'all electric', install solar PV and choose a light-coloured roof. For 2020–21, over 500 new homeowners were entitled to participate and apply for the rebate.



People, learning and growth

We maintain our ongoing commitment and focus on the health and wellbeing of our people. Having transitioned to an Activity Based Work (ABW) environment in July 2020, when we relocated to the Dickson Office Block, we were well positioned to actively promote work–life balance and provide flexible work arrangements as the COVID-19 pandemic continued throughout 2020–21. We strengthened the induction process to support and engage people as they commenced with their respective teams in a COVIDSafe and ABW environment and whilst working from home.

A Workforce Capability and People Framework, along with an Action Plan, was developed in line with the SOI. Great importance is placed on promoting and maintaining the health and wellbeing of our people and providing support mechanisms to enable individuals to be challenged, grow and follow a career pathway that enables them to achieve their personal and professional goals.

The framework is focused on four pillars: analyse, recruit, develop and retain. Specifically, the pillars of *develop* and *retain* are executed by:

- engaging and supporting staff in the performance development cycle, encouraging continuous improvement and providing opportunities for individual and professional growth
- building capability of staff across the Agency in identified areas of need through training, coaching and other learning and development
- enhancing the robust and innovative WHS, wellbeing and staff engagement to support retention and people-focused initiatives for the Agency.

This is a foundational framework and is key to supporting our people.

Agency staff are encouraged to engage in their Performance Development Plan (PDP) to consider and document their personal and professional goals and identify opportunities for learning and growth. We implemented a strategy to promote the development, review and completion of PDPs and provided support to staff and their managers during the uncertain times of the pandemic. We are committed to working with and supporting supervisors and staff to engage and complete PDPs, as well as implement effective communication with staff and their supervisors in relation to building capability and providing training opportunities.

Preparations for the first Whitlam Mingle event.



As a result of our continued focus and strategy implementation, we achieved a 94% completion rate for PDPs being created.

In 2020–21, staff completed mandatory training relating to Fraud and Ethics. Conflict of Interest training was also a strong focus for the Agency. Our CEO presented Conflict of Interest training at our all-staff meeting, and workshops were scheduled and facilitated every eight weeks thereafter. Conflict of Interest training is now mandatory for all staff.

An unconscious bias training workshop was piloted with executives and senior leaders in June 2021. The pilot received positive feedback and as a result, this training was made mandatory for all staff and will be facilitated in 2021–22.

Work, health and safety

We are committed to the health, safety and welfare of our people, including those contracted to perform work on our behalf, volunteers and visitors to our workplace and development sites. We continued to place a strong emphasis on work health and safety improvements throughout 2020–21. This included:

- supporting workers in response to the pandemic
- providing current information on changing work environments
- redesigning event risk management plans and processes
- annual mandatory WHS training for all Agency staff
- proactively undertaking certification audits of contractors.

Safety is of the utmost importance to the Agency, and we expect those working with us, as contractors or partners, to also prioritise their management of workplace health and safety. Our active certification audits continued to be well received by our civil contractors, with continual improvements made in safety systems across the civil construction industry.

As the impact of COVID-19 was still felt across 2020–21, the mental and physical health and wellbeing of all staff continued to be of paramount importance. The Agency provides a full range of support to staff to work flexibly in the pandemic. We continue to monitor the impact of COVID-19, the changing HR and industrial landscape, and continue to work collaboratively with key stakeholders across ACT Government.

Further information can be obtained from:

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B.3 Scrutiny

Auditor-General Reports

Table 5: Auditor-General's [Report No. 3 of 2018: Tender for the Sale of Block 30 \(Formerly Block 20\) Section 34 Dickson*](#)

Recommendation Number, Summary and Government Response	Action	Status
<p>2. Strengthen probity</p> <p>Consistent with the administrative responsibilities since July 2017 the EPSDD, CRA and the Agency should strengthen accountability for probity in procurement by:</p> <ul style="list-style-type: none"> Establishing clear standards of conduct and record keeping for all staff engaged in tenders that at a minimum, address communications with prospective and actual tenders, negotiations with preferred and winning bidders and valuations of both initially submitted and final bids. Facilitating training on probity for all staff involved in procurement processes. Introducing controls and reporting requirements at key procurement (including tender) stages that assure and transparently demonstrate consideration of probity risks. <p>The ACT Government agreed with the recommendation.</p>	<p>Treasury has prepared guidelines for developing business cases for the acquisition of land, which include templates and guidance material. The documentation will be 'road tested' for the next acquisition process and feedback provided to enable updates and amendments as required.</p>	<p>Closed.</p>

Table 6: Auditor-General's [Report No. 8 of 2018: Assembly of Rural Land West of Canberra*](#)

Recommendation Number, Summary and Government Response	Action	Status
<p>2. The Agency should:</p> <ul style="list-style-type: none"> Implement a process to verify that, for the purchase of any property, any directions given by the Minister and in-Cabinet decisions are implemented in accordance with any approved framework. Align internal guidance material and operating procedures so that these are consistent with any direction or policy the government makes publicly available. Document compliance. 	<p>The Agency is working with EPSDD and Treasury to prepare guidance material to support the consistent interpretation and application of the <i>City Renewal Authority and Suburban Land Agency (Suburban Land Agency Land Acquisition) Direction 2017</i> (DI2017-262).</p> <p>The Agency Delegations Framework has been amended to require Board scrutiny of all significant acquisitions and sale of land. Increased reporting via the <i>Government Agencies (Land Acquisition) Reporting Act 2018</i> has increased transparency to ensure decisions of government are delivered.</p>	<p>In progress.</p>

Recommendation Number, Summary and Government Response	Action	Status
<ul style="list-style-type: none"> Routinely test the application of guidance and operating procedures. <p>The ACT Government agreed with the recommendation.</p>	The Agency and EPSDD finalised an MoU in relation to land transfers in June 2021.	
<p>8. The Agency should:</p> <ul style="list-style-type: none"> Undertake a strategic analysis of options for the daily management of purchased rural properties including considering use and ongoing management at a larger scale. Implement the preferred option. Execute contracts for the management of all rural land purchases managed on its behalf. <p>The ACT Government agreed with the recommendation.</p>	The Agency completed a strategic analysis of current daily management arrangements for all rural land in its ownership, including assessing value for money and environmental outcomes. Using the outcomes of this analysis, the Agency will implement new contractual measures as current arrangements lapse.	Closed.

Note:

* While the Agency was not the subject of this audit, since 1 July 2017 the Agency has had responsibility for activities considered in this audit that were previously those of the former Land Development Agency. Recommendations are therefore made to the Agency.

Table 7: Auditor-General's Report: Final Audit Management Report for year ended 30 June 2019

Recommendation Number, Summary and Government Response	Action	Status
<p>1. The Agency should continue to monitor events and conditions relating to going concern at balance date and where relevant:</p> <ul style="list-style-type: none"> Prepare accounting workpapers to document its assessment of the going concern basis of preparation of the financial statements. This assessment should be considered by the Board, taking into account all available information about the future including a wide range of factors to satisfy themselves that the going concern basis is appropriate as required by AASB 101. Disclose the going concern basis of preparation of the financial statements in accordance with AASB 101 and Model financial statements. <p>The ACT Government agreed in part with the recommendation.</p>	<p>In the 2019–20 financial year the Agency resolved this finding by:</p> <ul style="list-style-type: none"> providing relevant workpapers at the time draft financial statements were submitted to the Audit Office. Workpapers supported the going concern basis of preparation of the financial statements of the Suburban Land Agency providing adequate disclosures in the financial statements on the going concern basis of preparation of the financial statements. 	Closed.
<p>2. The Agency should measure and report a result of all accountability indicators included in its statement of intent as</p>	In 2019–20, the Agency reported a result for all accountability indicators included in its statement of intent.	Closed.

Recommendation Number, Summary and Government Response	Action	Status
<p>required by the <i>Financial Management Act 1996</i> (FMA Act). The ACT Government agreed with the recommendation.</p>	<p>When results are measured for all accountability indicators:</p> <ul style="list-style-type: none"> the Suburban Land Agency complies with Section 68(2) of the FMA Act readers of the statement of performance can assess Suburban Land Agency's performance by reference to the performance criteria and other measures included in its Statement of Intent. 	

Table 8: Auditor-General's [Report No. 4 of 2020: Residential Land Supply and Release](#)

Recommendation Number, Summary and Government Response	Action	Status
<p>7. Environment, Planning and Sustainable Development Directorate, Suburban land Agency and City Renewal Authority should:</p> <p>a) Review and amend the nature and type of Affordable Housing dwellings offered to the market through the Affordable Home Purchase Program in order to better meet market demand.</p> <p>b) Following these changes, plan for an evaluation of the Affordable Home Purchase Program to review the effectiveness of the program in meeting affordable housing policies and objectives of the Territory.</p> <p>The ACT Government agreed with the recommendation.</p>	<p>In response to recommendation 7(a), the nature and type of affordable housing dwellings offered to the market through the Affordable Home Purchase Scheme is limited by the blocks of land identified for release through the ILRP, and the affordable housing price thresholds. It is difficult to deliver large standalone dwellings on smaller blocks with a price threshold well below market value for these types of homes. However, the Agency has, through delivery of the ILRP, offer separately titled compact-size lots suitable for townhouses under the Affordable Home Purchase Scheme, and current Project Delivery Deeds for affordable housing dwellings in multi-unit sites specify a minimum of two bedrooms to be provided. This recommendation was also be addressed via increased communications to potential purchasers on available dwelling types and referring applicants to consider other types of housing and/or government rebates that may more closely meet their needs.</p>	<p>7 (a) Closed.</p> <p>7 (b) - In Progress EPSDD has commenced a review of the Affordable Home Purchase Scheme.</p>

Legislative Assembly Committee Reports

Table 9: Standing Committee on Planning and Urban Renewal [Report No. 11 of 2020: Inquiry into Annual and Financial Reports 2018–19](#)

Recommendation Number, Summary and Government Response	Action	Status
13. The Committee recommends that the ACT Government provide more detail on the number of dwellings anticipated for the Kingston Arts Precinct Development. The ACT Government agreed in-principle with the recommendation.	The Kingston Arts Precinct development is being developed by Geocon. The project is currently in the design development phase and more detail with respect to number of dwellings and other uses will be included and presented by Geocon as part of mandatory community engagement during the pre-Development Application period.	In progress.
14. The Committee recommends that the ACT Government provide more detail on the proposed parking arrangements for the Kingston Arts Precinct Development. The ACT Government agreed in-principle with the recommendation.	Detail on the proposed parking arrangements during construction and within the future development is a statutory requirement and will form part of mandatory community engagement during the pre-Development Application period to be undertaken by Geocon.	In progress.
15. The Committee recommends that the ACT Government ensure that full and transparent consultation is undertaken with arts groups, local residents and businesses. The ACT Government agreed in-principle with the recommendation.	The Agency and artsACT have been meeting monthly with arts organisations since late-2018. Updates are regularly provided on the artsACT website. Geocon has formed a community panel with over 20 members, representing community groups, local residents and businesses. Regular updates are provided on the Kingston Arts Precinct website at kingstonartsprecinct.com.au . The Agency, artsACT and Geocon are working to introduce a 'place-led' engagement to include arts organisations, local residents, businesses and the broader Canberra community. Currently, considerations are given to innovative engagement methods considerate of COVID-19 restrictions that can maintain inclusiveness and quality engagement outcomes.	In progress.

Table 10: Standing Committee on Planning, Transport and City Services: [Estimates 2020–21 and Annual Reports 2019–20](#)

Recommendation Number, Summary and Government Response	Action	Status
6. The Committee recommends that the Agency take into account sustainability requirements for all land releases in all locations, including ensuring block and building sizes allow enough space to meet	Draft Variation to the Territory Plan No.369 – Living infrastructure in Residential Zones (DV369) proposes changes to all residential zones (RZ1 to RZ5) that will contribute towards the	Closed. The Agency complies with government's planning,

Recommendation Number, Summary and Government Response	Action	Status
<p>the 30 per cent tree canopy and 30 per cent permeability targets, cycle and footpath connections encourage active travel, developments are built and are oriented to ensure they have a low energy footprint, all car parks have separately-metered electrical wiring for electric vehicles, and new developments do not have gas connections.</p> <p>The ACT Government agreed in part to the recommendation.</p>	<p>targets for tree canopy cover and permeable surfaces in urban areas, as outlined in <i>Canberra's Living Infrastructure Plan: Cooling the City 2019</i>. The date to provide written comments was extended until 8 May 2020. A total of 82 submissions were received. A report on consultation is being prepared in response to the issues raised.</p>	<p>sustainability and environmental requirements for land developments articulated in the ILRP. In addition, the Agency offers a range of incentives such as the Home Energy Rebate Program in Whitlam, requiring provision for EV charge points and no connection to gas. New suburbs such as Jacka are being designed without connection to gas.</p>

Further information can be obtained from:

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B.4 Risk management

The ACT Insurance Agency (ACTIA) establishes the risk management framework that applies to the ACT public sector. ACTIA offers a range of tools, guidance material and training. This assists Territory entities to develop and implement robust risk management practices and enhance risk management capabilities and awareness.

Our approach to risk management is guided by the International Standard Risk Management ISO 31000:2018 and the ACT Government Risk Management Policy. Risk management principles underpin our planning processes, including strategic planning, project management and delivery.

We adopt and apply a strategic and systematic approach to risk management. This aligns with our objectives and enables sound judgements and improved decision making.

Our priorities for risk are:

- Safety—work health and safety risks are identified, managed and actively monitored as the highest priority
- Effectiveness—striving to deliver quality outcomes the first time
- Efficiency—delivering value for money to the ACT community.

The Board oversees risk management practices in the Agency, supported by BARC and the Executive. In 2020–21, we worked with ACTIA to review the Risk Register and update risk treatment plans. The process was completed in accordance with ACTIA’s guidance on the treatment of risks. The updated Risk Register and risk treatment plans were endorsed by the Board.

A key component of our risk mitigation strategy is the internal audit program, which is delivered by an independent auditor. The BARC regularly monitors the progress of all internal audit recommendations to ensure compliance with agreed outcomes and timeframes.

Further information can be obtained from:

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B.5 Internal audit

The Agency Board established the BARC as a key component of its governance framework. The role of the BARC, as set out in its charter, is to assist the Board to discharge responsibilities in relation to:

- external and internal audit
- risk management
- financial sustainability of the Agency
- reporting of financial information
- the adequacy of financial controls
- legal and regulatory compliance frameworks.

KPMG completed the third year of a three-year term providing independent internal audit services to the Agency. The BARC supervised the following internal audits, which were either engaged or completed during 2020–21:

- cyber security
- fraud control plan and risk assessment
- request for information in major construction contracts
- social sustainability
- Land Development Framework handover from EPSDD
- procurement evaluation and insights
- WHS.

The BARC met seven times in 2020–21.

Table 11: Membership of the Board Audit and Risk Committee (BARC)

Name of Member	Position	Meetings attended
Mr Peter Howman (Agency Board Member)	Chair	7
Ms Julie Garland McLellan (Agency Board Member)	Deputy Chair	7
Ms Clare Petre (Agency Board Member)	Committee Member*	3
Ms Margaret Walker	Independent Member	7

Notes:

1. Agency Board members who are also members of the BARC are remunerated in accordance with the ACT Remuneration Tribunal's Determination 5 of 2019 (Part-time Public Office Holders).
2. Ms Margaret Walker is remunerated in accordance with a contract for services.

* Appointed 11 December 2020 and attended three of three eligible meetings for the period.

Further information can be obtained from:

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B.6 Fraud prevention

The *Public Sector Management Act 1994* requires entities to adopt an active preventative strategy towards the control of all breaches of integrity, including fraud and corruption. The ACT Integrity Policy stipulates that ACT Government entities are to prepare a Fraud and Corruption Prevention Plan every two years. This is to support entities to review risk assessment methodologies and to identify and assess changes in their operations and environment since the previous plan.

We operated in accordance with a portfolio-wide Fraud and Corruption Control Plan, which was approved by the Agency Board, the Board of the City Renewal Authority (CRA) and the Executive Management Board of EPSDD. The Fraud and Corruption Prevention Plan outlines our commitment and approach to the issues and prevention of fraud and corruption. Risks to fraud and corruption were identified in a separate portfolio-wide Fraud and Corruption Risk Register.

In addition to the portfolio-wide risk register, fraud and corruption risks are incorporated in the Agency Risk Register, which were reviewed and updated in 2020–21. The BARC and Executive team oversaw the development and implementation of fraud and corruption prevention activities consistent with the controls identified in the risk registers.

Fraud and corruption control, along with risk assessment, was a key aspect of our 2020–21 internal audit program. We also collected, consolidated and analysed Conflict of Interest (COI) Declarations from all staff during 2020–21. The process was supported by a personalised letter to all staff from the CEO highlighting COI requirements under the *Public Sector Management Act 1994*. Through this process, staff declared real or perceived conflicts, and treatments and/or mitigation strategies were determined where a conflict was identified.

In addition to the COI, the Executive team and Board members provide further disclosures as required for key management personnel under AASB 124 *Related Party Disclosures* (Standard). The Standard defines key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly.

We are committed to operating in a transparent manner. In 2020–21, we proactively engaged with the Integrity Commission on the *Integrity Commission Act 2018* and the changes to the *Public Interest Disclosure Act 2012*, to ensure decision makers, and staff, were fully cognisant of their obligations.

During 2020–21, we demonstrated our commitment to creating and maintaining a positive work culture through continued investment in training and development opportunities for our workforce. This included e-learning training on fraud and corruption, ethics awareness, and other related integrity courses to promote a culture of learning, disclosure, transparency and accountability.



Fraud and corruption prevention training included:

- Conflict of Interest
- Fraud, Corruption and Ethics Awareness
- Information Privacy eLearning
- Probity
- Reportable Conduct Scheme.

This training was provided to staff through a variety of mediums. Messages were reinforced at all-staff meetings and in internal newsletters. This approach will continue into 2021–22 and beyond.

Incidents of reporting in 2020–21

The Agency’s Disclosure Officers for the purpose of public interest disclosure matters made under the *Public Interest Disclosure Act 2012* (PID Act) are the CEO, the Executive Branch Manager Governance and Corporate Services, and the EPSDD Chief Operations Officer.

The Senior Executive Responsible for Business Integrity Risk (SERBIR) during 2020–21 was the EPSDD Chief Operations Officer. SERBIR support for the Agency is provided under a Service Level Agreement with EPSDD.

During the period, eight matters pertaining to allegations of fraud or corruption were reported, with:

- three referred to the Public Sector Standard Commissioner (PSSC)
- six (including two of the matters referred to the PSSC) referred to the Integrity Commission (IC) for further investigation.

One allegation was determined to be unsubstantiated, one matter has been closed with no findings, and one closed with the staff member making an admissions statement and a formal sanction issued. The remaining five are still being assessed by the PSSC or IC.

We have taken a proactive approach to reporting to the IC, and this has seen an increase in referrals this reporting period. This also reflects the changes to the PID Act in March 2021, requiring allegations be referred to the IC for initial assessment rather than this being undertaken within the Agency.

Further information can be obtained from:

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B.7 Freedom of Information

Open Government

The Agency is committed to the principles of open government and operations that align with objects of the [Freedom of Information 2016](#) (FOI Act).

Making an access application

EPSDD manages FOI Act applications on our behalf under a service agreement.

Subject to the FOI Act, every person has an enforceable right to obtain access to government information.

We can assist you to locate the information you are seeking. Please contact the EPSDD Information Governance team on 13 22 81 or email EPSDFOI@act.gov.au.

For more information on making an access application, visit <http://www.environment.act.au/about-us/access-government-information>.

Access applications are recorded in a disclosure log, as required by the FOI Act. To view the disclosure log for EPSDD (which includes the Suburban Land Agency), visit <http://www.environment.act.au/about-us/access-government-information/disclosure-log>.

Freedom of Information Act 2016

Table 12: Open Access Information – Section 96 (3) (a) (i), (ii) and (iii)

	Number	Additional Information
Number of decisions to publish Open Access Information.	41	Nil
Number of decisions not to publish Open Access Information.	1	Nil
Number of decisions not to publish a description of Open Access Information withheld.	1	Nil

Table 13: FOI Applications received and decision type – Section 96 (3) (a) (iv), (vii), (viii) and (ix)

	Number	Additional Information
Number of applications received.	7	1 application pending a decision at 30 June 2021
Number of applications where access to all information requested was given.	1	Nil
Number of applications where access to only some of the information requested was given (partial release).	4	Nil
Number of applications where access to the information requested was refused.	0	Nil

Notes:

1. Two applications were carried over from 2019–20.
2. At the end of the reporting period there were five applications finalised, one application withdrawn and processed informally, one application was transferred, one still in progress, and one application discontinued under section 34 (6) (b).

Table 14: FOI processing timeframe – Section 96 (3) (a) (v), (vi) and Section 93 (3) (d)

	Number	Additional Information
Total applications decided within the time to decide under section 40.	3	Nil
Applications not decided within the time to decide under section 40.	2	The 2 applications decided outside the section 40 timeframe were within the extended timeframes agreed by the applicant
Number of days taken to decide over the time to decide in section 40 for each application.	32, 70	Nil

Table 15: Amendment to personal information – Section 96 (3) (a) (x) and Section 93 (3) (e)

	Number	Additional Information
Number of requests made to amend personal information, and the decisions made (e.g. amended, refused, notation added to record, other).	0	Nil

Table 16: Reviews – Section 96 (3) (b) and (c)

	Number	Additional Information
Number of applications made to ombudsman under section 74.	0	Nil
Number of applications made to ACAT under section 84 and the results of the application (e.g. affirmed, varied, set aside and substituted, withdrawn, other).	0	Nil

Table 17: Fees – Section 96 (3) (a) and (f)

	Number	Additional Information
Total charges and application fees collected from access applications.	0	Nil

Further information can be obtained from:

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B.8 Community engagement and support

Building healthy community connections and stakeholder networks

Stakeholder and community connections are at the core of the Agency’s work. The vision of creating great places where communities thrive is achieved through a focus on innovation, stakeholder engagement and strong partnerships.

We are responsible for encouraging and promoting inclusive communities by delivering people-focused neighbourhoods. The 2020–21 Statement of Intent outlines our strategy to drive key priorities, including:

- suburban development and urban renewal that supports affordable living, a safe and healthy population
- social inclusion, housing choice and environmental sustainability
- growth and diversification of the Territory’s economy
- effective operation to deliver value for money using sound risk management practices.

The Mingle program—the community development arm of the Agency—delivered community development initiatives in Coombs, Moncrieff, Taylor, Throsby and Wright. Our newest Mingle program, Whitlam, officially launched in April 2021. The existing Mingle programs included both Mingle-led and community-led activities, partnerships, mentoring and events. The Mingle program has a strong focus on building inclusive communities by actively engaging and connecting with residents from diverse backgrounds, including a stronger focus on indigenous engagement.

The Mingle program finished in Molonglo Valley (Coombs and Wright) and Moncrieff at the end of the 2020–21 year as communities were well established. Mingle’s program tenure in suburbs concludes following the completion of block sales. The communities had also successfully transitioned from receiving Mingle support to confidently leading residential activities independently.

A number of ACT Government partnerships were also established in the areas of sustainability and education. Also see **Section B12** for examples of social sustainability.



Community engagement

Stakeholder engagement projects were undertaken in Belconnen, Gungahlin, Molonglo Valley and Yarralumla. Our joint venture partner, Ginninderry (West Belconnen) also held engagement projects.

Belconnen Town Centre land release sites

Community and stakeholders were consulted about three distinct, yet connected, sites in the Belconnen Town Centre comprising Emu Inlet Waterfront, the Circus Site and Lathlain Street. The goal was to develop a Place Design Brief to establish the non-financial objectives of the land sale.

The two-phased engagement program from November 2020 to March 2021 comprised multiple digital surveys and online participatory tools, in-person and online workshops, site walks and dedicated interactive workshops with children and young people. Specific engagement with Ngunnawal Traditional Custodians and stakeholders was undertaken with the assistance of a specialist consultant resulting in a Statement of Cultural Significance and input to the Place Design Brief.

The first stage request for proposal for Belconnen Lakeshore was released to market in June 2021.

Coombs and Wright land release sites

A survey opened for six weeks in February 2021, and a community and stakeholder panel was established in March 2021. The engagement survey and panel helped to inform guidelines and assessment criteria associated with the sale of four key sites in Coombs and Wright. The panel took part in two workshops and provided advice about each of the sites for the Agency to consider in a community panel report.

The engagement provided valuable input, which resulted in the development of site release intentions and a Village Design and Place Framework to guide developers.

A request for tender went to the market in June 2021.



Throsby Community Garden Workshop.

Molonglo Stage 3—Lower Deep Creek infrastructure works

In May 2021, two in-person and one online pop-up community information sessions were held to provide a project update on the Lower Deep Creek Pond infrastructure works. The wider Molonglo Valley community and stakeholders were invited to raise issues of concern or provide feedback on the project.

Whitlam—draft design for the Kama Nature Reserve buffer

The draft design for the Kama Buffer was presented to the Conservation Council Biodiversity Group by the Agency in May 2021. This was a response to previous concerns raised by the group around light spill into the reserve and keeping infrastructure away from the boundary. The group expressed no concerns over the proposed design and noted that the buffer will come under the future management of ACT Parks and Conservation.

Moncrieff and Taylor commercial sites

In June 2021, engagement activities were launched to inform guidelines and assessment criteria associated with the sale of three key sites identified for commercial site development.

Engagement activities included a presentation to the Gungahlin Community Council and an online survey in early June, with workshops scheduled for July 2021. Information pop-ups were also held at a large cultural event and a recreation park, both located in Moncrieff.



Proposed Throsby community garden

In response to community interest, a proposed Throsby Community Garden began as a joint project between the Agency and the Woodlands and Wetlands Trust. The Mingle team supported the Woodlands and Wetlands Trust to deliver this joint community engagement project.

Engagement activities included an online survey, presentations to community, and an online and in-person community workshop over the period June 2020 to February 2021.



The community garden proposal generally received support and positive feedback from a range of residents and other stakeholders, however, some submissions received in the engagement opposed the proposed location. The Woodlands and Wetlands Trust is not prioritising development of the community garden site and the future of the project is with Woodlands and Wetlands to progress.

Lane Poole Place in Yarralumla

We consulted with residents adjacent to Block 21 Section 102 in Yarralumla during 2020–21. Consultation with residents and stakeholders, including utility service providers, was required to agree to block rectification works to remove interferences and restore access prior to settlement on the Brickworks land with developer Doma Group. Agreement to a Landscape Management Plan that minimises impacts such as tree removal is progressing.

Brickworks Precinct redevelopment

During 2020–21, Doma Group continued to conduct extensive community engagement on the design and development of the Brickworks Precinct. Consultation included regular meetings and updates on progress with the community panel. Engagement included public presentations and face-to-face presentations to neighbouring residents. Engagement not only included design and development progress on the Estate Development Plan (including the Quarry and Railway Remnants Parks), but also included design and development of the Brickworks heritage core and residential sites within the precinct. Further consultation is planned as design and development progresses to the final Estate Development Plan stage.

Ginninderry (West Belconnen)

In 2016, the ACT Government and Riverview Group formed a joint venture to develop an innovative master-planned community spanning the ACT and NSW border in West Belconnen. The project has set the benchmark for active community engagement and has been recognised by industry for following best practice for engagement in urban development.

The Ginninderry Aboriginal Advisory Group worked closely with the Aboriginal and Torres Strait Islander community to ensure significant sites were appropriately managed and protected, and to determine appropriate development sites throughout the project area.

The Ginninderry Conservation Management Trust, an independent body comprising community and government representatives, manages the conservation corridor that forms a vital component of the Ginninderry site, ensuring the protection of environmental and heritage values.

The Ginninderry Display Village, called GX, continues to showcase 16 builders and a range of innovative and sustainable housing types.

The growth of Ginninderry's first suburb, Strathnairn, has been rapid. Over 240 dwellings have been completed for over 600 residents. In 2021, the Ginninderry joint venture recommenced (temporarily suspended due to COVID-19) community engagement activities and construction of the first tracks and trails in the river corridor conservation area.

An important Ginninderry joint venture planning objective was achieved in August 2020 with the NSW approving the rezoning of the NSW portion of the development land.



Staying in touch with community

We keep stakeholders informed when suburban sites are released to market. Sites in Calwell, Giralang, Phillip and Scullin were released during the year. We informed nearby residents and stakeholders, such as local community councils. Website information was also updated, and feedback was welcomed. Stakeholders were provided with further information if requested.



Local industry

We proactively engaged and sought opportunities to collaborate with industry by:

- Meeting regularly with the Master Builders Association (MBA) ACT to seek feedback on its activities and coordinate messages to the building industry.
- Meeting regularly with the Housing Industry Association (HIA) ACT to collaborate on the Whitlam Display Village, coordinate messages to the building industry and sponsor the Display Home Category of the annual HIA ACT Awards.
- Attending and presenting at Property Council of Australia meetings, events and site visits to coordinate messages to the development industry.
- Attending Place Leaders Asia Pacific meetups and partnering to develop a local case study.
- Attending and presenting at online forums with the Urban Development Institute of Australia (UDIA) to coordinate messages to the urban development industry.
- Connecting with local industries through the Clean Energy Council to achieve sustainable outcomes for Agency developments.
- Partnering with tertiary education providers such as the Canberra Institute of Technology (CIT) to support community development students through our Mingle program.
- Developing a research and development project with Australian National University (ANU) and evoenergy on renewable energy.
- Partnering with Design Canberra to develop the *This is Suburbia* program stream, promoting debate on suburban design and supporting local artists and architects in celebrating our suburban communities.
- Partnering with local community services organisations such as Canberra Region Community Services, ACT Playgroups, Northside Community Services and Woden Community Service to provide support and enhance existing programs.
- Providing local media organisations with Agency milestones and announcements.
- Meeting and engaging with local Traditional Custodians Groups and committees.
- Meeting regularly with local real estate professionals and planning professionals.
- Engaging with civil construction contractors to undertake estate construction.

Mingle community development

Mingle is designed to build vibrant local communities within new ACT Government greenfield estates through a tailored community development program. The program is centred around the following guiding principles:



connecting communities

The Mingle program helped new residents feel part of their community through participation in community life and activities. Mingle has also supported the creation of networks, groups and programs among residents, which are expected to become self-sustaining.

Mingle is tailored for each suburb to suit demographics, resident feedback and the proximity to surrounding services, along with collaboration with other ACT Government directorates to meet program objectives and deliver relevant events and activities.

The Mingle program continued to partner with several organisations, other government agencies and community development service providers to collaborate on projects, events and activities to improve the community. This included sessions on community safety, school holiday programs and several spring themed events.

While residents may have been challenged by COVID-19 restrictions, the Mingle team provided a way of reconnecting and continuing to grow and strengthen as a community. We continued to monitor changing public health protocols and staff planned Mingle engagements, activities and events with consideration of COVID-19 requirements.

Southside

The southside Mingle program in Coombs and Wright has been an active program for seven years. As the program came to a close at the end of the financial year, Mingle commenced a program in Canberra's newest suburb, Whitlam.

One of the final Molonglo Valley Mingle events was a large community services expo. This provided residents with an opportunity to meet other local service providers working in the area. This included community service providers, family support, counselling services, financial support, legal support, and environmental services.

During the year, a series of events was held as part of Floriade Reimagined 'Spring in Your Suburb'. The program included a range of online and physically distanced elements in response to an increased interest in gardening that arose during the lockdown period. Prominent streets were decorated with specially designed flags on light poles across all Mingle suburbs.

Mingle worked with Floriade head gardener, Andrew Foster, to produce a series of videos offering gardening tips. A Mingle gardening competition offered a range of prizes. This program promoted a sense of suburban pride and enabled residents to interact without the involvement of large groups.

Coombs and Wright

The Mingle program formally transitioned out of Coombs and Wright at the end of June 2021. From July to December 2021, Mingle will work closely with Woden Community Service to indirectly support local residents with resident-led initiatives.

During 2020–21, the Mingle team invested efforts to strengthen stakeholder partnerships and relationships, building on community profiles in Coombs and Wright.

The program delivered over 200 activities and engagements during the year, involving approximately 3,800 residents. Of these activities, approximately 60 were meetings and mentoring opportunities with residents and stakeholders. Around 100 were regular activities and groups such as playgroups, resident meetings, English conversations groups, and seniors' groups.

The Mingle program delivered five publications to approximately 4,000 homes in Coombs and Wright.



Whitlam

Mingle officially launched in Canberra's newest suburb, Whitlam, in April 2021. Mingle will work with residents during the first five years to guide community members in establishing their ideal community. The Whitlam Mingle program launched earlier than previous Mingle programs as a way to keep buyers and future community members informed, connected and excited about their emerging community.

As part of the planning and establishment of Whitlam, Mingle assisted in leading a whole of Agency place planning project. We undertook research with Whitlam community members and previous Mingle suburb residents, as well as relevant stakeholders, through surveys, interviews and focus groups. Feedback received formed a place plan document to be used to guide the Whitlam project team throughout the development of the suburb.

The Whitlam Mingle welcome event was the first public event and 140 future residents attended. This event provided attendees an opportunity to get excited about their future community, learn more about the Indigenous history of the Whitlam land and surrounds, become familiar with development updates, meet the Mingle and Whitlam project team, and most importantly, start to connect with their future neighbours.

Northside

Three Mingle programs were active in the Gungahlin suburbs of Moncrieff, Taylor and Throsby during 2020–21. Mingle partnered with the Celebrate Gungahlin Festival to support Neighbour Day Community Picnics in each suburb in March 2021. Residents enjoyed food, music and games, and Mingle brought a range of government and community stakeholders together to engage with residents, including ACT Parks and Conservation, Emergency Services Agency, Canberra Region Heritage Festival, Taqwa School, Northside Community Service and Capital Region Community Services.



Mingle partnered with Capital Region Community Services to supply free Samsung tablets to vulnerable households in Taylor and Moncrieff as part of a Digital Literacy Program to help people stay connected during the pandemic.

In October 2020, the northside Mingle program presented a summer safety session to help residents learn about fire and storm preparedness. In recognition of the hardships facing some households during COVID-19, this event also included financial counselling and mental health services.

Moncrieff

The 2020–21 financial year was the final year of the Moncrieff Mingle program.

The final months focused on supporting resident-led initiatives to ensure a sustainable legacy of community connection. Mingle supported three resident-led events, including two Neighbourhood Watch street parties and Canberra Hindu Mandir’s Groundbreaking event. The Groundbreaking event was a ritual marking an important milestone for the Hindu community, whose temple complex will be an important community facility in Moncrieff. The event attracted approximately 1,000 people.

Two newsletters were delivered to about 1,700 households, with a double final issue featuring information about local services, groups and activities.

Mingle also helped residents become more educated about how to apply for grant funding and produce their own events and community-building activities in the future.



The program delivered or supported 10 activities and engagements during the year, involving 1,200 participants. Of these activities, four were meetings and mentoring opportunities with residents, three were resident-led events, and one event was stakeholder-led. The remaining two activities were led by Mingle.

Taylor

In August 2020, Mingle delivered the first formal event in Taylor with the naming of Gene Willsford Park. Mingle supported the activation of the park with two Mingle-led 'Tots in Taylor' events. This led to the establishment of a weekly resident-led playgroup meeting at the park, supported by Mingle's Community Development Officer.

Mingle partnered with Northside Community Service and Margaret Hendry School to host four Fix N Ride Cycle Jam events, promoting active transport and sustainability by increasing community capacity to repair and maintain bikes. Canberra Environment Centre assisted residents and Canberra Bicycle Library bikes were available for long-term loan.

Mingle assisted ACT Parks and Conservation to connect with and educate residents of Taylor around living on the edge of rural areas and nature reserves.

Mingle worked with Icon Water to create and support an event for the opening of the One Tree Hill Reservoir. Unfortunately, this event was cancelled due to the changing situation with COVID-19.

The program delivered or supported 32 activities and engagements with 879 participants. Of these activities, 16 were weekly resident-led playgroups and four were stakeholder meetings.

Three newsletters and three event-specific flyers were delivered to 600 homes in Taylor.



Throsby

Mingle is more than three years into its program in Throsby and encourages residents to lead events and initiatives. Mingle supported two resident-led events including an ANZAC Day dawn gathering and a buy-sell-swap market for succulent plant lovers.

A community planning workshop was held in June 2021 and invited residents to contribute to the program's next 12 months. Representatives from the ACT Education directorate and the Woodlands and Wetlands Trust attended the session to gauge community interest in activating two new community spaces scheduled to open in Throsby in late 2021: the Mulligans Flat Learning Centre and the new primary school.

Mingle partnered with Northside Community Service to present a Nature Play event in October 2020. This event led to Northside Community Service establishing an ongoing weekly nature playgroup in Joey Park that is supported by Mingle's Community Development Officer.

Mingle partnered with ACT NoWaste to pilot a food wastage avoidance education program: Love Food, Hate Waste. ACT NoWaste engaged with the community at a series of Mingle events in late 2020 and early 2021.

Two online resident meetings were held in 2020.

The program delivered or supported 42 activities and engagements with 853 participants. Of these activities, 17 were regular playgroups, three were resident-led events and five were stakeholder meetings.

Three newsletters and four event-specific flyers were delivered to 750 homes in Throsby.



Agency sponsorships and grants

We provided several sponsorships and grants, as outlined in Table 18.

Table 18: Agency sponsorships and grants

Recipient	Project purpose/Summary	Term of Grant	Amount
Craft ACT	Design Canberra support that celebrates and promotes Canberra as a global city of design.	2020–21	\$1,100
Housing Industry Association Limited	HIA ACT Awards.	2020–21	\$5,500
Royal Australian Institute of Architects	ACT Architecture Awards 2021.	2020–21	\$5,500
TOTAL			\$12,100

Note:

1. Amounts are reported as GST inclusive where recipient is registered for GST.

The Ginninderry Joint Venture has an annual sponsorship program to encourage and support community and industry initiatives that align with the project’s objectives. During 2020–21, the joint venture provided funding as set out in Table 19.

Table 19: Ginninderry sponsorships

Recipient	Term of Grant	Amount
Belconnen Arts Centre	2020–21	\$2,500
Bangladeshi Sports Club Canberra	2020–21	\$1,000
Canberra ITC	2020–21	\$3,300
Canberra Low Carbon Housing Challenge	2020–21	\$5,000
Canberra Symphony Orchestra	2020–21	\$5,000
Civil Contractors Federation (CCF) Earth Awards in collaboration with MBA ACT	2020–21	\$5,000
Climate Factory	2020–21	\$4,000
Conservation Council	2020–21	\$3,000
Ginninderra Cricket Club (GCC)	2020–21	\$4,500
Helping ACT	2020–21	\$1,000
NAWIC ACT Chapter	2020–21	\$6,500
West's Basketball Club	2020–21	\$4,000
Zac’s Place Incorporated	2020–21	\$5,000
TOTAL		\$49,800

Note:

1. Amounts are reported as GST inclusive where recipient is registered for GST.

Community Development Assistance Program

We partnered with residents in Coombs, Moncrieff, Taylor, Throsby and Wright to create resident-led events and activities that aligned with Mingle program objectives (see Table 20). All activities were co-designed and delivered with residents.

Table 20: Resident-led events and activities

Recipient	Project purpose/Summary	Term of Grant	Amount
Wright and Coombs Winter Warmer	Winter Warmer series—two events held supporting residents to connect.	2020–21	\$1,946
Molonglo Eco Market	Recycled market and recycled sculpture launch with sustainability focus.	2020–21	\$760
Molonglo Movie Night	Event to bring the local community together through entertainment.	2020–21	\$2,659
Woden Community Service Family Fun Day	School holiday activity with entertainment for families in the local community.	2020–21	\$1,330
Molonglo Valley Neighbourhood Watch	Neighbourhood Watch signs print and install.	2020–21	\$2,860
Molonglo Paint and Play	A start-up playgroup kit including equipment to support the facilitation of local playgroup.	2020–21	\$125
Young at Heart group	Yarn purchase for blankets and other items made for Canberra Hospital patients.	2020–21	\$400
Molonglo Valley Community Forum	Community forum establishment.	2020–21	\$4,588
Capital Muslim Welfare Association (Muslims of Molonglo)	Hall hire fee to support Iftar public event for residents.	2020–21	\$360
Local resident	Plant swap event water measures	2020–21	\$257
Molonglo Valley Community Forum Floriade Community Planting Day	Floriade garden beds planting for the local Coombs roundabout.	2020–21	\$374
Local resident	Throsby Garden Buy, Swap, Sell Market created by a local resident for the exchange of plants and seeds.	2020–21	\$220
Local resident	Throsby ANZAC Day Dawn Service gathering in the local park as organised by a local resident.	2020–21	\$385
Canberra Hindu Mandir— Moncrieff Groundbreaking Ceremony	Marquee hire for the Groundbreaking event.	2020–21	\$10,000
Moncrieff Neighbourhood Watch Resident Street Party	Street party organised by Neighbourhood Watch to maintain community connections.	2020–21	\$300
Moncrieff Neighbourhood Watch Resident Street Party	Street party organised by Neighbourhood Watch to maintain community connections.	2020–21	\$537

Recipient	Project purpose/Summary	Term of Grant	Amount
Capital Region Community Service Digital Literacy Program	Samsung tablet cases purchase for tablets received from Digital Literacy Program; initiative was extended to Moncrieff and Taylor.	2020–21	\$336
Taylor local playgroup supplies	Assistance to transport playgroup supplies	2020–21	\$49
Canberra Environment Centre, Margaret Hendry Parents and Citizens Association Fix N Ride Bike Jam	Mingle partnered with Northside Community Service and Margaret Hendry School to support 4 x Fix N Ride Cycle Jams; funding supported mechanical repairs of bikes in Bicycle Library.	2020–21	\$1,200
TOTAL			\$28,686

Note:

1. Amounts are reported as GST inclusive where recipient is registered for GST.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



B.9 Aboriginal and Torres Strait Islander reporting

We acknowledge and support the Ngunnawal people and the wider Aboriginal and Torres Strait Islander community's aspirations for strong families, cultural identity with connection to community and Country, improved employment opportunities, economic independence, better quality of health and wellbeing and proactive leadership.

Portfolio Reconciliation Action Plan

We are committed to the EPSDD Portfolio Reconciliation Action Plan (RAP). We have also developed and implemented a Diversity and Inclusion Action Plan which is aligned to the RAP.

We demonstrate our commitment to the RAP and the Diversity and Inclusion Action Plan through collaborative and engaged work with EPSDD to support Reconciliation Week and NAIDOC Week.



Cultural awareness and engagement

The Executive Diversity Champion for Aboriginal and/or Torres Strait Islander Community is the Executive Branch Manager, Governance and Corporate Services. With widespread support and actions by staff, we have delivered a number of initiatives in 2020–21:

- We engaged Thunderstone, an organisation owned and operated by Tyronne Bell, a Ngunnawal descendant, to facilitate a walking tour on Mount Taylor. This provided an opportunity for staff to gain an appreciation of the landscape, bush foods, artefacts and their traditional uses.
- We delivered three in-house Dhawura language workshops so Agency staff can present the Acknowledgement of Country at all staff meetings in Ngunnawal language.
- We strengthened our procurement processes and reporting to identify improved ways of communicating with and educating staff on options available to procure Aboriginal and Torres Strait Islander suppliers.
- We identified Aboriginal and Torres Strait Islander stakeholders as part of a whole of Agency stakeholder engagement strategy.
- We have been working on strengthening relationships with the Aboriginal community and this has included our CEO meeting with the Dhawura Ngunnawal Caring for Country Committee and representatives of the Aboriginal Torres Strait Islander Elected Body.
- We planned for a specialist Indigenous Liaison Officer position within the Agency.



The Ginninderry joint venture also sponsored the NAIDOC in the North event in 2021. As part of this event, two workshops were run by the Conservation Corridor Trust at The Link building in addition to this sponsorship.

To acknowledge the important contribution of, and collectively build relationships with, our Aboriginal and Torres Strait Islander communities, we actively promote key dates of significance by encouraging staff to attend and support activities and events.

In addition to participating in the portfolio-wide RAP, we promote whole of government initiatives such as Indigenous networks, and leadership and mentoring programs.

Collaboration at events

The Mingle community development team collaborated with local residents and stakeholders to deliver these activities:

- The first streets in Whitlam were officially opened on 24 November 2020. We partnered with local Ngunnawal Elder, Aunty Violet and her son, Richie Allan, as well as grandson Richard Allan, to celebrate this occasion. The Ngunnawal family shared a Welcome to Country, smoking ceremony and presented Minister Yvette Berry with a coolamon (a traditional Aboriginal carrying vessel with curved sides) of soil from Whitlam as a representation of handing the land back.
- The launch of the Whitlam Mingle program was highlighted with a welcome event on 8 May 2021. This event offered new members of the Whitlam community an opportunity to connect with each other and their new suburb. At the event, Richie Allan presented a Welcome to Country and shared stories of the land and a traditional craft activity with the community.
- The Mingle team attended the Dhawura language workshop and used the traditional acknowledgement at events in Coombs and Wright.
- On the 12 August 2020 and 14 October 2020, the Molonglo Valley Mingle team hosted Tucker and Yarn activities. These activities were aimed at First Nations families in the community and gave them an opportunity to share food and talk about stories and ideas they had for incorporating Aboriginal elements into different events and activities.



Cultural values through consultation

Waters Consultancy undertook an Aboriginal Cultural Values Assessment in 2017 to identify intangible cultural values through consultation with knowledge holders and historical research. Ginninderry continues to incorporate the recommendations from this assessment into all project planning.

In 2020–21, an Expression of Interest (EOI) for an Aboriginal and Torres Strait Islander contribution to Ginninderry's Design Library was released. Applications will be received and assessed in 2021–22.

Ginninderry Aboriginal Advisory Group

The Ginninderry joint venture continued to work closely and consult with the Ginninderry Aboriginal Advisory Group to determine appropriate development and/or protection and management measures to be implemented at all significant sites throughout the project area. The Ginninderry Aboriginal Advisory Group is also represented in the Ginninderry Conservation Management Trust, an independent body that manages the conservation corridor along the Murrumbidgee River and the Ginninderra Creek.

During 2020–21, the cultural assessment work and ongoing consultation with the Advisory Group resulted in the Ginninderra Creek Corroboree Ground Cultural Gathering Place being added to the ACT Heritage Register for its association with Aboriginal ceremonial gatherings. Consultation with the Advisory Group continues on the landscaping and management of the site.

Work progressed on the commissioning of a sculptural landscape feature on Ginninderry's urban edge. The Ginninderry Aboriginal Advisory Group are engaged in developing concepts in preparation for an EOI release. The Advisory Group has also been consulted on the interpretation elements of the first track in the Ginninderry Conservation Corridor and has developed an interpretation plan that will be implemented within the overall interpretation strategy for this trail.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



B.10 Work Health and Safety

Work Health and Safety (WHS) continues to be a key priority for the Board and Executive in 2020–21. WHS activities and obligations were managed in accordance with the statutory provisions of the *Work Health and Safety Act 2011* (WHS Act) and supported by a range of whole of government WHS and return to work policies and initiatives.

The EPSDD People and Capability team provided guidance and support to the Director, Work Health and Safety in implementing the requirements under the WHS Act, through a Service Level Agreement.

During 2020–21, the Agency was not:

- issued with any Improvement, Prohibition or Non-Disturbance Notices under Part 10 of the WHS Act
- issued with any Enforceable Undertakings under Part 11 of the WHS Act.

The Agency complied with its health and safety duties as a Person Conducting a Business or Undertaking, pursuant to Part 2, Divisions 2.2, 2.3 and 2.4 of the WHS Act, and did not have any injuries or illnesses that required notification to the regulator in accordance with Part 3, section 38 of the WHS Act.

We are represented by three elected health and safety representatives. Representation includes active participation in workplace health and safety meetings including the interdirectorate 480NBA WHS Committee.

We employ two health and safety staff: the WHS Director and WHS Project Officer. We undertook one internal audit as required by the internal audit plan.

We maintain a WHS risk register, with the top three WHS risks in the reporting period recorded as COVID-19, musculoskeletal skeletal (or muscular stress) and psychosocial.

The provision of face masks, hand sanitiser and cleaning equipment was deployed with a focus on public-facing staff. We transitioned into a new building in July 2020, which required a consolidated COVID-19 response and a 480NBA COVID-19 risk assessment. A roster system was developed to allow workers to transition back to the office in a COVIDSafe manner.



To support the transition into hybrid working arrangements, we managed the musculoskeletal risk by providing workers with ergonomically designed equipment, IT equipment, information and assistance. Workers were offered workstation assessments and checklists to assist with office set-ups and remote working.

COVID-19 Transition Plans were developed to articulate our response to the transition into a COVID-normal workplace and in response to any changes in public health directions.

To address the psychological risk, we increased peer check-ins and support for workers in various mediums, including increased communication through internal newsletters, staff meetings and team meetings.

We promoted and participated in the EPSDD Flu Vaccination Program and National Safe Work Month activities.

Our Safety Management Framework is being used as the foundation to develop a fully integrated WHS Management System. The new system aligns with the Australian Standard AS/NZS 45001 and all workplace health and safety requirements of the ACT Public Service.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



B.11 Human resource management

Human Resource (HR) services, strategies, wellbeing supports and functions are delivered by Agency staff. These services are supplemented by the EPSDD People and Capability team under a Service Level Agreement.

The People and Transition Committee (PTC) supported the Board to fulfil its responsibilities in relation to significant HR matters. On 31 December 2020, the PTC was replaced with the Significant Programs and Culture Committee (SPCC). The SPCC’s responsibilities include providing advice on strategic initiatives and strategies associated with Agency culture, capability and effectiveness.

During 2020–21, the PTC and SPCC both met twice.

Table 21: Membership of the Agency Significant Programs and Culture Committee

Name of Member	Position	PTC meetings 2020	SPCC meetings 2021	Notes
Shelley Penn	Chair	2	2	
Angus Dawson	Member	2	2	
John Fitzgerald	Member	2	1	
Katrina Fanning	Member	N/A	1	Ms Fanning joined when the committee changed from PTC to SPCC

Capability and People Framework and Action Plan

In this reporting year we designed and developed an initiative to support our people by implementing the Agency’s Capability and People Framework and Action Plan. The development of the framework was a Statement of Intent Key Performance Indicator for 2020–21.



We acknowledge that the Agency is only as good as our people and we are committed to attracting, engaging, and retaining great people in the right jobs at the right time. Importance is placed on promoting and maintaining the health and wellbeing of our people and providing support mechanisms to enable individuals to be challenged, grow, and form their own successful career pathway.

The framework is supported by an Action Plan that outlines four priority areas for 2020–21:



These guide the development and implementation of key HR, people and wellbeing strategies and initiatives.

Workforce planning

The framework has strengthened our focus on strategic and operational workloads and priorities, current and future business needs, and attracting, engaging, and retaining the right people.

Input to State of Service

We contribute to the State of Service Survey, including providing information in respect to Attract and Retention Incentives (ARins), Special Employment Agreements (SEAs) and Australian Workplace Agreements (AWAs).

Flexible work arrangements

In July 2020, we successfully moved to the Dickson Office Block, an Activity Based Work (ABW) environment. We were able to actively promote work–life balance and provide flexible working from home arrangements using existing IT infrastructure and ABW work patterns.

Diversity Action Plan

In 2020–21, the Diversity Action Plan was further embedded to enhance diversity within the Agency and to encourage decision making and delivery informed by, and reflective of, our diverse community. The plan is aligned with EPSDD's *Inclusion and Diversity Strategy 2021–23*.

We worked closely with EPSDD to plan and coordinate cultural events and activities, and continued to participate in the portfolio-wide Reconciliation Action Plan (RAP), which was officially approved by Reconciliation Australia in July 2019.

Our staffing profile



**headcount of
120 people**

30 June 2021



**52.5% female
47.5% male**

30 June 2021

Table 22: FTE and headcount by Branch

Branch	FTE	Headcount
Built Form and Divestment	10.80	11
Development Delivery	22.86	23
Finance, Valuations and Systems	22.36	23
Governance and Corporate Services	13	13
Office of the Chief Executive Officer	7	7
Office of the Deputy Chief Executive Officer	6	6
Program Solutions	35.69	37
Total	117.71	120

Table 23: FTE and headcount by gender

	Female	Male	Total
FTE by gender	60.7	57.0	117.7
Headcount by gender	63	57	120
% of workforce	52.5%	47.5%	100.0%

Table 24: Headcount by classification and gender

Classification Group	Female	Male	Total
Administrative Officers	23	7	30
Executive Officers	1	5	6
Legal Officers	-	1	1
Senior Officers	39	44	83
TOTAL	63	57	120

Table 25: Headcount by employment category and gender

Employment Category	Female	Male	Total
Casual	-	-	-
Permanent Full-time	49	50	99
Permanent Part-time	7	-	7
Temporary Full-time	6	7	13
Temporary Part-time	1	-	1
TOTAL	63	57	120

Table 26: Headcount by diversity group

	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	1	0.8%
Culturally and Linguistically Diverse	24	20.0%
People with a disability	4	3.3%

Table 27: Headcount by age group and gender

Age Group	Female	Male	Total
Under 25	-	-	-
25–34	29	5	34
35–44	10	27	37
45–54	22	13	35
55 and over	2	12	14

Table 28: Headcount by gender and average length of service

Gender	Female	Male	Total
Average years of service*	7.0	8.8	7.9

*Average calculation includes years of service accrued prior to the establishment of the Suburban Land Agency on the 1 July 2017.

Table 29: Recruitment and separation rates

Classification Group	Recruitment Rate	Separation Rate
Total	15.3%	6.1%

Prioritising the wellbeing of our people

Our focus is the health, safety and wellbeing of our people. We continue to monitor the impact of COVID-19, the changing HR and industrial landscape, and continue to work collaboratively with key stakeholders across ACT Government.

During 2020–21, we promoted health and wellbeing strategies, including:

- the ACTPS Corporate Gym Register
- Health and Wellbeing Reimbursement
- the Whole of Government Healthy Minds, Thriving Workplaces Strategy 2019–22.

Leave guidelines were produced incorporating FlexTime, Excess Annual Leave and Recovery Leave. Supporting strategies have been implemented to monitor and manage leave across the Agency to ensure operational requirements are met, and to prioritise the health and wellbeing of our people. We understand and appreciate that many of our people are unable to travel to spend time with loved ones, however we strongly encourage staff to access leave to maintain their mental health and physical wellbeing.

We strengthened the induction process to support and engage people as they commence with their respective teams in a CovidSafe environment and whilst working from home.

Key staff completed training in Accidental Counselling provided by Lifeline. This training offered the skills and knowledge to recognise, respond and refer staff to appropriate services, and to confidently and safely support our people.



Learning and development

We are focused on ensuring our people have the right knowledge, skills and capabilities to thrive in their roles. In 2020–21, we provided our people with a range of learning and development opportunities.

EPSDD courses

These eLearning and face-to-face courses were delivered by EPSDD:

- Aboriginal and Torres Strait Islander Cultural Awareness
- ACTPS Induction
- Fraud and Ethics
- Freedom of Information and the Open Access Information Scheme (eLearning)
- Information Privacy (eLearning)
- Introduction to Risk in the ACT Government
- Records Management
- Reportable Conduct in EPSDD (eLearning)
- Respect, Equity and Diversity
- Understanding your Performance Plan
- Work Health and Safety.

ACT Public Service (ACTPS) training calendar courses

These courses were delivered through the ACTPS training calendar:

- Aboriginal and Torres Strait Islander Awareness (SBS) e-Learning
- ACT Government Procurement Module 1
- ACT Public Service Induction Program e-Learn
- APIAS – Accounts Payable Invoice Automation Solution e-Learning Module
- Core Inclusion Program Part 1 of 5 (SBS) e-Learning
- Excel – Intermediate (Formulas and Functions)
- Excel – Macro Overview
- Exploring the Procurement Values – Aboriginal and Torres Strait Islander Peoples Economic Participation
- Exploring the Procurement Values – Business Development and Innovation
- Exploring the Procurement Values – Diversity, Equality and Inclusion
- Exploring the Procurement Values – Environmental Responsibility
- Exploring the Procurement Values – Fair and Safe Conditions for Workers



- Exploring the Procurement Values – Transparent and Ethical Engagement
- Insight – Understanding and Addressing Conscious and Unconscious Bias
- Introduction to Contract Management (CITSOL)
- Introduction to the Charter of Procurement Values Direction
- Mastering Time – How to Manage your time and energy for ultimate impact
- Microsoft Excel – e-Learn
- Microsoft Word – e-Learn
- Panel Management Portal Training – Procurement ACT
- Provide First Aid
- Provide First Aid – Refresher
- Stepping Up: Becoming a Manager/Supervisor.

In-house delivered training courses

These tailored training courses were delivered in-house:

- Asbestos Awareness
- Conflict of Interest
- Dhawura Language
- Event Risk Planning
- Insight: Understanding Conscious and Unconscious Bias
- Innovation Training (3 sessions)
- Introduction to Project Management
- Leading Through Challenging Times
- Managing Persistent Complainants
- Meaningful Performance Conversations (Managers and All Staff)
- Probity Fundamentals
- Procurement
- Sales Training
- Secure Local Jobs Code
- Unconscious Bias Team Workshop.

Other training and learning and development

Throughout 2020–21, Agency staff attended these external training courses, programs, and other development opportunities:

- Accidental Counselling
- Commercial Capability



- IPAA Future Leaders Program
- Social Media for Government.

Study assistance

Study assistance is available to employees as support to undertake formal higher education opportunities that align with their current role and Agency priorities. Three applications for formal higher education opportunities were supported via the Study Assistance Program in 2020–21.

In 2020–21, we pledged support to three applicants who are undertaking certification and degrees in House Design, Energy Change, and Chartered Accounting. In total, we invested \$10,841.

Performance Development Plans

A key success factor to accessing learning and development is the creation and implementation of individual Performance Development Plans (PDPs). Our people observe the ACTPS performance framework and cycle to create their PDP, and working consultatively with their manager, to implement it. Learning and development is an item within the PDP and allows for the identification and alignment of individual capability development with learning and development opportunities.

Future training

Future training is guided and informed by the Agency’s Workforce Capability and People Framework and Action Plan. We have identified these future training courses and learning and development solutions:

- Agency-wide roll-out of unconscious bias training
- leadership capability and awareness program
- mental health first aid
- managing remote teams
- role-specific training, for example, real estate sales, customer service.

Further information can be obtained from:

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 Executive Branch Manager,
 Governance and Corporate Services
 Suburban Land Agency
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B.12 Ecologically sustainable development

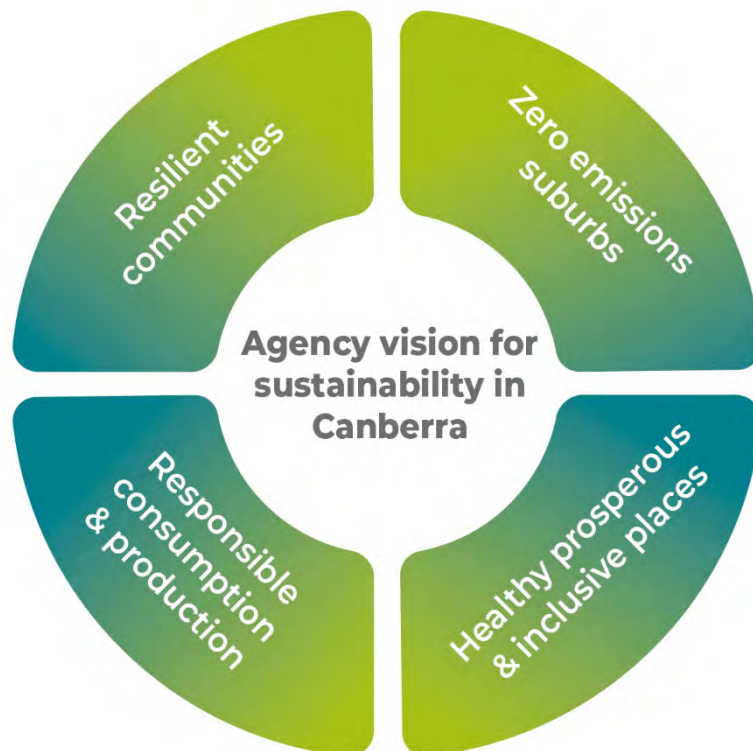
Contribution to ecologically sustainable development

We are responsible for encouraging and promoting inclusive communities, creating people-focused neighbourhoods, and delivering a suburban development program that supports:

- affordable living
- a safe and healthy population
- social inclusion
- housing choice
- environmental sustainability.

We are responsible for encouraging and promoting social and environmental sustainability, carrying out land development in an environmentally sustainable way, and supporting statutory greenhouse gas emissions targets.

In 2020–21, the Board approved the *Suburban Land Agency Sustainability Strategy 2021–25* to establish goals to deliver socially and environmentally sustainable developments—these align with the ACT Government’s commitment to net zero emissions by 2045. The strategy has four key themes that span social and environmental sustainability:



During 2020–21, we were not subject to any investigations, requests or recommendations from the Commissioner for Sustainability and the Environment.

Information about our greenhouse gas emissions is outlined in **Attachment A**.

Resilient Communities

In 2020–21, we partnered with industry, government agencies and the community to deliver actions that contribute to a resilient community and a resilient natural environment.

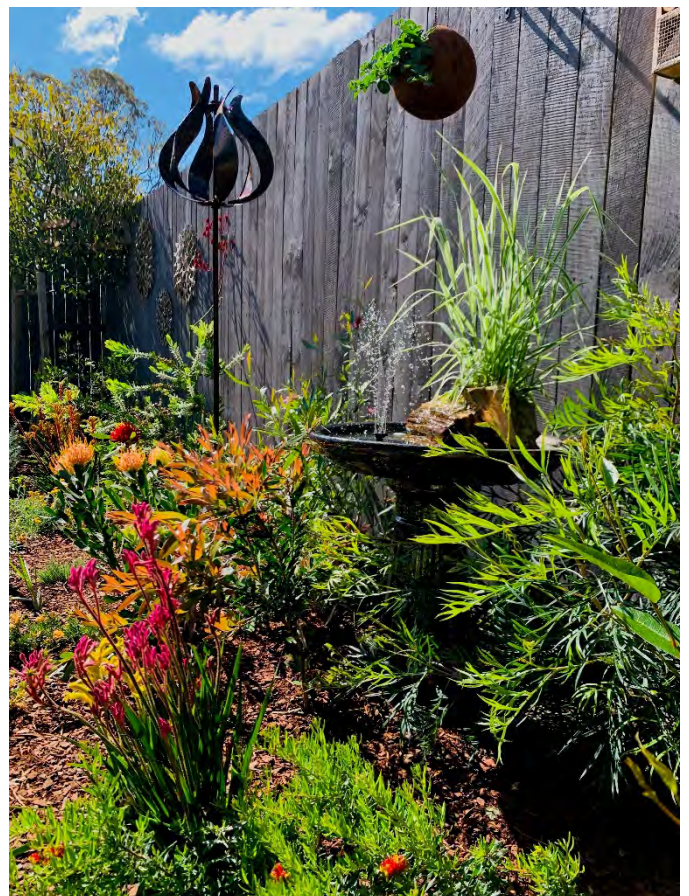
We engaged a local landscape architect to develop a *Climate Wise Garden Designs* booklet. It features landscape plans, gardening information and resources designed to inspire and support residents of new suburbs to create climate-wise gardens.

We offered a landscape rebate in Coombs, Taylor, Throsby and Wright to encourage purchasers of new blocks to landscape their front gardens and plant appropriate species to support biodiversity.

We continued to engage with the Woodlands and Wetlands Trust to support the delivery of the new Woodlands Learning Centre in Throsby, including contributing to the cost of landscaping at the centre.

We completed a pilot of living infrastructure measures to support tree health in our new estate of Whitlam. This included permeable paving, kerb inlets, rain gardens, larger tree pits, native turf and soil moisture probes on the streets surrounding the Whitlam Display Village.

We started engaging with other ACT Government directorates to develop guidelines for the interface between nature reserves and residential development in the suburb of Kenny. The guidelines will propose



planning and design elements that minimise the impact of development on the surrounding natural environment while creating opportunities for residents to engage with nature.

We also participated in a project that engaged consultants to undertake a microclimate assessment of Kenny. The purpose of the assessment was to support urban planners, government officials, developers and other land use change decision makers to consider and design a built environment that can mitigate the effects of urban heat.

We continued to implement the Agency's Tree Canopy Cover Framework to guide internal project delivery, which will contribute to the targets set out in Canberra's Living Infrastructure Plan.

We continued to trial sustainability rating tools like Green Star Communities for urban release sites, including the Yarralumla Brickworks site, Gold Creek Homestead site, and Belconnen Lakeshore sites.

Zero Emissions Suburbs

In 2020–21, we continued to work towards delivery of zero emissions suburbs in Agency estates by designing for renewable energy and supporting the community to choose all-electric.

In designing new developments, we considered the orientation of blocks and street layouts to optimise solar access to homes. Information on climate-wise design principles were included in the publication *Your Guide to Buying Land*, which was distributed to new buyers and made available through our website.

We continued to provide a Home Energy Rebate Package for eligible buyers in Whitlam, which makes \$10,000 available for households who comply with a number of requirements to build a solar-powered, highly efficient, all-electric home.

In 2020–21, we investigated the options for the next stage of Jacka (Jacka 2) to be an all-electric and zero emissions suburb. Through a partnership with the ANU and evoenergy, we completed a feasibility study and hosted a concept design workshop to seek industry's input into the design of the community-scale battery.

We have commenced research into the implications and opportunities for the future commercial centre site in the Molonglo Valley to be all-electric. The work includes engaging with industry and local stakeholders to map out initial considerations for site planning, design and release.

In partnership with the Canberra Institute of Technology we hosted a series of workshops for buyers new to building, with one workshop providing useful tips and considerations on sustainable building design and construction.

We are a corporate member to the Clean Energy Council, Australia's peak body for clean energy, to keep up to date with the latest information and market trends.



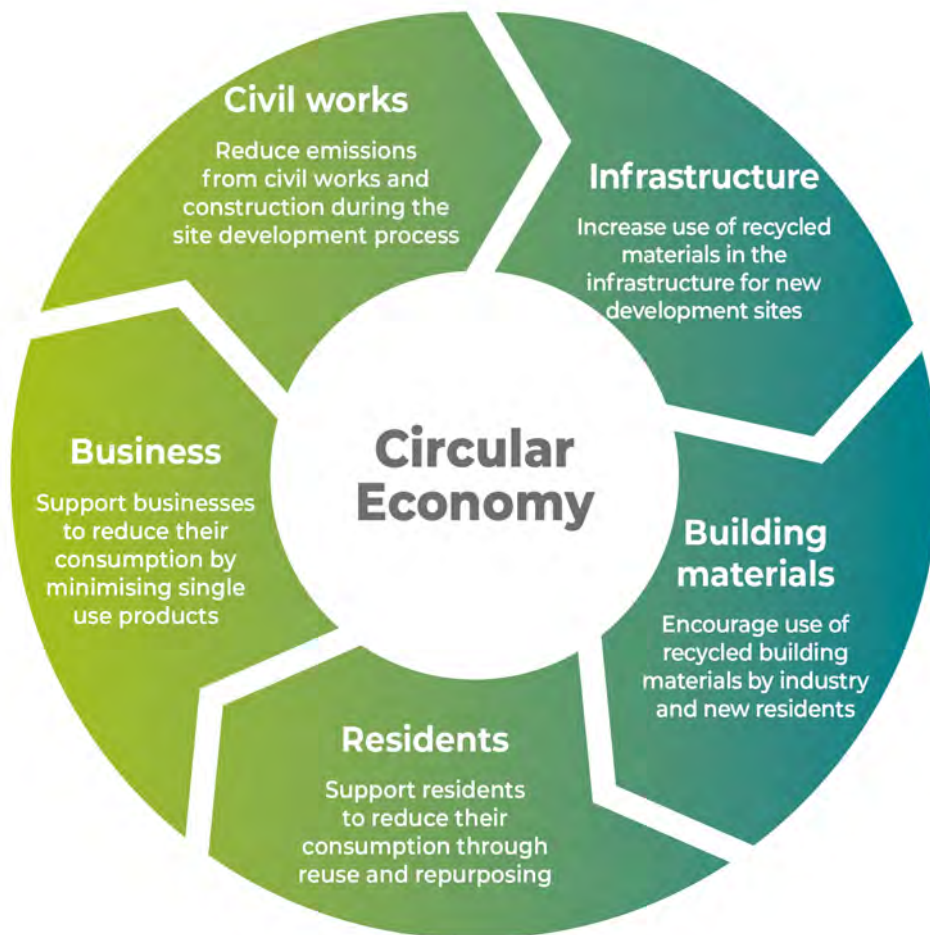
Responsible Consumption and Production

In 2020–21, we took steps to reduce consumption of nature resources, including waste and water, and to reuse materials to support a circular economy.

We undertook various civil works, including sediment and erosion control measures. Water Sensitive Urban Design measures were also considered across all projects. For example, construction of a series of stormwater ponds in Whitlam to improve water quality.

We also partnered with EPSDD to establish a project to optimise erosion and sediment control measures to improve water quality in new estates. Focusing on each stage of the four stages of Whitlam, findings from the project will be rolled out across other Agency suburbs in the future.

In 2020–21, we actively managed civil construction spoil in Taylor and Whitlam through cut and fill activities and the reuse of materials such as rocks. Where possible, rocks were crushed and used under footpaths, in landscaping and retaining walls.



We continued to reduce emissions from waste and reuse materials where possible, including in the Whitlam Display Village, where builders are required to minimise the amount of building waste deposited to landfill and identify opportunities for recycling and reusing building materials and waste.

Our Mingle team encouraged residents to minimise waste and use recyclable materials at all events, as well as promoting reuse of materials through Cycle Fix N Jam sessions, a plant swap event and a recycled market in the Molonglo Valley.

Healthy, Prosperous and Inclusive Places

In 2020–21, we designed and developed sites to support healthy communities, prosperous local centres, and inclusive places.

Active travel is an important consideration when designing new developments. It encourages the community to consider transport options such as walking and cycling or public transport rather than driving.

The Mingle program provided a number of activities that focused on health and wellbeing, including ranger-led walks in the Molonglo Valley, Nature Playgroup in Throsby, and Neighbour Day Community Picnics in Moncrieff, Taylor and Throsby. The Mingle program also encourages residents to walk or ride to events and provides healthy catering options.

For new developments, we consider crime prevention through environmental design. Community safety sessions were held in Gungahlin and the Molonglo Valley, which linked residents to local services such as Neighbourhood Watch, Crime Stoppers and ACT Policing.

Mingle formed partnerships with stakeholder groups to improve the safety and sustainability of their communities, including Woden Community Service, Canberra Region Community Service, ACT Parks and Conservation, Men's Shed groups and ACT NoWaste.



The Mingle program provided the opportunity for people to participate in their community and connect with their neighbours. A number of events were held to encourage people to meet up, get to know each other and become actively involved in their community. This included regular resident meetings as well as specific events such as coffee pop-ups, resident street parties and cooking classes. Mingle also used social media to promote suitable activities during the COVID-19 restrictions.

We finalised the Suburban Land Agency Placemaking Framework, which identified opportunities for incorporating placemaking into our work, as well as mapping out a pathway for us to transition to a place-led delivery agency.

Affordable living includes access to open spaces, community facilities and different transport options. We achieved this by creating public spaces close to most homes and within all developments. We offered a range of block sizes for sale in all new developments, which created diversity among housing types. We also delivered sites for affordable, public and community housing.

Information about our delivery of public, affordable and community housing is outlined in **Section B2 Performance analysis**.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
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Part C

Financial Management Reporting

Molonglo Valley community planting bulbs as part of Floriade in the Suburbs.



Operations & Financial Outcome

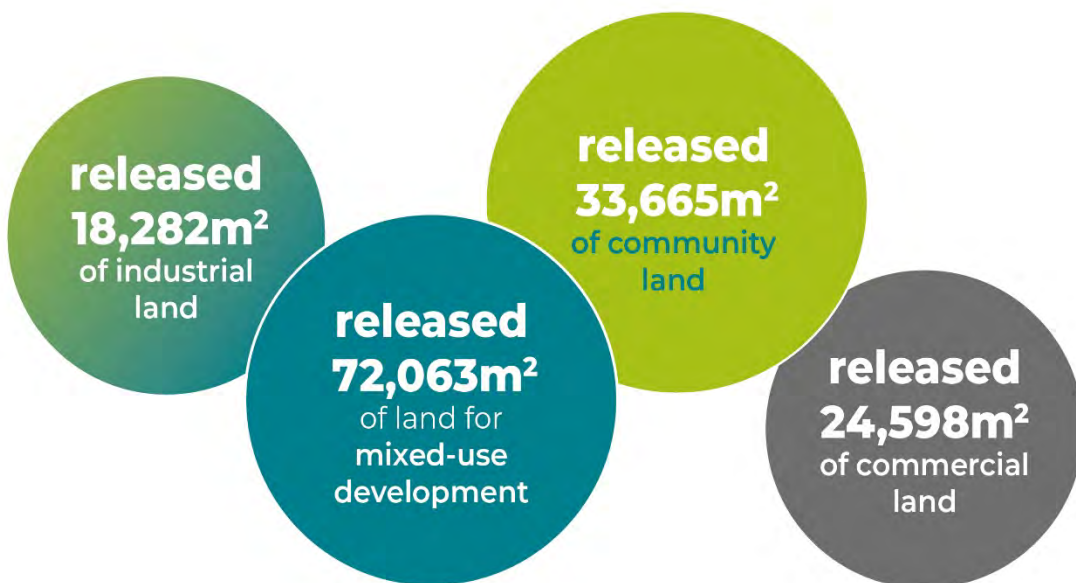
950 single residential blocks released across three suburbs from 1 July 2020 – 30 June 2021

\$448.9 million in returns to the **ACT Government**

\$806.4 million in land sales revenue

Financial Performance

Land Revenue	Operating Surplus before National Tax Equivalent	Operating Surplus												
\$806.4 Million	\$421.6 Million	\$294.9 Million												
<table border="1"> <tr> <td>30 June 2021</td> <td>\$806.4</td> </tr> <tr> <td>30 June 2020</td> <td>\$200.0</td> </tr> </table>	30 June 2021	\$806.4	30 June 2020	\$200.0	<table border="1"> <tr> <td>30 June 2021</td> <td>\$421.6</td> </tr> <tr> <td>30 June 2020</td> <td>\$99.3</td> </tr> </table>	30 June 2021	\$421.6	30 June 2020	\$99.3	<table border="1"> <tr> <td>30 June 2021</td> <td>\$294.9</td> </tr> <tr> <td>30 June 2020</td> <td>\$67.5</td> </tr> </table>	30 June 2021	\$294.9	30 June 2020	\$67.5
30 June 2021	\$806.4													
30 June 2020	\$200.0													
30 June 2021	\$421.6													
30 June 2020	\$99.3													
30 June 2021	\$294.9													
30 June 2020	\$67.5													



C.1 Financial management discussion and analysis

For the year ended 30 June 2021

Objectives

The Agency was established on 1 July 2017 under section 37 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the CRASLA Act). We are responsible for the government's suburban development program, including urban renewal in established town centres and suburbs outside 'declared urban renewal precincts'. We rely on the Environment, Planning and Sustainable Development Directorate (EPSDD) to supplement our functions in some areas such as information management, people and capability, governance and legal services, fleet management, and due diligence.

The objectives of the Agency, as set out in section 38 of the Act, are to:

- Encourage and promote:
 - inclusive communities through the delivery of people-focused neighbourhoods
 - suburban development and urban renewal, other than in the City Renewal Precinct, that supports:
 - affordable living
 - a safe and healthy population
 - social inclusion
 - housing choice
 - social and environmental sustainability
 - growth and diversification of the Territory's economy.
- Operate effectively to deliver value for money using sound risk management practices.

Nature and scope of activities

We develop and release government-owned land for residential, commercial, industrial and community purposes.

The Agency:

- buys and sells leases of land on behalf of the Territory
- ensures a mixture of public and private housing in new suburbs
- increases the supply of affordable and community housing
- meets housing targets



- develops land in an environmentally sustainable way
- operates in ways that support statutory greenhouse gas emissions targets
- follows and supports whole of government strategies.

We work with other entities to encourage cohesive suburban development.

By acting in a trustworthy, responsible and professional way, we will:

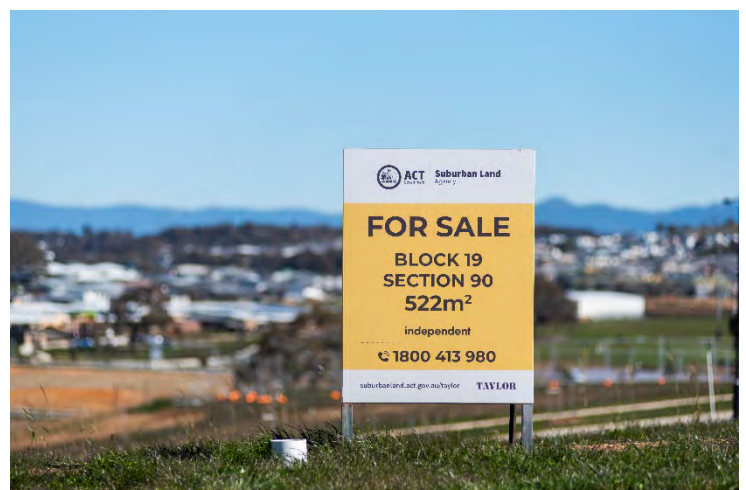
- work efficiently in providing financial and non-financial returns to the Territory
- when developing land, consider the environment and long-term sustainability of key commercial decisions
- encourage and support innovation to build a city for the future with a focus on affordable living, safe and inclusive communities, housing diversity, transport, water supply, sustainable environments, connectivity and energy efficiency
- in conjunction with other agencies, deliver the ACT Government’s Indicative Land Release Program (ILRP)
- undertake meaningful engagement with the Ngunnawal people, the traditional custodians of the land we develop, to understand cultural and heritage implications on our projects
- engage with communities clearly, transparently, honestly and professionally about the land development process and projects.

We carefully balance public and private sector priorities and is building strong and mutually beneficial relationships across both sectors.

Public Trading Enterprise

The Agency is a Public Trading Enterprise. Consistent with the ACT Government’s policy statement on competitive neutrality (Competitive Neutrality in the ACT, October 2010), we apply similar costing and pricing principles, taxation, debt guarantee requirements and regulations as a fully corporatised business, including:

- payment for the transfer of unleased land for development from the Territory on a commercial basis
- land holding cost payments
- stamp duty equivalent payments
- application of the National Tax Equivalent Regime
- providing a commercial return to the ACT Government through the development and sale of the land.



Going concern and the COVID-19 pandemic

AASB 101 *Presentation of Financial Statements* states that financial statements should be prepared on a going concern basis unless there is an intention to liquidate the entity or cease trading, or there is no realistic alternative but to do so. We have a history of profitable operations and as a government entity, have the financial backing of the Territory. We are not expected to be liquidated or cease trading without a government direction to do so. The ACT Government's 2021–22 Budget Statements clearly outline an intention for the Agency to continue to operate for the foreseeable future. The role and functions of the Agency are also enshrined in legislation. The going concern basis is therefore considered appropriate for the 2020–21 financial statements.

It is recognised that continued uncertainty exists in relation to the COVID-19 pandemic. Circumstances related to the health emergency are changing rapidly, and the Australian Government and ACT Government continue to make policy interventions to address potential impacts to the economy. Given the uncertainty, the preparation of the 2020–21 financial statements has included consideration of the potential impact of the COVID-19 pandemic on:

- liquidity and the going concern basis for reporting
- impacts on the financial position including reserves
- demand for land
- government policies and stimulus
- land development activities
- trade terms
- operation of business continuity plans
- effect of remote work arrangements on the ability to maintain operations and controls
- impairment of assets.



Our current projections indicate appropriate liquidity will be maintained into the future, however, these projections could be impacted by the COVID-19 pandemic or other factors. The Agency operates in line with the City Renewal Authority and Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction NI2018-224, which outlines a requirement for the Agency to pay 100 per cent of its net profits after tax as dividends to the Territory. This direction affects the capacity to retain earnings, and timing differences may arise between cash inflows from land sales and cash outflows for land development activities. Although the COVID-19 pandemic may further impact these timing differences, any risks to liquidity are considered to be appropriately mitigated by the following:

- The legislation that established the Agency requires that the Treasurer, in giving a direction for the Agency to pay funds to the Territory, have regard for the Agency’s assets, liabilities, income and expenditure.
- The City Renewal Authority and Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction NI2018-224 allows sufficient flexibility to defer dividend payments as required.
- The Agency has the financial backing of the Territory.
- The Agency has access to financial resources through the Territory.

Despite the level of uncertainty that exists in the COVID-19 environment, liquidity risks are appropriately mitigated and there is certainty that the Agency will continue to operate for the foreseeable future. The going concern basis for preparing the financial statements is unaffected by the COVID-19 pandemic.



Risk management

We maintain a risk register that identifies risks under the following categories:

- **Strategic** — ACT and Commonwealth Government policy, priorities and strategies; external conditions, activities and environment; and meeting community and government expectations.
- **Operational** — Management of financial and non-financial targets; business and financial systems and processes; organisational and workforce planning; projects and land development; and effective governance.
- **Fraud and Corruption** — Management of information including procedures, procurement, resources and contracts, and compliant records management.
- **Work Health and Safety (WHS)** — Through active engagement and a WHS framework, we manage risks to staff and visitors and provides oversight to, and monitors, contractors' obligations.

Risk registers for Agency functions and activities are maintained with a fit-for-purpose monitoring and review program that oversees activities.

The current and potential impact of the COVID-19 outbreak is difficult to assess and predict. We are monitoring the potential impact on financial and non-financial performance.

We operate in accordance with the Board approved Suburban Land Agency Risk Appetite Statement. Our Risk Appetite Statement provides a guide for decision makers on the type of key risks/activities and the amount of risk the Agency is willing to accept. This contributes to achieving our strategic objectives by supporting decision making in the context of the overall risk appetite.

The risk appetites, as defined in the Board approved Risk Appetite Statement, are:

	Zero tolerance	No appetite	Limited appetite	Appetite for
	absolutely opposed to risk taking	least possible risk taking	calculated risk taking	engage with risk and pursue opportunities

Strategies for 2020–21

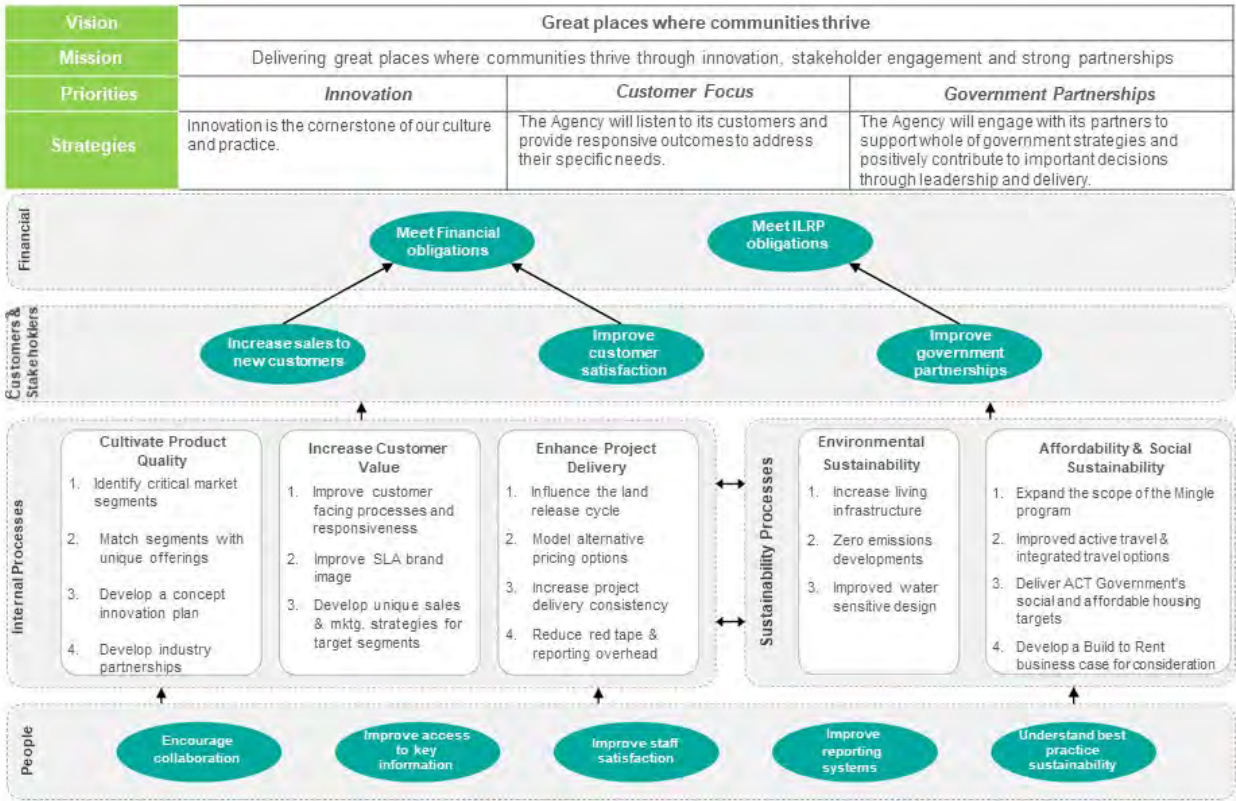
To meet its obligations to the Canberra community, we identified three major priorities for 2020–21:

- **Innovation** — Innovation is the cornerstone of our culture and practice.
- **Customer Focus** — We will listen to our customers and provide responsive outcomes to address their specific needs.
- **Government Partnerships** — We will engage with our partners to support whole of government strategies and positively contribute to important decisions through leadership and delivery.

The Strategy Map (see Figure 1) defines the operating environment, key drivers and strategic framework. A Balanced Scorecard approach to managing outcomes against these priorities has been adopted. It measures activities across key focus areas:

- financial
- customers and stakeholders
- internal business processes
- people, learning and growth.

Figure 1: Agency Strategy Map 2021–21



The Balanced Scorecard identifies lead and lag measures. These are designed to assess performance against the objectives and priorities established by government, the Board and Executive, and the ILRP.

Returns to the Territory

The total return to the ACT Government from Agency activities consists of:

- payment for unleased Territory land transferred from EPSDD
- capital distributions to government
- payment of national tax equivalents
- payment of dividends based on operating profit after tax
- payment of land holding costs and stamp duty equivalents
- payment of payroll tax.

Table 30 compares the total returns to the Territory in 2020–21 with the 2020–21 Budget Statement of Intent.

Table 30: Comparison of returns to the Territory

	Actual 2020–21 \$'M	Original Budget 2020–21 \$'M
Dividends declared ¹	294.9	307.0
National tax equivalent payments	126.7	131.6
Payments for land acquisitions	25.0	22.8
Payroll tax	1.1	1.3
Stamp duty equivalents / Land holding cost equivalents	1.2	1.8
Total Returns to the Territory	448.9	464.5

1. The Agency declares a dividend of 100 per cent of its net operating surplus, payable to the ACT Government.

Financial performance

The following financial information is based on the audited 2020–21 Financial Statements.

Table 31: Financial Performance by Year

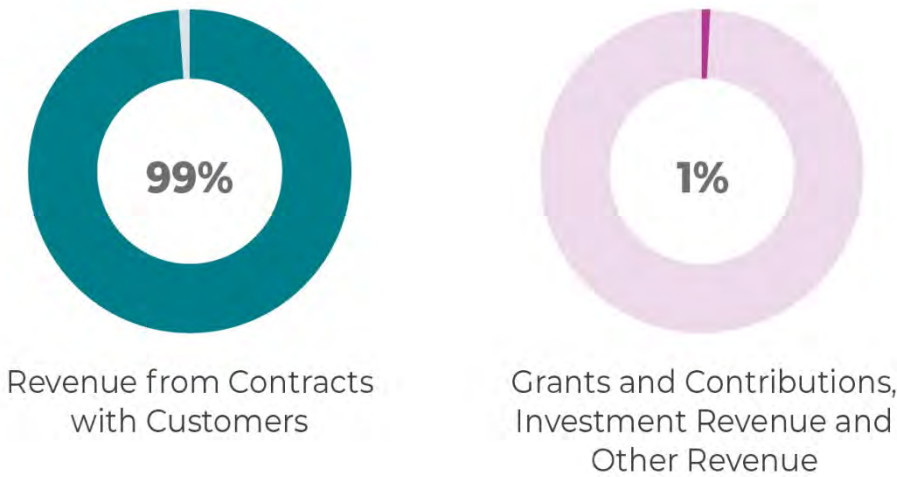
	2019–20 Actual \$'000	2020–21 Actual \$'000	2020–21 Budget \$'000	2021–22 Budget \$'000	2022–23 Budget \$'000	2023–24 Budget \$'000	2024–25 Budget \$'000
Total Income	213,871	819,338	822,864	405,203	456,851	413,069	445,971
Total Expenditure	114,612	397,721	384,344	245,667	284,528	359,084	258,454
Operating Result before Tax	99,259	421,617	438,520	159,536	172,323	53,985	187,517
Income Tax Equivalent	31,728	126,744	131,556	47,861	51,697	16,196	56,255
Operating Result after Tax	67,531	294,873	306,964	111,675	120,626	37,790	131,262

Total income

Components of income

As shown in Figure 2, 99.2% of the Agency's total income of \$819.3 million for the year ended 30 June 2021 is derived from Revenue from Contracts with Customers, with the remaining 0.8% from Grants and Contributions, Investment Revenue, and Other Revenue.

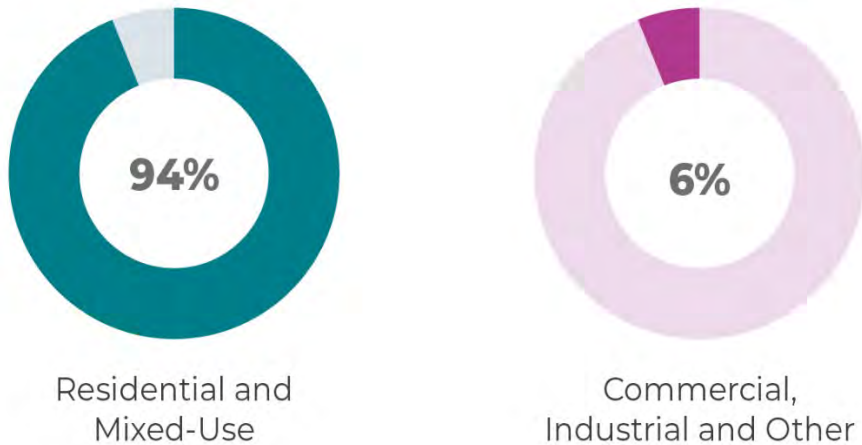
Figure 2: Components of income



Components of land revenue

As shown in Figure 3, 93.6% of the Agency’s Land Revenue (\$806.4 million) is derived from residential and mixed-use land sales (\$754.5 million) and 6.4% from other land sales (\$51.9 million) including commercial, industrial and other land sales.

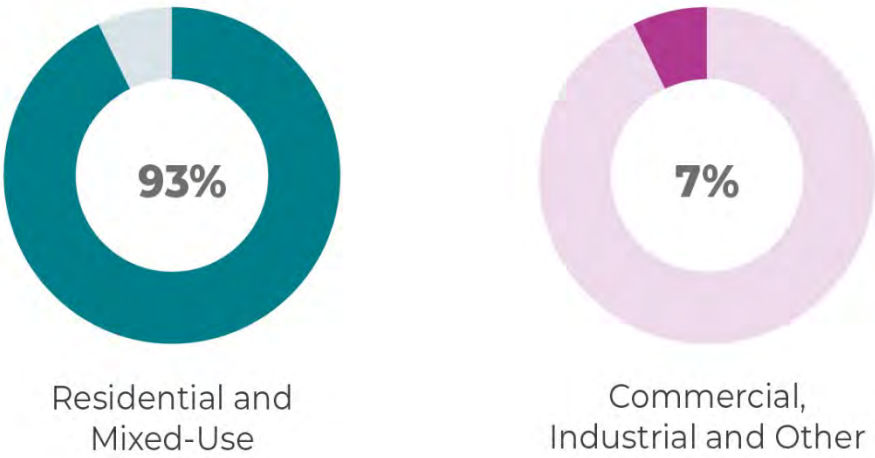
Figure 3: Components of land revenue



Components of gross profit

As shown in Figure 4, 93.3% of the Agency’s gross profit was derived from residential and mixed-use land sales for the year ended 30 June 2021 and 6.7% from commercial, industrial, and other land sales.

Figure 4: Components of gross profit



Comparison to 2020–21 budget

Actual income of \$819.3 million is \$3.6 million (0.4%) lower than the budgeted amount of \$822.9 million. Actual Revenue from Contracts with Customers of \$812.7 million is \$0.5 million (0.1%) higher than the budgeted amount of \$812.2 million. Other income of \$6.7 million is \$3.9 million (37.1%) lower than the budgeted amount of \$10.6 million.

The below budget Other Income is predominantly due to lower Resources Received Free of Charge from EPSDD. The Agency may receive services or resources from other ACT Government entities free of charge. This can include legal, financial and HR services or Territory-owned land. Further details of resources received free of charge in 2020–21 are provided in the Financial Statements.

The gross profit margin of 58.3% is lower than the budgeted figure of 61.4%, predominantly due to the costs related to the Molonglo critical infrastructure projects being allocated to blocks settled in Whitlam and Denman Prospect. The budget assumed that these costs would not be allocated to specific projects in this manner.

The profit margins of the Agency are used for internal purposes to provide comparatives across projects and time periods. These margins are not comparable with private industry, noting that government enters the land development process at an earlier stage than private developers. Additionally, the government invests in significant infrastructure within and around its developments with the cost incurred by other government agencies and therefore those costs are not reflected in the Agency’s profit margins.

Comparison to 2019–20 actual

Actual income of \$819.3 million is \$605.4 million (283.1%) higher than the 2019–20 actual result of \$213.9 million. Actual Revenue from Contracts with Customers of \$812.7 million is \$607.9 million (296.7%) higher than the 2019–20 actual result of \$204.8 million. Other income of \$6.7 million is \$2.3 million (25.6%) lower than the 2019–20 actual result of \$9.0 million.

The increase in Revenue from Contracts with Customers has resulted from unprecedented sales in the 2020–21 financial year.

The reduction in Other Income is predominantly due to lower Resources Received Free of Charge from EPSDD.

Forward year estimates

The 2021–22 Total Income budget of \$405.2 million is \$414.1 million (50.5%) lower than the 2020–21 actual of \$819.3 million predominantly due to an expected decrease in land settlements in 2021–22. There were record land settlements in Taylor and Whitlam in 2020–21 which resulted in over \$800 million in actual revenue. This is not expected to be sustained at these levels going forward.

The movements in the 2020–23 to 2024–25 budgets are predominantly due to expected changes in the Agency’s land sales program.

Total expenses

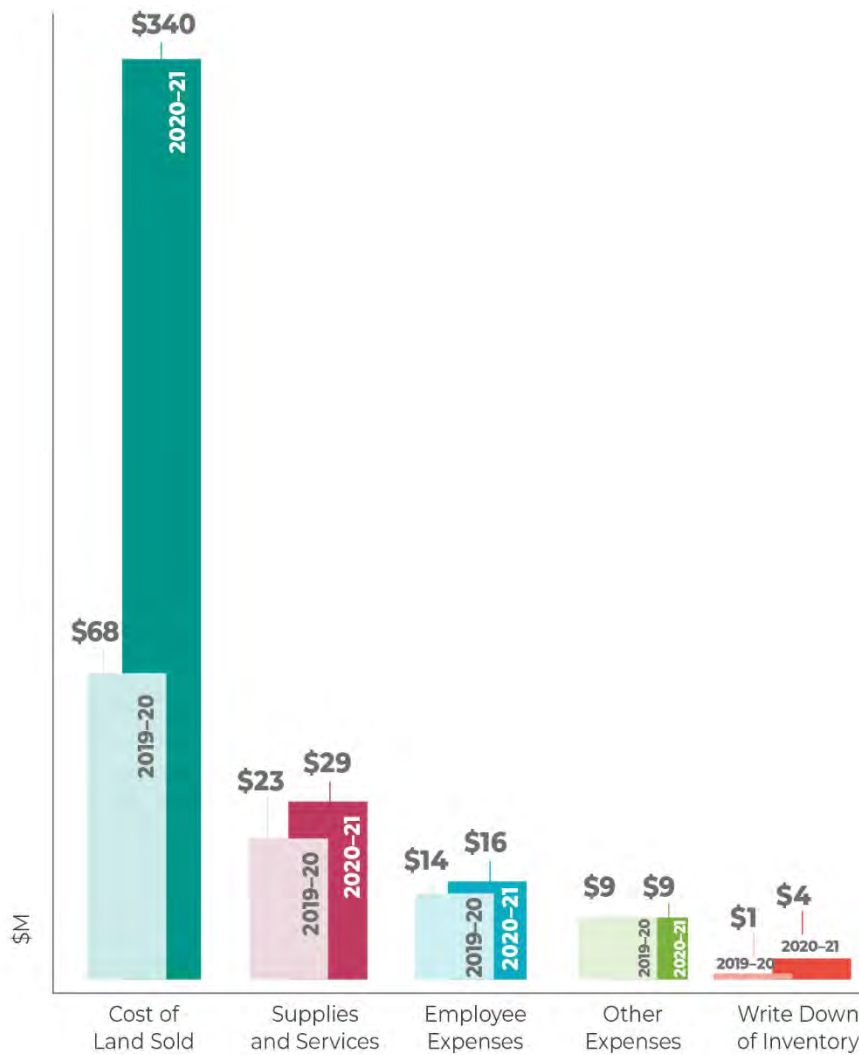
Components of expenses

Total expenses of \$397.7 million for the year ended 30 June 2021 (as shown in Figure 5) mainly relates to Cost of Land Sold (85.5%), Supplies and Services (7.2%), Employee Expenses (4.1%), Other Expenses (2.2%) and Write Down of Inventory (1.0%).

Cost of Land Sold of \$339.9 million relates to the direct costs associated with the development of land that settled during 2020–21. Cost of Land Sold is recognised for all Agency estates.



Figure 5: Components of expenses



Comparison to 2020–21 budget

Actual expenses of \$397.7 million exceeded the budgeted amount of \$384.3 million by \$13.4 million (3.5%) due to:

- \$24.9 million in Cost of Land Sold relating to the attribution of Molonglo critical infrastructure costs to blocks settled in Whitlam and Denman Prospect, and the demolition costs for a former asset recycling initiative block in Lyons, which were not included in the budget
- \$4.2 million in Write Down of Inventory due primarily to two community sites in Moncrieff and Taylor which were sold to community groups below cost through direct sale processes. The sales were made at the concessional rate applicable to community use land, in line with the *Planning and Development Act 2007*.

These were partially offset by:

- \$12.8 million in Supplies and Services for lower than budgeted Resources Received Free of Charge expense from EPSDD, consultants, professional services, and project related expenses

- \$2.9 million in Employee Expenses and Other Expenses corresponding with position vacancies throughout the reporting period and higher than budgeted employee costs capitalised to inventories.

Comparison to 2019–20 actual

Total expenses of \$397.7 million in 2020–21 is \$283.1 million (247.0%) higher than the 2019–20 amount of \$114.6 million, due to:

- \$271.5 million in Cost of Land Sold attributable to the significant increase in land sales in 2020–21
- \$6.0 million in Supplies and Services predominately due to a legal settlement relating to a land sale and corresponding with the unprecedented land sales in 2020–21
- \$3.3 million in Write Down of Inventory, relating to two community sites in Moncrieff and Taylor which were sold to community groups below cost through direct sale processes. The sales were made at the concessional rate applicable to community use land, in line with the *Planning and Development Act 2007*
- \$2.3 million in Employee Expenses and Other Expenses primarily due to an increase in full time equivalent staff from 107.8 to 117.7 during the financial year.

Forward Year Estimates

The 2021–22 Total Expenses budget of \$245.7 million is \$152.0 million (38.2%) lower than the 2020–21 actual of \$397.7 million predominantly due to a decrease in the cost of land sold, which corresponds with lower expected land sales.

The 2022–23 budget of \$284.5 million is \$38.8 million (15.8%) higher than the 2021–22 budget of \$245.7 million mainly due to the higher cost of land sold, which corresponds with changes in expected land sales.

The 2023–24 budget of \$359.1 million is \$74.6 million (26.2%) higher than the 2022–23 budget of \$284.5 million and \$100.6 million (28.05%) higher than the 2024–25 budget of \$258.5 million mainly due to higher other expenses resulting from the expected transfer of a community asset to another ACT Government agency free of charge in 2023–24.

Dividends

The Agency operates under a policy of declaring a dividend of 100 per cent of its net operating surplus payable to the ACT Government.

The dividend declared for 2020–21 is \$294.9 million, which is \$12.1 million (3.9%) lower than the budget of \$307.0 million as a consequence of higher than anticipated Cost of Land Sold resulting in a lower than budgeted operating surplus.

The dividend declared for 2020–21 is \$227.4 million (336.9%) higher than the 2019–20 dividend of \$67.5 million, due to the unprecedented sales conditions in 2020–21 resulting in a higher operating surplus.

Financial position

Key indicators of the Agency’s financial position are the ability to sustain its asset base and to pay debts as they fall due.

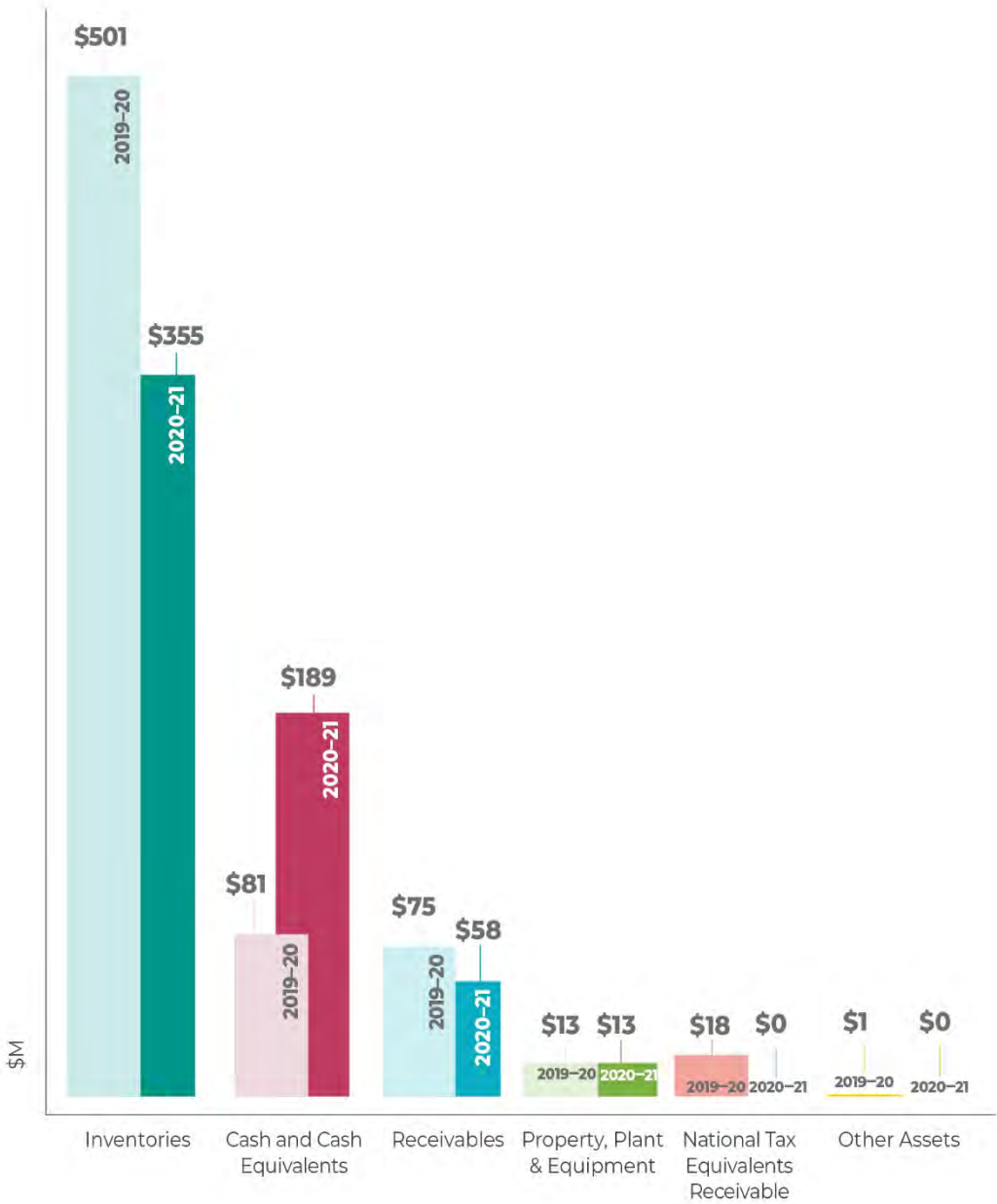
Total assets

Components of total assets

Total assets at 30 June 2021 of \$614.6 million (as shown in Figure 6) is comprised of Current and Non-Current Inventories of \$354.9 million (57.8%), Cash and Cash Equivalents of \$189.2 million (30.8%), Current and Non-Current Receivables of \$58.0 million (9.4%), and Property, Plant and Equipment of \$12.5 million (2.0%).



Figure 6: Components of total assets



Comparison to budget at 30 June 2021

The total asset position at 30 June 2021 of \$614.6 million is higher than the budgeted amount of \$543.5 million by \$71.1 million (13.1%) due to:

- \$142.9 million in Cash and Cash Equivalents and Receivables due to lower than budgeted development costs, National Tax Equivalent, and dividend payments.

These were partially offset by:

- \$43.0 million decrease in Inventories and Property, Plants and Equipment due predominately to lower than budgeted capitalised development costs in 2020–21

- \$28.8 million decrease in Other Assets mainly due to the reclassification of Molonglo infrastructure initiatives from Capital Work in Progress to Inventories.

Comparison to 2019–20 actual at 30 June 2021

The total asset position at 30 June 2021 of \$614.6 million is \$73.6 million (10.7%) lower than the 30 June 2020 asset position of \$688.2 million due to a decrease in:

- Inventories of \$146.2 million sold due to unprecedented demand for land
- National Tax Equivalent Receivable of \$17.5 million for a refund of instalments paid in relation to 2019–20 National Tax Equivalent
- Receivables of \$17.1 million relating to the contribution repayment by the West Belconnen Joint Venture in 2020–21
- other minor variances of \$1.3 million.

These were partially offset by:

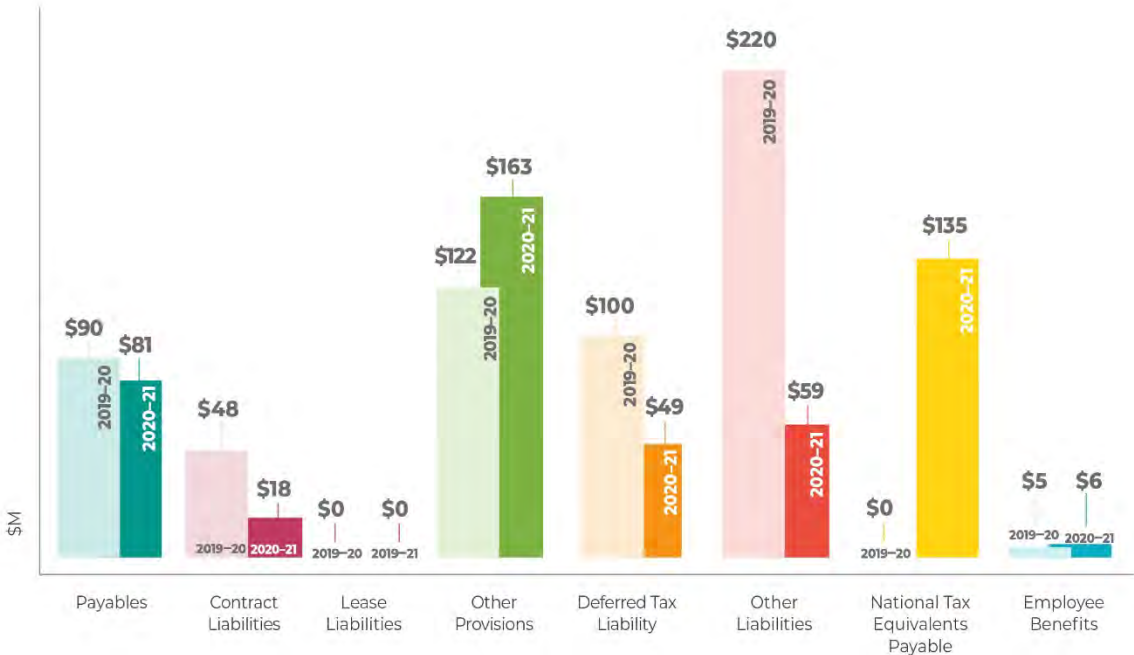
- Cash of \$108.5 million predominately related to increased land sales receipts and repayment of the contribution from the West Belconnen Joint Venture in conjunction with lower development costs and income tax payments, partially offset by increased dividend payments.

Total liabilities

Total liabilities of \$511.7 million comprised Current and Non-Current Other Provision of \$163.0 million (31.9%), National Tax Equivalent Payable of \$135.4 million (26.5%), Current and Non-Current Payables of \$80.6 million (15.8%), Current and Non-Current Other Liabilities of \$59.4 million (11.6%), Deferred Tax Liability of \$48.7 million (9.5%), Current and Non-Current Contract Liabilities of \$18.5 million (3.6%), Current and Non-Current Employee Benefits of \$6.0 million (1.1%) and Current and Non-Current Lease Liabilities of \$0.1 million (0.0%) (as shown in Figure 7).



Figure 7: Components of total liabilities



Notes:

1. Payables largely comprise the Payables to EPSDD for Land, Retention Money, Third Party Money, Other Payables, Accrued Expenses and GST payables.
2. Contract Liabilities reflect Revenue Received in Advance for exchanged land sales contracts.
3. Other Provisions reflect costs expected to be incurred for developed parcels of land and the value of infrastructure assets that are to be transferred to relevant ACT Government agencies when construction is complete.
4. Deferred Tax Liability relates to the taxable temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base.
5. Other Liabilities reflect the balance of the dividend to be paid to the Territory.

Comparison to budget at 30 June 2021

The total liability position at 30 June 2021 of \$511.7 million is higher than the budget amount of \$440.0 million by \$71.7 million (16.3%) due to:

- \$90.8 million increase in National Tax Equivalent Payable relating to the Agency stopping payment of instalments from March 2021 because the ATO did not require the payment of instalments after it assessed the Agency’s 2019–20 tax liability
- \$41.1 million increase in Other Provisions mainly due to additional land becoming settlement ready in 2020–21
- \$8.5 million in Other Liabilities, due to lower than budgeted dividend payments made in 2020–21 compared to the budget.

These were partially offset by:

- \$51.3 million in Deferred Tax Liability due to anticipated lower National Tax Equivalent Payables in future periods relating to a taxable temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base
- \$16.6 million in Payables primarily relating to a decrease in payables to EPSDD for land yet to be developed.

Comparison to 2019–20 actual at 30 June 2021

The total liability position at 30 June 2021 of \$511.7 million is \$73.0 million (12.5%) lower than the 30 June 2020 liability position of \$584.7 million due to a decrease in:

- \$160.6 million in Other Liabilities predominantly relating to payments of the 2018–19 and 2019–20 outstanding dividend payables in 2020–21 and the payment of 80% of 2020–21 estimated net profit in June 2021
- \$51.3 million in Deferred Tax Liability due to anticipated lower National Tax Equivalent payable in future periods relating to a taxable temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base
- \$29.2 million Contract Liabilities predominantly due to a site with high value deposit which settled (exchanged in prior year) during the year
- \$9.1 million in Payables mainly relating to a decrease in Payables to EPSDD for Land Yet to be Developed.

These were partially offset by:

- \$135.4 million in National Tax Equivalent Payable due to higher income tax expenses as a result of a higher operating surplus in 2020–21
- \$41.0 million in Other Provisions due to additional blocks becoming settlement ready in Taylor and Whitlam.

Liquidity

Liquidity refers to one indicator of the Agency's ability to satisfy its short-term debts as they fall due.

Table 32 outlines the current ratio which compares the ability to fund short-term liabilities with short-term assets. The current ratio at 30 June 2021 indicates that the Agency will maintain adequate liquidity for the next 12 months. It is noted that current inventories are expected to be realised at market values which significantly exceed the current book values.

Table 32: Current assets to current liabilities

	30 June 2021 Actual \$'000	30 June 2021 Budget \$'000	30 June 2022 Budget \$'000	30 June 2023 Budget \$'000	30 June 2024 Budget \$'000	30 June 2025 Budget \$'000
Total Current Assets	380,626	230,679	222,831	227,095	252,686	218,839
Total Current Liabilities	348,729	170,044	180,240	196,949	185,012	182,283
Current Ratio	1.1	1.4	1.2	1.2	1.4	1.4

C.2 Financial statements

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Suburban Land Agency for the year ended 30 June 2021 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and accompanying notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Suburban Land Agency's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for the audit opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Suburban Land Agency 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)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Suburban Land Agency for the financial statements

The Governing Board is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Suburban Land Agency to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, I am responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Suburban Land Agency.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, 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 controls;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Suburban Land Agency's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Suburban Land Agency;
- conclude on the appropriateness of the Suburban Land Agency's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Suburban Land Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Suburban Land Agency to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing 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.



Michael Harris
Auditor-General
23 September 2021

Suburban Land Agency

Financial Statements

For the Year Ended

30 June 2021

**Suburban Land Agency
Financial Statements
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Suburban Land Agency's accounts and records and fairly reflect the financial operations of the Suburban Land Agency for the year ended 30 June 2021 and the financial position of the Suburban Land Agency on that date.

A handwritten signature in black ink, appearing to read 'J Fitzgerald', written in a cursive style.

John Fitzgerald

Chair

Suburban Land Agency

23 September 2021

**Suburban Land Agency
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Executive Officer

In my opinion, the financial statements are in agreement with the Suburban Land Agency's accounts and records and fairly reflect the financial operations of the Suburban Land Agency for the year ended 30 June 2021 and the financial position of the Suburban Land Agency on that date.



John Dietz

Chief Executive Officer

Suburban Land Agency

23 September 2021

**Suburban Land Agency
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Suburban Land Agency's accounts and records and fairly reflect the financial operations of the Suburban Land Agency for the year ended 30 June 2021 and the financial position of the Suburban Land Agency on that date.



Joseph Lee

Chief Financial Officer

Suburban Land Agency

23 September 2021

Suburban Land Agency
Statement of Comprehensive Income
For the Year Ended 30 June 2021

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Income				
<i>Revenue</i>				
Revenue from Contracts with Customers	4	812,650	812,227	204,841
Investment Revenue	5	1,650	1,060	2,347
Grants and Contributions	6	4,229	8,906	5,676
Other Revenue		809	671	907
Total Revenue		819,338	822,864	213,771
<i>Gains</i>				
Gains from Remeasurement of Assets		-	-	100
Total Gains		-	-	100
Total Income		819,338	822,864	213,871
Expenses				
Employee Expenses	7	16,116	18,741	13,938
Supplies and Services	8	28,678	41,431	22,714
Cost of Land Sold	9	339,889	314,955	68,428
Write Down of Inventory	10	4,194	-	887
Other Expenses	11	8,844	9,217	8,645
Total Expenses		397,721	384,344	114,612
Operating Surplus before National Tax Equivalent		421,617	438,520	99,259
National Tax Equivalent	12	126,744	131,556	31,728
Operating Surplus		294,873	306,964	67,531
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
(Decrease) in the Asset Revaluation Surplus		-	-	(100)
Total Other Comprehensive Income		-	-	(100)
Total Comprehensive Income		294,873	306,964	67,431

The above Statement of Comprehensive Income should be read with the accompanying notes and appendices.

**Suburban Land Agency
Balance Sheet
As at 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Current Assets				
Cash and Cash Equivalents	13	189,197	49,335	80,714
Receivables	14	31,920	30,457	28,585
Inventories	15	159,509	150,887	162,284
National Tax Equivalent Receivable	22	-	-	17,505
Total Current Assets		380,626	230,679	289,088
Non-Current Assets				
Receivables	14	26,051	24,449	46,468
Inventories	15	195,344	245,475	338,792
Property, Plant and Equipment	16	12,502	14,006	12,838
Intangible Assets		67	1,156	-
Capital Works in Progress		-	27,746	1,013
Total Non-Current Assets		233,964	312,832	399,111
Total Assets		614,590	543,511	688,199
Current Liabilities				
Payables	17	64,076	61,174	53,633
Contract Liabilities	18	18,406	18,091	46,527
Lease Liabilities	19	68	56	81
Employee Benefits	20	5,647	6,545	4,998
Other Provisions	21	65,652	39,323	39,389
National Tax Equivalent Payable	22	135,447	44,599	-
Other Liabilities	23	59,433	256	66,486
Total Current Liabilities		348,729	170,044	211,114
Non-Current Liabilities				
Payables	17	16,481	36,027	36,027
Contract Liabilities	18	73	435	1,118
Lease Liabilities	19	48	22	75
Employee Benefits	20	301	224	216
Other Provisions	21	97,385	82,634	82,633
Other Liabilities	23	-	50,642	153,533
Deferred Tax Liability	24	48,659	99,944	99,944
Total Non-Current Liabilities		162,947	269,928	373,546
Total Liabilities		511,676	439,972	584,660
Net Assets		102,914	103,539	103,539
Equity				
Contributed Equity		102,914	103,539	103,539
Total Equity		102,914	103,539	103,539

The above Balance Sheet should be read with the accompanying notes and appendices.

**Suburban Land Agency
Statement of Changes in Equity
For the Year Ended 30 June 2021**

	Contributed Equity Actual 2021 \$'000	Accumulated Funds Actual 2021 \$'000	Asset Revaluation Surplus Actual 2021 \$'000	Total Equity Actual 2021 \$'000	Original Budget 2021 \$'000
Balance at 1 July 2020	103,539	-	-	103,539	103,539
Comprehensive Income					
Operating Surplus	-	294,873	-	294,873	306,964
Total Comprehensive Income	-	294,873	-	294,873	306,964
Capital Distributions	(625)	-	-	(625)	-
Dividend Approved	-	(294,873)	-	(294,873)	(306,964)
Total Transactions Involving Owners Affecting Accumulated Funds	(625)	(294,873)	-	(295,498)	(306,964)
Balance at 30 June 2021	102,914	-	-	102,914	103,539

Suburban Land Agency
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2021

	Contributed Equity Actual 2020 \$'000	Accumulated Funds Actual 2020 \$'000	Asset Revaluation Surplus Actual 2020 \$'000	Total Equity Actual 2020 \$'000	Original Budget 2020 \$'000
Balance at 1 July 2019	102,689	-	100	102,789	102,421
Comprehensive Income					
Operating Surplus	-	67,531	-	67,531	165,021
Asset Revaluation Surplus	-	-	(100)	(100)	-
Total Comprehensive Income/(Deficit)	-	67,531	(100)	67,431	165,021
Transactions Involving Owners Affecting Accumulated Funds					
Funds Contributed by Owners	850	-	-	850	-
Dividend Approved	-	(67,531)	-	(67,531)	(165,021)
Total Transactions Involving Owners Affecting Accumulated Funds	850	(67,531)	-	(66,681)	(165,021)
Balance at 30 June 2020	103,539	-	-	103,539	102,421

The above Statement of Changes in Equity should be read with the accompanying notes and appendices.

**Suburban Land Agency
Statement of Cash Flows
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Cash Flows from Operating Activities				
Receipts				
Revenue from Contracts with Customers		764,259	805,598	208,210
Interest Received		1,077	300	1,325
Goods and Services Tax Collected from Customers		10,292	10,279	8,072
Goods and Services Tax Input Tax Credit from the Australian Taxation Office		16,745	10,151	17,034
Other		7,782	(26,435)	592
Total Receipts from Operating Activities		800,155	799,893	235,233
Payments				
Employee Expenses		15,384	17,187	13,207
Supplies and Services		24,409	33,815	18,991
Development Costs		154,052	208,904	192,576
Land Acquisitions		19,347	21,335	13,619
Goods and Services Tax Paid to Suppliers and Remitted to the Australian Taxation Office		25,013	21,109	20,661
National Tax Equivalent Payments		25,077	69,452	65,983
Other Payments		1,196	1,799	2,681
Total Payments from Operating Activities		264,478	373,601	327,718
Net Cash Inflows/(Outflows) from Operating Activities	29	535,677	426,292	(92,485)
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		-	-	26
Repayment of Contribution from Joint Operation		29,216	24,738	-
Total Receipts from Investing Activities		29,216	24,738	26
Payments				
Purchase of Property, Plant and Equipment		80	2,709	11
Payments relating to Capital Works in Progress		-	-	1,013
Contribution to Joint Operation		-	3,511	850
Total Payment from Investing Activities		80	6,220	1,874
Net Cash Inflows/(Outflows) from Investing Activities		29,136	18,518	(1,848)

**Suburban Land Agency
Statement of Cash Flows - Continued
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Cash Flows from Financing Activities				
Receipts				
Equity Contribution Repayment from Joint Operation		-	-	850
Total Receipts from Financing Activities		-	-	850
Payments				
Distributions to Government		-	-	5,940
Equity Contribution Payment		625	-	-
Repayment of Finance Lease Liabilities		100	102	105
Payment of Dividend		455,605	476,087	2,698
Total Payments from Financing Activities		456,330	476,189	8,743
Net Cash Outflows from Financing Activities		(456,330)	(476,189)	(7,893)
Net Increase/(Decrease) in Cash and Cash Equivalents		108,483	(31,379)	(102,226)
Cash and Cash Equivalents at the Beginning of the Reporting Period		80,714	80,714	182,940
Cash and Cash Equivalents at the End of the Reporting Period	13	189,197	49,335	80,714

The above Statement of Cash Flows should be read with the accompanying notes and appendices.

Suburban Land Agency
Financial Statements For the Year Ended 30 June 2021
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Suburban Land Agency

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 1. OBJECTIVES OF THE SUBURBAN LAND AGENCY

Operations and principal activities

The Suburban Land Agency (the Agency) was established on 1 July 2017 under section 37 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act). The Agency is responsible for the Government's suburban development program, including urban renewal in established town centres and suburbs outside 'declared urban renewal precincts'. The Agency relies on the Environment, Planning and Sustainable Development Directorate (EPSDD) to supplement the Agency's functions in some areas such as people and capability, governance and legal services, information management, fleet management and due diligence.

The total return to the ACT Government from Agency activities consists of:

- payment of unleased Territory land transferred from EPSDD;
- payment of national tax equivalent;
- payment of dividend based on operating profit after tax;
- payment of land holding costs and stamp duty equivalent; and
- payment of payroll tax.

The objectives of the Agency, as set out in section 38 of the Act, are to:

- encourage and promote:
 - i. inclusive communities through the delivery of people-focussed neighbourhoods;
 - ii. suburban development and urban renewal, other than in the City Renewal Precinct, that supports the following:
 - affordable living;
 - a safe and healthy population;
 - social inclusion;
 - housing choice;
 - social and environmental sustainability;
 - growth and diversification of the Territory's economy; and
- operate effectively, in a way that delivers value for money, in accordance with sound risk management practices.

Public Trading Enterprise

The Agency is a Public Trading Enterprise. Consistent with the ACT Government's policy statement on competitive neutrality (Competitive Neutrality in the ACT, October 2010), the Agency applies similar costing and pricing principles, taxation, debt guarantee requirements and regulations as a fully corporatised business, including:

- the transfer of unleased land for development from the Territory on a commercial basis;
- land holding cost payments;
- stamp duty equivalent payments;
- application of the National Tax Equivalent Regime (NTER); and
- providing a commercial return to the ACT Government through the development and sale of the land.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 1. OBJECTIVES OF THE SUBURBAN LAND AGENCY - CONTINUED

West Belconnen Joint Venture

The West Belconnen Joint Venture was established on 23 November 2016. It is an agreement between the Territory and Riverview Developments (ACT) Pty Ltd, Reid & Stevens Pty Ltd and Corkhill Bros Pty Ltd to undertake land development activities either side of the NSW/ACT Border within and to the west of the Belconnen Region of the ACT. There are two components to the West Belconnen Joint Venture. The first being the Land component (60% interest) and the second being the Housing component (50% interest).

The Territory has appointed the Agency as its agent to manage its interest in the joint operation. It is classified as a joint operation in accordance with the Australian Accounting Standards. The assets, liabilities, income and expenses of the joint operation are proportionately consolidated with the Agency in the Financial Statements. Refer to Note 28 for the financial disclosures related to the joint operation.

COVID-19 Pandemic

It is recognised that continued uncertainty exists in relation to the COVID-19 pandemic. Circumstances related to the health emergency are changing rapidly and the Australian Government and ACT Government continue to make policy interventions to address potential impacts to the economy. Given the uncertainty, the preparation of the 2020-21 financial statements has included consideration of the potential impact of COVID-19 on the following:

- liquidity and the going concern basis for reporting;
- impacts on the financial position including reserves;
- demand for land;
- Government policies and stimulus;
- land development activities;
- trade terms;
- operation of business continuity plans and effect of remote work arrangements on the ability to maintain operations and controls; and
- impairment of assets.

Having considered the COVID-19 Pandemic related factors as outlined above, the Agency concluded that the going concern assumption remains appropriate (as further detailed below). The Agency intends to continually monitor these factors and related risks as appropriate on an ongoing basis for the foreseeable future.

Going Concern

AASB 101 *Presentation of Financial Statements* states that financial statements should be prepared on a going concern basis unless there is an intention to liquidate the entity or cease trading, or there is no realistic alternative but to do so. The Agency has a history of profitable operations and as a Government entity, has the financial backing of the Territory. The Agency is not expected to be liquidated or cease trading without a Government direction to do so. The ACT Government's 2021-22 Budget Statements clearly outline an intention for the Agency to continue to operate for the foreseeable future. The role and functions of the Agency are also enshrined in legislation. The going concern basis is therefore considered appropriate for the 2020-21 financial statements.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 1. OBJECTIVES OF THE SUBURBAN LAND AGENCY - CONTINUED

Going Concern – continued

The Agency's current projections indicate appropriate liquidity will be maintained into the future, however, these projections could be impacted by the COVID-19 pandemic or other factors. The Agency operates in line with the City Renewal Authority and Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction NI2018-224, which outlines a requirement for the Agency to pay 100 per cent of its net profits after tax as dividends to the Territory. This direction affects the capacity to retain earnings, and timing differences may arise between cash inflows from land sales and cash outflows for land development activities. Although the COVID-19 pandemic may further impact these timing differences, any risks to liquidity are considered to be appropriately mitigated by the following:

- the legislation that established the Suburban Land Agency requires that the Treasurer, in giving a direction for the Agency to pay funds to the Territory, have regard for the Agency's assets, liabilities, income and expenditure;
- the City Renewal Authority and Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction NI2018-224 allows sufficient flexibility to defer dividend payments as required (the Treasurer has flexibility to approve a different dividend ratio and/or defer the payment of dividends);
- the Agency has the financial backing of the Territory; and
- the Agency has access to financial resources through the Territory.

Despite the level of uncertainty that exists in the COVID-19 environment, liquidity risks are appropriately mitigated and there is certainty that the Agency will continue to operate for the foreseeable future. The going concern basis for reporting is unaffected by the COVID-19 pandemic.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to be Applied

NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

Refer to Appendix D - Change in Accounting Policy and Accounting Estimates

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Under AASB 15 *Revenue from Contracts with Customers*, revenue from contracts with customers is recognised when the performance obligations are satisfied by transferring the goods and services to the customer. Revenue is recognised by applying the following five steps:

1. identifying contracts with customers;
2. identifying separate performance obligations;
3. determining the transaction price of the contract;
4. allocating the transaction price to each of the performance obligations; and
5. recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. The Agency records Land Sales revenue when all performance obligations are satisfied which typically occurs at the point at which land settlement occurs.

	2021	2020
	\$'000	\$'000
Land Revenue		
Residential Land Sales ^a	706,491	197,372
Mixed Use Land Sales ^b	48,058	-
Commercial and Industrial Land Sales ^c	43,695	3,477
Community Land Sales ^d	3,195	449
Infrastructure Delivered by Third Parties ^e	1,741	-
Other Land Revenue ^f	3,245	(1,290)
Total Land Revenue	806,425	200,008
Housing Sales ^g	4,874	2,137
Other Revenue from Contracts with Customers ^h	1,351	2,696
Total Other Revenue	6,225	4,833
Total Revenue from Contracts with Customers	812,650	204,841

- a) Residential Land Sales primarily relate to the estates of Molonglo, Gungahlin and West Belconnen. The increase in Residential Land Sales during 2020-21 is mainly due to a record volume of land releases and settlements in these three estates.
- b) The increase in Mixed Use Land Sales is mostly due to settlements in Gungahlin, Phillip and Coombs during 2020-21.
- c) Commercial and Industrial Land Sales increased in 2020-21 due to the settlement of a large site in Braddon and increased settlements in Hume.
- d) Community Land Sales increased in 2020-21 due to the settlements of large community sites in Acton and Wright.
- e) Infrastructure Delivered by Third Parties relates to a non-cash component of land sales. It reflects the value of infrastructure required to be provided by the purchaser as part of some land sales contract requirements. The increase in Infrastructure Revenue received in 2020-21 is predominantly due to the sale of sites in Gungahlin.
- f) Other Land Revenue predominately relates to tax adjustments on prior settlements.
- g) Housing Sales is the Agency's share of the housing sales revenue from the West Belconnen Joint Venture.
- h) Other Revenue from Contracts with Customers includes liquidated damages revenue as late settlement penalties, user charges, retained deposits and direct sale application fees.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 5. INVESTMENT REVENUE

	2021	2020
	\$'000	\$'000
Interest from Banks ^a	1,077	1,305
Other Interest Revenue	-	20
Interest from West Belconnen Joint Venture	1,433	2,555
Less: 60% Share of Joint Operation	<u>(860)</u>	<u>(1,533)</u>
Net Interest Revenue from Joint Operation ^b	<u>573</u>	<u>1,022</u>
Total Investment Revenue	<u>1,650</u>	<u>2,347</u>

- a) Interest from Banks relates to the interest received on a bank account with Westpac Banking Corporation which the Agency holds as part of the ACT Whole of Government banking arrangement.
- b) Interest is received on contributions made to the West Belconnen Joint Venture. The Agency accounts for the income, expenses, assets and liabilities relating to its share in the joint operation. As the Agency holds an interest in the West Belconnen Joint Venture on behalf of the ACT Government, it recognises its portion of interest revenue receivable from the joint operation.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 6. GRANTS AND CONTRIBUTIONS

	2021	2020
	\$'000	\$'000
Resources Received Free of Charge from ACT Government Entities		
Services Received ^a	3,368	4,789
Land Received ^b	541	887
Grants - ACT Government Entity ^c	320	-
Total Grants and Contributions	4,229	5,676

- a) Services Received include those received from EPSDD for people and capability, governance, compliance and legal, information management, government services, fleet management, and due diligence (refer to Note 8 *Supplies and Services* for further details). Services received also include human resources, finance and records services received from Shared Services, legal services received from the ACT Government Solicitor's Office and land title searches received from Access Canberra. Services Received Free of Charge decreased in 2020-21 due to a decrease in the due diligence works performed by EPSDD on behalf of the Agency.
- b) Land Received relates to transfers of land from ACT Government entities at book value to the Agency at no cost. Land transfers decreased in 2020-21 due to three sites with low average value being transferred during the period, compared to two higher value sites in 2019-20. The following blocks were recognised as Revenue Received Free of Charge during 2020-21:
- Giralang Block 8 Section 73
 - City Block 6 Section 30
 - Phillip Block 7 Section 19
- c) In 2020-21, the Agency recognised a grant from EPSDD upon the completion of the Living Infrastructure Adaptation Demonstration Project at the Whitlam Display Village.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 7. EMPLOYEE EXPENSES

	2021	2020
	\$'000	\$'000
Wages and Salaries		
Wages and Salaries ^a	15,166	13,241
Salary Costs Capitalised in Inventories ^b	(2,974)	(2,481)
Total Wages and Salaries	12,192	10,760
 Superannuation Expenses		
Superannuation Contributions to the Territory Banking Account ^c	1,121	976
Superannuation to External Providers ^c	1,221	1,001
Productivity Benefit	107	95
Superannuation Capitalised in Inventories ^b	(480)	(388)
Total Superannuation Expenses	1,969	1,684
 Other Employee Expenses		
Payroll Tax	1,085	931
Long Service Leave	227	136
Annual Leave	472	357
Workers' Compensation Insurance Premium	165	69
Fringe Benefits Tax	6	1
Total Other Employee Expenses	1,955	1,494
Total Employee Expenses	16,116	13,938

- a) The increase in Wages and Salaries in 2020-21 is due to an increase in the full time equivalent staff (FTE) from 107.8 to 117.7.
- b) Salary and Superannuation Costs Capitalised in Inventories are capital project related salaries and superannuation expenses which have been attributed to Inventories. Refer to Appendix B: *Significant Accounting Policies* for further details.
- c) Employees of the Agency have varying superannuation arrangements due to the type of superannuation schemes available at the time of commencing employment. Refer to Appendix B: *Significant Accounting Policies* for further details.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 8. SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
Services Provided by Other Agencies Free of Charge ^a	3,368	4,789
Selling Expenses ^b	5,261	2,102
Contractors and Consultants ^c	4,084	3,433
Asset Management ^d	2,087	2,513
Marketing and Advertising Expenses ^e	2,061	3,379
Information Technology Expenses	518	490
Insurance	284	201
Litigation Settlements ^f	4,594	-
Audit Fees - ACT Audit Office ^g	183	142
Share of West Belconnen Joint Venture Operating Expenses ^h	4,174	3,904
Other	2,064	1,761
Total Supplies and Services	28,678	22,714

a) Services Provided by Other Agencies Free of Charge:

People and Capability	190	130
Governance and Legal	804	795
Information Management and Fleet	55	57
Infrastructure Planning and Due Diligence Activities	1,930	3,422
Human Resources, Finance and Records Services	357	328
Land Title Search	32	57
Total Services Provided by Other Agencies Free of Charge	3,368	4,789

- a) The decrease in Services Provided by Other Agencies Free of Charge is mainly due to a decrease in the amount of due diligence work performed by EPSDD on behalf of the Agency in 2020-21.
- b) Selling Expenses includes sales commissions, legal conveyancing and expenses associated with holding sales events. The increase in selling expenses is primarily due to increased land sales in 2020-21.
- c) Contractors and Consultants includes financial management and accounting services and advice, project management services, legal expenses (excluding conveyancing), valuations and other professional services.
- d) Asset Management includes the maintenance of Agency estates and urban infill blocks.
- e) Marketing and Advertising Expenses mainly relate to marketing and promotion of land releases and the Agency's community engagement program. The decrease in marketing expenses is due to the unprecedented sale conditions in 2020-21 with most land releases selling via the initial release mechanism. Consequently, the Agency did not need to engage in substantial follow-up campaigns after the initial release thereby reducing costs.
- f) Litigation Settlements is due to a legal settlement relating to a land sale.
- g) Auditor's remuneration relates to financial audit services provided to the Agency by the ACT Audit Office. No other services were provided by the ACT Audit Office.
- h) The Agency holds an interest in the West Belconnen Land Joint Venture on behalf of the Territory, and as such recognises its share of the joint operation's expenses. The increase in 2020-21 primarily relates to increased project management expenses and increased selling expenses as a result of more land settlements in West Belconnen during the 2020-21 financial year.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 9. COST OF LAND SOLD

	2021	2020
	\$'000	\$'000
Reallocation of Costs for Previous Year ^a	-	(14,620)
Land Costs	24,963	14,516
Capitalised Development Costs	313,185	68,532
Transfer of Infrastructure Assets	1,741	-
Total Cost of Land Sold ^b	339,889	68,428

Cost of Land Sold includes the cost of land, direct costs relating to the development of land and the value of infrastructure constructed by land purchasers and transferred through the Agency to the Transport Canberra and City Services Directorate (TCCS) and Icon Water. Estimates of direct development costs are made for unfinished project wide works. The Cost of Land Sold is expensed in the Statement of Comprehensive Income when the developed land is settled. Refer to Appendix B: *Significant Accounting Policies* for further details.

- a) . In 2019-20, the Agency changed cost allocation estimates in Coombs, North Wright and Throsby by adding community and/or school sites in calculating individual block's development costs and land costs. Given total cost of the estate remained unchanged whilst total area increased, each individual block's cost allocation decreased. This had the effect of reducing cost of land sold in previous years, totalling \$14.6 million. The impact of this reallocation has been recognised in 2019-20 as a negative expense.
- b) The increase in Cost of Land Sold in 2020-21 is due to the significant increase in land sales compared to 2019-20.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 10. WRITE DOWN OF INVENTORY

	2021	2020
	\$'000	\$'000
Write Down of Inventory for Sites Transferred from Other ACT Government Entities ^a	540	887
Write Down of Inventory for Project Sites ^b	3,654	-
Total Write Down of Inventory	4,194	887

Inventories are valued at the lower of cost and net realisable value.

- a) In 2020-21, the following sites were transferred from other ACT Government entities at no cost to the Agency. The Agency initially recognised these sites as inventory at fair value and a corresponding equivalent value as contributions revenue. In accordance with the inventory policy requirement to record inventory at the lower of cost and net realisable value, the value of these transferred sites has been recorded as a write down of inventory.

The following blocks were transferred to the Agency at no cost in 2020-21:

- Giralang Block 8 Section 73;
- City Block 6 Section 30; and
- Phillip Block 7 Section 19.

- b) In 2020-21, the Agency sold two community sites below cost through direct sale processes. The sales were made at the concessional rate applicable to community use land, in line with the *Planning and Development Act 2007*. The Agency recorded the difference between the cost and net realisable value as a write down of inventory.

The costs associated with the following blocks were written down in 2020-21:

- Moncrieff Block 5 Section 23; and
- Taylor Block 2 Section 60.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 11. OTHER EXPENSES

	2021	2020
	\$'000	\$'000
Resources Provided to Other Agencies Free of Charge ^a	7,008	6,821
Land Holding Costs Equivalent ^b	703	451
Stamp Duty Equivalent ^c	491	320
Expected Credit Losses ^d	232	599
Depreciation and Amortisation	406	449
Interest Expense - Finance Leases	4	5
Total Other Expenses	8,844	8,645

- a) Resources Provided to Other Agencies Free of Charge relates to the transfer of Throsby Block 1 Section 29 to the Education Directorate at no cost during 2020-21.
- b) Land Holding Costs Equivalent relates to notional interest paid on unleased Territory land purchased from EPSDD. Refer to Appendix B: *Significant Accounting Policies* for further details.
- c) Stamp Duty Equivalent is paid to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on land purchased from EPSDD. Refer to Appendix B: *Significant Accounting Policies* for further details.
- d) Expected Credit Losses represents the amount of receivables the Agency estimates will not be collected, based on objective evidence, a review of overdue balances, and consultation with internal and external stakeholders. Refer to Note 14: *Receivables* and Appendix B: *Significant Accounting Policies* for further details.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 12. NATIONAL TAX EQUIVALENT

The Agency is a Territory owned Public Trading Enterprise and is listed in the National Tax Equivalent Regime (NTER) entity register to participate in the NTER.

The NTER is an administrative arrangement with the Australian Taxation Office (ATO). Under this arrangement, relevant taxation laws are applied notionally to NTER entities as if they were subject to those laws. Each NTER entity will be assessed annually as to its income tax equivalent liability and will be required to pay instalments of the expected liability to the Territory.

The primary objective of the NTER is to promote competitive neutrality, through a uniform application of income tax laws, between the NTER entities and their privately held counterparts.

	2021	2020
	\$'000	\$'000
National Tax Equivalent		
The major components of National Tax Equivalent are:		
Provision for Current Year National Tax Equivalent	178,029	-
Adjustments in Respect of Current Income Tax of Previous Year	-	2,133
Current Year Movement in the Net Deferred Tax Liability, refer to Note 24:		
Deferred Tax Liability	(51,285)	29,595
Total National Tax Equivalent	126,744	31,728

Numeric Reconciliation of National Tax Equivalent to Prima Facie Tax

Operating Surplus before National Tax Equivalent	421,617	99,259
National Tax calculated at 30 per cent	126,485	29,778
Adjustments in Respect of Current Income Tax of Previous Year	-	2,133
Recognition of Prior Year Deferred Tax Liabilities Not Previously Recognised	-	(643)
Interest Expense in West Belconnen Joint Venture	259	460
Total National Tax Equivalent	126,744	31,728

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 13. CASH AND CASH EQUIVALENTS

The Agency holds a bank account with Westpac Banking Corporation as a part of the ACT Whole of Government banking arrangement. The Agency receives interest on this account.

	2021	2020
	\$'000	\$'000
Cash at Bank ^a	189,197	80,714
Total Cash and Cash Equivalents	<u>189,197</u>	<u>80,714</u>

- a) Under the Agency's Investment Policy, surplus cash remains in the Westpac transaction account (Cash at Bank). The increase in Cash at Bank is predominately due to increased land sales receipts and repayment of contribution from the West Belconnen Joint Venture in conjunction with lower development costs and income tax payments, partially offset by increased dividend payments.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14. RECEIVABLES

	2021	2020
	\$'000	\$'000
Current Receivables		
Trade Receivables ^a	16,589	6,972
GST Receivables ^b	7,160	1,654
Less: Expected Credit Loss Allowance	(1,796)	(1,565)
	<u>21,953</u>	<u>7,061</u>
Right to Receive Infrastructure ^c	9,041	13,973
Deferred Receivable - Contribution to West Belconnen Joint Venture	1,853	18,103
Less: ACT Government Share of Deferred Receivable	(927)	(10,552)
Net Deferred Receivable - Contribution to West Belconnen Joint Venture ^d	<u>926</u>	<u>7,551</u>
Total Current Receivables	<u>31,920</u>	<u>28,585</u>
Non-Current Receivables		
Trade Receivables	10	13
Right to Receive Infrastructure ^c	26,041	24,437
Deferred Receivable - Contribution to West Belconnen Joint Venture	-	55,045
Less: ACT Government Share of Deferred Receivable	-	(33,027)
Net Deferred Receivable - Contribution to West Belconnen Joint Venture ^d	<u>-</u>	<u>22,018</u>
Total Non-Current Receivables	<u>26,051</u>	<u>46,468</u>
Total Receivables	<u>57,971</u>	<u>75,053</u>

- a) Trade Receivables are primarily represented by ACT Government debtors. Trade Receivables include receivables from the ACT Revenue Office for sale of land rent blocks.
- b) GST Receivables relate to GST withholding for residential land sales that will be refunded from the ATO.
- c) Right to Receive Infrastructure relates to infrastructure required to be developed by purchasers of land and handed back to the Agency as part of a Deed of Agreement associated with the land sale. If the infrastructure is expected to be received from the purchaser within 12 months it is classified as a Current Receivable, otherwise it is classified as a Non-Current Receivable.
- d) The Agency continued to provide a contribution to the joint operation in 2020-21. The Agency has a priority right to the distribution of surplus funds from the joint operation where and by the amount that creates an imbalance in the joint operation equity account. If the contributed amount exceeds the Agency's share of the assets and liabilities of the joint operation, the remaining amount is recognised as a net Deferred Receivable – Contribution to West Belconnen Joint Venture. This amount is further assessed for recoverability on an annual basis.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14. RECEIVABLES - CONTINUED

Expected Credit Loss Allowance Provision

The allowance for expected credit losses of trade receivables is measured as the lifetime expected credit losses at each reporting date. The allowances for expected credit losses of receivables are calculated separately for groupings of assets with similar loss patterns. The calculations are based on historical observed default rates where possible. Where no historical data is available, the Agency has consulted with relevant internal and external stakeholders to determine expected credit losses. The figures are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

Depending on the diversity of the customer base it may also be necessary to segregate trade receivables where the Agency's historical credit loss experience shows significantly different loss patterns for different customer segments.

Impact of the COVID-19 Pandemic

The Agency's Expected Credit Losses have not materially changed as a result of the COVID-19 pandemic. The Agency's receivables are largely represented by Infrastructure Receivables which are secured by non-cash guarantee, bonds or cash, and Contributions to the West Belconnen Joint Venture.

Expected Credit Loss Allowance Provision Matrix

Ageing of Receivables	Total	Days Past due			
		Not overdue	1-30 Days	31-60 Days	>91 Days
30 June 2021					
Expected credit loss rate		0.00%	4.53%	75.00%	58.11%
	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated total gross carrying amount at default	23,759	20,727	21	77	2,934
Expected credit losses	(1,796)	(1)	(1)	(57)	(1,737)
30 June 2020					
Expected credit loss rate		5.89%	5.00%	-	57.03%
	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated total gross carrying amount at default	8,216	6,098	4	-	2,114
Expected credit losses	(1,565)	(360)	-	-	(1,205)

2021 **2020**
\$'000 **\$'000**

Reconciliation of the Loss Allowance for Receivables

Allowance for Impairment Losses at the Beginning of the Reporting Period	1,565	966
Expected Credit Loss Expense	231	599
Allowance for Impairment Losses at the End of the Reporting Period	1,796	1,565

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14. RECEIVABLES - CONTINUED

	2021	2020
	\$'000	\$'000
Classification of ACT Government/Non-ACT Government Receivables		
Receivables with ACT Government Entities		
Net Trade Receivables ^a	12,345	423
Total Receivables with ACT Government Entities	12,345	423
Receivables with Non-ACT Government Entities		
Right to Receive Infrastructure ^b	35,082	38,410
Net Trade Receivables	9,618	6,651
Net Deferred Receivable - Contribution to West Belconnen Joint Venture ^c	926	29,569
Total Receivables with Non-ACT Government Entities	45,626	74,630
Total Receivables	57,971	75,053

The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table above.

- a) The increase in Net Trade Receivables is mainly due to higher receivables from the ACT Revenue Office for sale of land rent blocks at as 30 June 2021.
- b) The decrease in Right to Receive Infrastructure is due to infrastructure assets being completed and handed to the Agency during the 2020-21 financial year.
- c) The decrease in Net Deferred Receivables is due to the contribution repayment by the West Belconnen Joint Venture during the 2020-21 financial year.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. INVENTORIES

	2021	2020
	\$'000	\$'000
Current Inventories		
Developed Land, Construction Completed and Available for Sale, at Cost ^a	120,638	113,276
Land Being Developed - Work in Progress		
Land Purchase Costs ^b	-	3,772
Development Costs ^c	38,871	45,236
Total Land Being Developed - Work in Progress	38,871	49,008
Total Current Inventories	159,509	162,284
Non-Current Inventories		
Developed Land, Construction Completed and Available for Sale, at Cost ^a	57,088	162,829
Land Purchase Costs - Undeveloped Land	39,980	24,700
Land Being Developed - Work in Progress		
Land Purchase Costs ^b	20,597	41,128
Development Costs ^c	77,679	110,135
Total Land Being Developed - Work in Progress	98,276	151,263
Total Non-Current Inventories	195,344	338,792
Total Inventories	354,853	501,076

- a) Developed Land, Construction Completed and Available for Sale, at Cost largely relates to land in Taylor, Whitlam, and Hume West Industrial Park. The increase is primarily due to additional land being completed in Taylor and Whitlam in 2020-21.
- b) The decrease in Land Purchase Costs relates to transfers to Developed Land, Construction Completed and Available for Sale, at Cost.
- c) The decrease in Development Costs represents the completion of Whitlam Stage 1, and Taylor. These developments were transferred to Developed Land, Construction Completed and Available for Sale, at Cost, however, due to unprecedented demand available land has been sold on the market leading to an overall decrease in inventories.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets:

- Land including rural properties where there is no intention to develop the land or is held for use for infrastructure/environmental/other purposes;
- Leasehold improvements, representing fit-outs in leased buildings and “The Link” building held by the West Belconnen Joint Venture;
- Plant and equipment, including furniture, fittings, motor vehicles, and electronic office equipment; and
- Heritage assets, being the John Fowler & Co Locomotive.

Property, Plant and Equipment does not include assets held for sale.

	2021	2020
	\$'000	\$'000
Land		
Land at Fair Value	10,479	10,479
Total Land Assets at Fair Value	10,479	10,479
Leasehold Improvements		
Leasehold Improvements at Cost	2,289	2,289
Less: Accumulated Depreciation	(885)	(608)
Total Leasehold Improvements at Cost	1,404	1,681
Plant and Equipment		
Plant and Equipment at Cost	117	117
Less: Accumulated Depreciation	(53)	(35)
Total Plant and Equipment at Cost	64	82
Right of Use Asset Plant and Equipment		
Right of Use Asset Plant and Equipment at Cost	317	261
Less: Accumulated Depreciation Right of Use Plant and Equipment	(204)	(107)
Total Right of Use Asset Plant and Equipment at Cost ^a	113	154
Total Plant and Equipment	177	236
Heritage Asset		
Heritage Asset at Cost	442	442
Total Heritage Asset at Cost	442	442
Total Property, Plant and Equipment	12,502	12,838

- a) Right of Use Asset Plant and Equipment consists of ten motor vehicles (2019-20: nine motor vehicles) leased by the Agency. Refer to Appendix B: *Significant Accounting Policies* for further details.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Valuation of Property, Plant and Equipment

CBRE Valuation Pty Ltd, an independent valuer, performed a valuation as at 30 June 2019 of the land held by the Agency. Valuations are performed at least every three years.

Further details on the valuation and measurement of Property, Plant and Equipment can be found in Appendix B: *Significant Accounting Policies*.

Reconciliation of Property, Plant and Equipment – 2020-21

	Land	Leasehold Improvements	Plant and Equipment	Right of use Assets	Heritage Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount at the Beginning of the Reporting Period	10,479	1,681	82	154	442	12,838
Additions	-	-	-	56	-	56
Depreciation	-	(277)	(18)	(97)	-	(392)
Carrying Amount at the End of the Reporting Period	10,479	1,404	64	113	442	12,502

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment – 2019-20

	Land \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Right of Use Assets \$'000	Heritage Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	34,450	1,974	112	-	442	36,978
Recognition of Right of Use Assets on initial application of AASB 16	-	-	-	261	-	261
Additions	-	-	38	-	-	38
Transfer/Disposals	-	-	(53)	-	-	(53)
Reclassification to Inventories	(23,971)	-	-	-	-	(23,971)
Depreciation	-	(293)	(15)	(107)	-	(415)
Carrying Amount at the End of the Reporting Period	10,479	1,681	82	154	442	12,838

Carrying Value of Fair Valued Assets under the Cost Model

The following classes of Property, Plant and Equipment, which are carried at fair value (as indicated above), would have had carrying values, if measured using the cost model, as follows:

	2021 \$'000	2020 \$'000
Carrying value if measured using Cost Model		
<i>Land</i>		
Cost	15,059	46,492
Reclassification to Inventories	-	(31,433)
Net Carrying Amount of Land at Cost	15,059	15,059

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16. PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Agency can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Agency's Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy as at 30 June is as follows:

2021	<u>Classification According to Fair Value Hierarchy</u>			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	10,479	-	10,479
	-	10,479	-	10,479

2020	<u>Classification According to Fair Value Hierarchy</u>			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	10,479	-	10,479
	-	10,479	-	10,479

There have been no transfers between Levels 1, 2 and 3 during the current and previous reporting period.

Level 2 Valuation Techniques and Inputs

Valuation Technique: The valuation technique used to value land is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

Inputs: Prices and other relevant information generated by market transactions involving comparable land were considered. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17. PAYABLES

	2021	2020
	\$'000	\$'000
Current Payables		
Payables to EPSDD for Land Sold, Developed or Yet to be Developed	17,013	16,040
Accrued Expenses ^a	7,361	10,478
Demolition Contributions Payable ^b	4,949	6,709
Retention Money ^c	14,193	6,991
Other Third Party Money ^d	7,018	3,883
GST Payables ^e	6,235	7,730
Payables to CMTEDD for Surrendered Land Rent Blocks ^f	2,228	-
Other Payables ^g	5,079	1,802
Total Current Payables	64,076	53,633
Non-Current Payables		
Payables to EPSDD for Land Developed or Yet to be Developed ^h	16,481	36,027
Total Non-Current Payables	16,481	36,027
Total Payables	80,557	89,660

- a) The decrease in Accrued Expenses is mainly due to a lower accrual for development costs in 2020-21, in comparison to 2019-20.
- b) Demolition Contributions Payable represents amounts payable to purchasers who are required to complete demolition works on behalf of the Agency as specified in the sales contracts. The decrease is due to the payment of demolition contributions to land purchasers in 2020-21.
- c) Retention Money represents cash held as security for project delivery agreements. The increase is mainly due to high numbers of land sales with security payments, which corresponds with higher land sales.
- d) Other Third Party Money include front garden landscaping rebates payable to the purchasers and deposits paid by builders as securities for put and call option land sales. A put and call option agreement is a contract where the Agency agrees to sell the land if requested by the buyer (a call option) and the buyer agrees to buy the same property if requested by the Agency (a put option). The increase is mainly due to higher numbers of land sales eligible for landscaping rebates, which corresponds with higher land sales.
- e) GST Payables represents the payable to the ATO for GST collected from customers on land sales.
- f) Payables to CMTEDD for Surrendered Land Rent Blocks includes payment for surrendered land rent sites in Bonner and Wright.
- g) Other Payables include development fees received on behalf of the West Belconnen Joint Venture, which will be made in the following month. The increase is mainly due to higher development fees received in June 2021 on behalf of the West Belconnen Joint Venture.
- h) Non-Current Payables to EPSDD for Land Developed or Yet to be Developed is lower due to the unprecedented land sales in 2020-21 financial year that triggered a large portion of the payable to be paid.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17. PAYABLES - CONTINUED

	2021	2020
	\$'000	\$'000
Payables are aged as follows:		
Not Overdue	80,187	89,589
Overdue for Less than 30 Days	136	11
Overdue for 30 to 60 Days	120	-
Overdue for More than 60 Days	114	60
Total Payables	80,557	89,660
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Payable to EPSDD for Land Sold, Developed and Yet to Be Developed	33,494	52,066
Accrued Expenses	234	210
Payables to CMTEDD for Surrendered Land Rent Blocks	2,228	-
Total Payables with ACT Government Entities	35,956	52,276
Payables with Non-ACT Government Entities		
Accrued Expenses	7,127	10,268
Third Party Payables	37,474	27,116
Total Payables with Non-ACT Government Entities	44,601	37,384
Total Payables	80,557	89,660

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18. CONTRACT LIABILITIES

	2021	2020
	\$'000	\$'000
Current Contract Liabilities		
Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been Satisfied	18,406	46,527
Total Current Contract Liabilities	18,406	46,527
Non-Current Contract Liabilities		
Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been Satisfied	73	1,118
Non-Current Contract Liabilities	73	1,118
Total Contract Liabilities	18,479	47,645

Contract Liabilities Arising from Contracts with Customers

Contract Liabilities relate to deposits received at exchange of land sales contracts for which settlement has not yet occurred. The Agency recognises revenue upon settlement of the land sales contract.

Significant Changes in Contract Liability Balances

The Contract Liability balance has decreased during the year due to a site with a high value deposit settling (exchanged in prior year) during 2020-21.

	2021	2020
	\$'000	\$'000
Revenue Recognised that was Included in the Contract Liability Balance at the Beginning of the Reporting Period	44,844	4,769
Transaction Price Allocated to Unsatisfied (or Partially Unsatisfied) Performance Obligations	18,479	47,645

The Agency anticipates that the majority of the contract liabilities will be recognised in the 2021-22 financial year.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 19. LEASE LIABILITIES

	2021	2020
	\$'000	\$'000
Current Finance Leases		
Finance Leases	68	81
Total Current Secured Finance Leases	68	81
Non-Current Finance Leases		
Finance Leases	48	75
Total Non-Current Secured Finance Leases	48	75
Total Finance Leases	116	156

Agency as a Lessee

The Agency has leases over motor vehicles and IT equipment and has elected not to adopt AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and Conditions of Leases

Motor vehicles	The Agency holds ten motor vehicle leases (2019-20: nine vehicles). The terms vary from three year to four years.
IT equipment leases	The Agency has numerous IT equipment leases, including laptops, docking stations and monitors from Shared Services. The IT equipment leases are low value assets, and the Agency has used the exemption for leases of low value and accounts for the expense through the Statement of Comprehensive Income as incurred.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 19. LEASE LIABILITIES - CONTINUED

Right of Use Assets

Motor Vehicles

	2021	2020
	\$'000	\$'000
Balance at 1 July 2020	154	261
Depreciation charge	(97)	(107)
Additions to Right of Use Assets	56	-
Balance at 30 June 2021	113	154

Lease Liabilities

The maturity analysis of Lease Liabilities at 30 June 2021 based on contractual undiscounted cash flows is shown in the table below.

< 1 year (\$'000)	1 – 5 years (\$'000)	> 5 years (\$'000)	Total undiscounted lease liabilities (\$'000)	Lease liabilities included in the Balance Sheet (\$'000)
70	49	-	119	116

Statement of Comprehensive Income

The amounts recognised in the in the Statement of Comprehensive Income relating to leases where the Agency is a lessee are shown below.

	2021	2020
	\$'000	\$'000
Depreciation of Right of Use assets	97	107
Interest on Lease Liabilities	4	5
Variable Lease Payments Based on Usage Not Included in the Lease Liability	29	11
Expenses Relating to Leases of Low Value Assets	92	88

Statement of Cash Flows

Total Cash Outflow of Leases	100	105
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Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 20. EMPLOYEE BENEFITS

	2021	2020
	\$'000	\$'000
Current Employee Benefits		
Long Service Leave	2,897	2,755
Annual Leave	2,292	1,816
Accrued Salaries and Superannuation	375	262
Accrued Payroll Tax	83	165
Total Current Employee Benefits	5,647	4,998
 Non-Current Employee Benefits		
Long Service Leave	301	216
Total Non-Current Employee Benefits	301	216
Total Employee Benefits	5,948	5,214
 Estimate of when Leave is Payable		
	2021	2020
	\$'000	\$'000
Estimated Amount Payable within 12 Months		
Long Service Leave	231	216
Annual Leave	896	824
Accrued Salaries and Superannuation	375	262
Accrued Payroll Tax	83	165
Total Employee Benefits Payable within 12 Months	1,585	1,467
 Estimated Amount Payable after 12 Months		
Long Service Leave	2,967	2,755
Annual Leave	1,396	992
Total Employee Benefits Payable after 12 Months	4,363	3,747
Total Employee Benefits^a	5,948	5,214

a) As at 30 June 2021, the Suburban Land Agency employed 117.7 FTE, in comparison to 107.8 FTE staff as at 30 June 2020.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21. OTHER PROVISIONS

	2021	2020
	\$'000	\$'000
Current Other Provisions		
Provision for Project Completion	56,611	25,416
Provision to Transfer Infrastructure	9,041	13,973
Total Current Other Provisions	65,652	39,389
Non-Current Other Provisions		
Provision for Project Completion	71,344	58,197
Provision to Transfer Infrastructure	26,041	24,437
Total Non-Current Other Provision	97,385	82,634
Total Other Provisions	163,037	122,023

Provision for Project Completion

	2021	2020
	\$'000	\$'000
Reconciliation of the Provision for Project Completion		
Provision for Project Completion at the Beginning of the Reporting Period	83,613	69,208
Increase in Provision due to Blocks Becoming Settlement Ready	224,432	92,570
Decrease in Provision due to Payments	(166,357)	(85,965)
(Decrease)/Increase in Provision due to Change in Accounting Estimate	(13,733)	7,800
Provision for Project Completion at the End of the Reporting Period	127,955	83,613

The Provision for Project Completion reflects an allocation of future costs to finished blocks of land. Examples include landscaping or infrastructure costs, yet to be incurred, which are shared across an entire estate. As at 30 June 2021, the value of the Provision for Project Completion relates to settlement ready blocks in Gungahlin Town Centre, Kingston, Coombs, North Wright, Taylor and Whitlam.

The increase in Provision for Project Completion is due to additional blocks becoming settlement ready in Taylor, and Whitlam.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21 OTHER PROVISIONS - CONTINUED

Provision to Transfer Infrastructure

The Provision to Transfer Infrastructure reflects the value of infrastructure assets that are to be transferred to the relevant ACT Government agency or third party infrastructure owners when construction is completed.

	2021	2020
	\$'000	\$'000
Reconciliation of the Provision to Transfer Infrastructure		
Provision to Transfer Infrastructure at the Beginning of the Reporting Period	38,409	44,123
Add: New Infrastructure to be Developed by Other Developers	1,741	-
Less: Write Off Infrastructure Assets	-	(145)
Less: Transfer of Infrastructure to ACT Government Entities	(5,068)	(5,569)
Provision to Transfer Infrastructure at the End of the Reporting Period	35,082	38,409

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 22. NATIONAL TAX EQUIVALENT PAYABLE

National Tax Equivalents are paid to the ACT Revenue Office.

	2021	2020
	\$'000	\$'000
Opening Balance	(17,505)	46,345
Adjustments in Respect of Current Income Tax of Previous Year	-	2,133
Refund of Previous Year's National Tax Equivalent Expense	17,505	(48,478)
Deferral of National Tax Equivalent Payment to Future Periods ^a	51,285	(29,595)
National Tax Equivalent Expense for Current Year	126,744	29,595
Instalments Paid for Current Year's National Tax Equivalent	(42,582)	(17,505)
National Tax Equivalent Payable/(Receivable)^b	135,447	(17,505)

- a) The amount of National Tax Equivalent Payable in future periods relates to temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Refer to Note 24: *Deferred Tax Liability* for further details.
- b) The Agency recognised a tax loss in the 2019-20 financial year and received a refund of NTER instalments paid in relation to the 2019-20 National Tax Equivalent.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23. OTHER LIABILITIES

	2021	2020
	\$'000	\$'000
Current Other Liabilities		
Dividend Payable ^a	59,031	66,230
Revenue Received in Advance	402	256
Total Current Other Liabilities	59,433	66,486
Non-Current Other Liabilities		
Dividend Payable ^a	-	153,533
Total Non-Current Other Liabilities	-	153,533
Total Other Liabilities	59,433	220,019
Reconciliation of Dividend Payable		
<i>Opening Balance</i>		
Dividend Payable at the Beginning of the Reporting Period	219,763	154,930
Dividend Declared during the Reporting Period	294,873	67,531
Dividend Paid during the Reporting Period for Previous Year	(219,763)	(2,698)
Dividend Paid during the Reporting Period for Current Year	(235,842)	-
Dividend Payable at the End of the Reporting Period	59,031	219,763

- a) The Agency pays the Territory a dividend of 100 per cent of net profits after tax. Payments of the dividend are made in two instalments each year: an interim payment of 80 per cent of estimated net profits is payable by 30 June of each financial year, with a final balance of actual net profits by 31 October of the following financial year. This repayment schedule can be modified upon Treasurer's approval. Refer to Appendix B: *Significant Accounting Policies* for further details. The decrease in Dividend Payable is due to payments of the 2018-19 and 2019-20 outstanding dividend payable in 2020-21 and the payment of 80 per cent of 2020-21 estimated net profit in June 2021.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 24. DEFERRED TAX LIABILITY

Deferred Tax Liabilities are the amounts of National Tax Equivalent payable in future periods relating to taxable temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

	2021	2020
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Opening Balance	99,944	70,349
Losses Available for Offsetting Against Future Taxable Income ^a	1,361	(1,361)
Recognition of Prior Year Deferred Tax Liabilities not Previously Recognised	-	(643)
(Decrease)/Increase in Inventories	(38,173)	36,923
(Decrease) in Provision for Project Completion	(13,303)	(4,321)
(Decrease) in Employee Benefits	(229)	(164)
(Decrease) in Contract Liabilities	(1,149)	(1,294)
Accelerated Depreciation	488	(56)
Other	(280)	511
Current Year Movements	(51,285)	29,595
Net Deferred Tax Liability	48,659	99,944

a) The tax loss recognised in 2019-20 has been used to offset 2020-21 tax liabilities.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS

Details of significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed at Appendix B: *Significant Accounting Policies*.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Agency holds most financial assets in floating interest rate arrangements. The Agency is not exposed to movements in interest payable as its financial liabilities are non-interest bearing. However, it is exposed to movements in interest receivable.

Financial assets subject to floating interest rates include investments held in commercial banking accounts, contributions to the West Belconnen Joint Venture and receivables for sales completed via instalments. The Agency manages the interest rate risk on investments held in a commercial banking account by only investing in floating interest rate investments that are low risk. Under the West Belconnen Joint Venture agreement, the interest rate is calculated at Bank Bill Swap Rate plus 3 per cent. The receivables with instalment payments are not actively managed due to the associated interest payments being immaterial. Interest rate risk for financial liabilities is not actively managed by the Agency as all financial liabilities are non-interest bearing.

Sensitivity Analysis

A sensitivity analysis of the interest rate risk has not been performed, as the Agency's exposure to interest rate risk has been assessed as immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Agency expects to collect all financial assets that have had their credit risk managed through internal processes, which include regular review by management.

The Agency's credit risk includes the investment of excess cash, outstanding rent receivable, reimbursements of expenses paid on behalf of Government and private entities, and the contribution to the West Belconnen Joint Venture. The COVID-19 pandemic is not expected to have a material impact on the Agency's credit risk.

Credit risk relating to the investment of excess cash is managed by the Agency by only investing surplus funds in a commercial bank account or with the Territory Banking Account, which has appropriate investment criteria for the external fund manager engaged to manage the Territory's surplus funds. The Agency has determined there is no credit risk from the investment of excess cash.

Credit risk relating to the outstanding rent receivable is managed by liaising with tenants on a regular basis, as well as consulting external advisors on the best collection methods. The Agency has determined that there is a moderate credit risk relating to the outstanding rent receivable.

Credit risk relating to the other receivables and reimbursement of expenses paid on behalf of Government and private entities has been assessed as very low risk. Individual reimbursements are managed by the relevant project teams on a regular basis.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

Credit Risk – Continued

The Agency continued to provide a contribution to the joint operation to fund project activities under the joint operation agreement. The Agency has a priority right to the distributions of surplus funds from the joint operation where the amount contributed creates an imbalance in the joint operation equity account. On this basis, the Agency has determined that there is no significant risk of impairment relating to the contribution receivable from the joint operation.

Liquidity Risk

Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Agency ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time. The Agency has a sufficient amount of current financial assets to meet its current financial liabilities, in addition, as *The City Renewal Authority and Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction 2018 Notifiable Instrument NI2018-224* provides the Government with flexibility to approve a different dividend payment ratio and/or flexibility of payment timing, subject to the Treasurer's approval of a written request from the Agency Board.

The Agency has undertaken liquidity ratio analysis at 30 June 2021, to assess its liquidity risk. The current ratio as calculated off the Balance Sheet is 1.09, which is a leading indicator of the Agency's ongoing liquidity and ability to pay its debts as and when they fall due. It is noted that the Current Assets and Current Liabilities recognised in the Balance Sheet contain items, such as Right to Receive Infrastructure and Provision to Transfer Infrastructure, that cannot be converted to cash. An adjusted current ratio has been calculated eliminating the impact of these items in Current Assets and Current Liabilities. The adjusted current ratio for the Agency as at 30 June 2021 is 1.07.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Agency is not exposed to price risk.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Note No.	Carrying Amount 2021 \$'000	Fair Value Amount 2021 \$'000	Carrying Amount 2020 \$'000	Fair Value Amount 2020 \$'000
Financial Assets					
Cash and Cash Equivalents	13	189,197	189,197	80,714	80,714
Receivables ^a	14	22,889	22,889	36,643	36,643
Total Financial Assets		212,086	212,086	117,357	117,357
Financial Liabilities					
Payables	17	80,557	80,557	89,660	89,660
Lease Liabilities	19	116	116	156	156
Total Financial Liabilities		80,673	80,673	89,816	89,816

	2021 \$'000	2020 \$'000
Reconciliation of Receivables as Financial Assets		
Total Receivables	57,971	75,053
<i>Less:</i>		
Current Right to Receive Infrastructure ^a	9,041	13,973
Non-Current Right to Receive Infrastructure ^a	26,041	24,437
	<u>35,082</u>	<u>38,410</u>
Total Receivables as Financial Assets	22,889	36,643

- a) The amounts reported are net of the Right to Receive Infrastructure which does not meet the definition of a Financial Instrument under *AASB 9 Financial Instruments*.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value, are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below.

2021

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial Assets at Fair Value through the Profit and Loss	-	22,889	-	22,889
	-	22,889	-	22,889

2020

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial Assets at Fair Value through the Profit and Loss	-	36,643	-	36,643
	-	36,643	-	36,643

Transfer Between Categories

There have been no transfers of financial assets or financial liabilities between Level 1, Level 2 and Level 3 during the current and previous reporting period.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

The following table sets out the Agency's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2021. Excluded from this analysis are non-current payables, financial assets and liabilities, which have a floating interest rate or are non-interest bearing and will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2021

	Note No	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	13	0.91%	189,197	-	-	-	-	189,197
Receivables ^a	14	4.09%	926	3	10	-	21,950	22,889
Total Financial Assets			190,123	3	10	-	21,950	212,086
Financial Liabilities								
Payables	17	nil	-	-	-	-	80,557	80,557
Lease Liabilities	19	2.93%	-	68	48	-	-	116
Total Financial Liabilities			-	68	48	-	80,557	80,673
Net Financial Assets/(Liabilities)			190,123	(65)	(38)	-	(58,607)	131,413

- a) The amounts reported are net of the Right to Receive Infrastructure which does not meet the definition of a Financial Instrument under *AASB 9 Financial Instruments*.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. FINANCIAL INSTRUMENTS - CONTINUED

The following table sets out the Agency's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2020. Excluded from this analysis are non-current payables, financial assets and liabilities, which have a floating interest rate or are non-interest bearing and will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2020

	Note No	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing			Non-Interest Bearing \$'000	Total \$'000
				1 or \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	13	1.01%	80,714	-	-	-	-	80,714
Receivables ^a	14	4.10%	29,569	3	10	3	7,058	36,643
Total Financial Assets			110,283	3	10	3	7,058	117,357
Financial Liabilities								
Payables ^b	17	nil	-	-	-	-	89,660	89,660
Lease Liabilities	19	2.60%	-	81	75	-	-	156
Total Financial Liabilities			-	81	75	-	89,660	89,816
Net Financial Assets/(Liabilities)			110,283	(78)	(65)	3	(82,602)	27,541

a) The amounts reported are net of the Right to Receive Infrastructure which does not meet the definition of a Financial Instrument under *AASB 9 Financial Instruments*.

	2021	2020
	\$'000	\$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets Measured at Amortised Cost	22,889	36,643
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	80,673	89,816

The Agency does not have any financial assets in the 'Financial Assets at Fair Value through Profit and Loss' and 'Financial Liabilities at Fair Value through Profit and Loss' categories and as such these categories are not included above.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 26. COMMITMENTS

	2021	2020
	\$'000	\$'000
Other Commitments		
Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows:		
Within one year	630	623
Later than one year but not later than five years	2,481	2,469
Later than five years	23,325	24,493
Total Other Commitments^a	<u>26,436</u>	<u>27,585</u>

All amounts shown in the commitment note are inclusive of GST.

- a) Other Commitments include the Agency's share of the Dickson Government Office Block lease, and IT and communications equipment leased from Shared Services ICT.

NOTE 27. CONTINGENT LIABILITIES

Contingent Liabilities

The ACT Government Solicitor's Office acts on behalf of the Agency in litigation matters, including matters related to contractual disputes which remain unresolved as at the date of this report. At 30 June 2021 estimated potential claims totalled \$4.460 million (30 June 2020: \$5.865 million).

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 28. INTEREST IN A JOINT OPERATION

The Territory is a participant in the West Belconnen Joint Venture, which is an agreement between the Territory and Riverview Developments (ACT) Pty Ltd, Reid & Stevens Pty Ltd and Corkhill Bros Pty Ltd. The Territory has appointed the Agency as its agent to manage its interest in the joint operation. There are two components to the West Belconnen Joint Venture. The first being the Land component (60% interest) and the second being the Housing component (50% interest).

	2021	2020
	\$'000	\$'000
Current Assets		
Cash and Cash Equivalents	10,725	11,425
Receivables	5,419	1,948
Inventories	6,291	34,938
Total Current Assets	22,435	48,311
Non-Current Assets		
Inventories	28,404	9,710
Leasehold Improvements		
At Cost	2,220	1,948
Less: Accumulated Depreciation	(816)	(272)
Total Leasehold Improvements at Cost	1,404	1,676
Plant and Equipment		
At Cost	93	93
Less: Accumulated Depreciation	(37)	(25)
Total Plant and Equipment at Cost	56	68
Intangible Assets		
At Cost	122	122
Less: Accumulated Amortisation	(122)	(122)
Total Intangible Assets at Cost	-	-
Total Non-Current Assets	29,864	11,454
Total Assets	52,299	59,765
Current Liabilities		
Payables	3,522	2,846
Contract Liabilities	1,660	4,428
Other Liabilities	402	256
Other Provisions	6,460	2,274
Total Current Liabilities	12,044	9,804
Non-Current Liabilities		
Other Provisions	22,489	7,501
Total Non-Current Liabilities	22,489	7,501
Total Liabilities	34,533	17,305
Net Assets	17,766	42,460

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 29. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet

	2021	2020
	\$'000	\$'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	189,197	80,714
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	189,197	80,714

(b) Reconciliation of the Operating Surplus to the Net Cash Inflows/(outflows) from Operating Activities

Operating Surplus	294,873	67,531
Add/(Less) Non-Cash Items:		
Depreciation of Property, Plant and Equipment	393	415
Amortisation of Intangibles	13	34
Services Received Free of Charge	(3,368)	(4,789)
Land Received Free of Charge	(541)	(887)
Reclassification between Property, Plant & Equipment and Inventories	-	23,971
Write Down of Inventory (Related to Land Transferred in Free of Charge)	541	887
Expenses related to Resource Received Free of Charge	3,368	4,789
Revaluation Gains	-	(100)
Expected Credit Losses	-	599
Capital Distribution payable recognised at the End of the Reporting Period	-	5,940
Contribution to Joint Operation	(29,216)	850
Cash Before Changes in Operating Assets and Liabilities	266,063	99,240
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	17,088	6,479
(Increase)/Decrease in Inventories	147,236	(161,816)
Increase/(Decrease) in Deferred Tax Liability	(51,285)	29,595
Increase/(Decrease) in Employee Entitlements	731	770
Increase/(Decrease) in Payables	(9,103)	(15,908)
Increase/(Decrease) in Contract Liabilities	(29,166)	4,264
Increase/(Decrease) in Provisions	41,014	8,691
Increase/(Decrease) in National Tax Equivalent Payable	152,953	(63,850)
Increase/(Decrease) in Other Liabilities (Revenue Received in Advance)	146	50
Net Changes in Operating Assets and Liabilities	269,614	(191,725)
Net Cash inflows/(outflows) from Operating Activities	535,677	(92,485)

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 30. EVENTS OCCURRING AFTER BALANCE DATE

There have been no events after the reporting period which have the potential to significantly affect the ongoing structure or financial activities of the Agency.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 31. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Agency, directly or indirectly.

KMP of the Agency are the Portfolio Minister, members of the Agency Board, members of the Agency Special Projects Committee, the Chief Executive Officer and certain members of the Senior Management Team.

All KMP of the Agency completed related party disclosure collection forms as requested.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore, together with their close family members, are related parties of the Agency.

This note does not include typical citizen transactions between the KMP and the Agency that occur on terms and conditions no different to those applying to the general public.

(A) Controlling Entity

The Agency is an ACT Government controlled entity.

(B) Key Management Personnel

B.1 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Agency.

B.2 Transactions with Parties Related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Agency.

(C) Transactions with Other ACT Government Entities

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of the Agency.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 32. KEY MANAGEMENT PERSONNEL REMUNERATION

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2021.

Compensation of the Head of Service is included in the note on related party disclosures included in Chief Minister, Treasury and Economic Development Directorate's financial statements for the year ended 30 June 2021.

The Agency's share of compensation of the West Belconnen Joint Venture KMP is also included below. KMP remuneration through the Development Manager is excluded from the below.

Compensation by the Agency to KMP is set out below:

	2021	2020
	\$'000	\$'000
Short-term employee benefits	1,774	1,761
Post-employment benefits	320	304
Other long-term benefits	42	42
Board member fees	447	349
Total Compensation by the Suburban Land Agency to KMP	2,583	2,456

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 33. BUDGETARY REPORTING

Statement of Comprehensive Income Line Items	Actual 2020-21 \$'000	Original Budget 2020-21 ⁽¹⁾ \$'000	Variance \$'000	Variance %
Cost of Land Sold	339,889	314,955	24,934	8

The variance is due to the attribution of Molonglo critical infrastructure to blocks settled in Whitlam and Denman Prospect; this attribution did not exist at budget. Additionally, the West Belconnen Joint Venture Cost of Land Sold was higher than budgeted and the Agency incurred some unbudgeted demolition costs in regards to a former asset recycling scheme block in Lyons.

⁽¹⁾ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 33. BUDGETARY REPORTING - CONTINUED

Balance Sheet Line Items	Actual 2020-21 \$'000	Original Budget 2020-21⁽¹⁾ \$'000	Variance \$'000	Variance %
Cash and Cash Equivalents	189,197	49,335	139,862	283
The higher Cash and Cash Equivalents is predominantly due to lower development costs, National Tax Equivalent, and dividend payments.				
Non-Current Inventories	195,344	245,475	(50,131)	(20)
The lower Non-Current Inventories is mainly due to the lower than budgeted capitalised development costs during the year.				
Capital Works in Progress	-	27,746	(27,746)	(100)
The variance is due to the classification of Molonglo critical infrastructure as inventory. The budget assumed these would be classified as capital works in progress. This change in allocation is attributable to a reassessment of the appropriate accounting classification under the Agency's accounting policies.				
Current Other Provision	65,652	39,323	26,329	67
The higher Current Other Provision is predominately due to additional land becoming settlement ready in 2020-21.				
National Tax Equivalent Payable	135,447	44,599	90,848	204
The higher National Tax Equivalent Payable is predominantly due to the Agency stopping payment of instalments from February 2021 because the ATO did not require the payment of instalments after it assessed the Agency's 2019-20 tax liability.				
Current Other Liabilities	59,433	256	59,177	23,116
The higher Current Other Liabilities is mainly due to reclassification of dividends anticipated to be paid within the following 12 months from Non-Current Other Liabilities. Due to sufficient available cash, we now anticipate that dividends can be paid within 12 months, whereas the budget assumed a portion of dividends would not be paid in full within 12 months.				
Non-Current Payables	16,481	36,027	(19,546)	(54)
The lower Non-Current Payables is due to a lower amount owing to EPSDD for land developed or yet to be developed.				
Non-Current Other Liabilities	-	50,642	(50,642)	(100)
The lower Non-Current Other Liabilities is due to the reclassification of dividends anticipated to be paid within the following 12 months to Current Other Liabilities.				
Deferred Tax Liability	48,659	99,944	(51,285)	(51)
The lower Deferred Tax Liability is predominantly due to anticipated lower National Tax Equivalent payable in future periods relating to a taxable temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.				

⁽¹⁾ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Suburban Land Agency
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 33. BUDGETARY REPORTING - CONTINUED

Statement of Cash Flows Line Items	Actual 2020-21 \$'000	Original Budget 2020-21 ⁽¹⁾ \$'000	Variance \$'000	Variance %
Revenue from Contracts with Customers	764,259	805,598	(41,339)	(5)
The lower receipts from Contracts with Customers is predominantly due to the classification of the negative movement in the deposits received at exchange of land sales contracts. The budget assumed that these would be reported in the Other Receipts line of the Cash Flow statement however the actuals report this in the Revenue from Contracts with Customers line.				
Other Receipts	7,782	(26,435)	34,217	(129)
The higher Other Receipts is predominantly due to the classification of movements in the deposits received at exchange of land sales contracts. The budget assumed that these would be presented as other receipts.				
Development Costs	154,052	208,904	(54,852)	(26)
Development Costs are lower than budget due to delays in the commencement of works in relation to Molonglo critical infrastructure and lower than anticipated costs incurred to date for Whitlam stage 2				
National Tax Equivalent Payments	25,077	69,452	(44,375)	(64)
The lower National Tax Equivalent Payments is due to lower than budgeted instalment payments following the submission of the prior year income tax return.				

⁽¹⁾ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Suburban Land Agency
APPENDIX - A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirements

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for Territory authorities. The FMA and the *Financial Management Guidelines* issued under the Act, require the Agency's financial statements to include:

- b) a Statement of Comprehensive Income for the reporting period;
- c) a Balance Sheet at the end of the reporting period;
- d) a Statement of Changes in Equity for the reporting period;
- e) a Statement of Cash Flows for the reporting period;
- f) the significant accounting policies adopted for the reporting period; and
- g) other statements as necessary to fairly reflect the financial operations of Agency during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards (as required by the FMA);
- (ii) ACT Accounting and Disclosure Policies.

Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to the historical cost convention, except for Property, Plant and Equipment and Inventory which are valued at fair value in accordance with the valuation policies applicable to the Agency during the reporting period.

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.

Currency

These financial statements are presented in Australian dollars, which is the Agency's functional currency.

Individual Reporting Entity

The Agency is an individual reporting entity.

Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Agency for the year ended 30 June 2021 together with the financial position of the Agency as at 30 June 2021.

Suburban Land Agency
APPENDIX - A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

**APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS -
CONTINUED**

Comparative Figures

Budget Figures

The FMA requires the financial statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where material and practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

The Agency has applied AASB 16 Leases and comparative information is not restated.

The Agency has undertaken a change in accounting policy in relation to land held in Property, Plant and Equipment and comparative information is not restated. Refer to Appendix D: *Changes in Accounting Policy and Accounting Estimates* for further details.

Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents amounts equal to or rounded down to zero. Tables and notes may not add due to rounding.

Use of "#" in the Variance % column of Note 33: *Budgetary Reporting* represents a variance that is greater than 999 per cent or less than -999 per cent.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies - Income

Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Statement of Comprehensive Income. In addition, the following specific recognition criteria must also be met before revenue is recognised.

Note 4. Revenue from Contracts with Customers

Revenue is recognised in accordance with *AASB 15 Revenue from Contracts with Customers* where the contract is enforceable and contains sufficiently specific performance obligations.

AASB 15 provides a single, contract-based revenue recognition model and establishes principles for reporting the nature, amount and timing of the uncertainty of revenue and cash flows arising from the Agency's Contracts with customers. The core principle of AASB 15 is that the Agency recognises revenue when a customer obtains control of promised goods or services and amounts recognised reflect the consideration to which the Agency expects to be entitled in exchange for those goods or services. The requirements include a five-step framework to determine the timing and amount of revenue to recognise relating to contracts with customers.

Land Revenue

Land revenue is recognised at the point at which the control of the land is transferred to the purchaser. The timing of the transfer of control is determined by reviewing whether the Agency or the purchaser has control over the following factors:

- obtaining substantially all of the remaining benefits from the asset, and the significant risks and rewards of ownership of the asset;
- directing the use of the asset, and preventing others from directing the use of the asset;
- the ability to use the asset to secure a loan;
- the ability to sell or exchange the asset; and
- the legal title to the asset.

Based on the above factors, the Agency has determined that the purchaser obtains control for the land at settlement. On this basis, land revenue is recognised at settlement, in accordance with AASB 15.

Sales under the Land Rent Scheme are recognised on settlement, at which point the Agency raises an invoice to CMTEDD to facilitate a payment for compensation for foregone land revenue.

Where a sales contract specifies that the Agency will contribute to demolition costs incurred by the purchaser, the demolition contribution specified in the contract represents a reduction in revenue.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 4. Revenue from Contracts with Customers - continued

Landscape Rebates

The Agency may offer a rebate to purchasers or eligible first transferees for eligible blocks of land for their front garden landscaping works, in accordance with the Front Garden Landscape Rebate Scheme and Guideline Policy. AASB 15 requires an entity to account for consideration payable to the customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The landscape rebate is designed to encourage sustainable, waterwise and local native front gardens, and provides buyers with the basic foundations to create such a garden.

The Agency does not consider the rebate payable to customers as related to a distinct good or service that is being provided to the Agency, nor is there a transfer of a good or service to the Agency which is separately identifiable from other promises in the contract. The Agency recognises the rebate as a reduction in revenue upon settlement of the blocks to which the rebate applies, with a provision to pay the rebates at a future point in time being recognised. Upon payment of the rebate, it will be offset against the provision recognised at settlement.

Liquidated Damages Revenue

The Agency receives payments from customers related to delays in the completion of land sales contracts. If completion does not occur by the contracted date, due to default of the purchaser, then the purchaser may be able to pay the Agency liquidated damages calculated as interest on the unpaid balance of the price at the rate specified by the contract. On the basis that the liquidated damages do not represent payment for a separate good and service, the revenue forms part of the transaction price and is recognised when the related contract settles.

Infrastructure Revenue

Some sales contracts include the requirement of purchasers to construct and return specific infrastructure assets to the Agency, at their own cost. The estimated cost of the infrastructure is contained within the Deed of Agreement or Prescribed Conditions within the sales contract, and this becomes the agreed infrastructure asset value that will be transferred to the Agency upon practical completion.

The infrastructure revenue is recognised upon settlement of the contract, as non-cash consideration in line with land sales revenue.

Other Revenue from Contracts with Customers

User Charges

The Agency has an arrangement with the City Renewal Authority to provide a number of services and resources. The fee for these services and resources is determined and calculated by agreement between the Agency and the City Renewal Authority. On the basis that the City Renewal Authority simultaneously receives and consumes the benefits provided by the Agency as they are performed, corresponding revenue is recognised after the service is provided.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 4. Revenue from Contracts with Customers - continued

Retained Deposit Revenue

The Agency receives deposits at exchange of land sales contracts and records the deposit as a liability. If after the exchange of the contract, the purchaser defaults on the contract of sale, the Agency retains the forfeited land sales deposit relating to the terminated sales in accordance with the land sales contract. As the Agency retains and gains the control of the deposit upon termination of the contract, the Agency recognises revenue at the time of termination.

Direct Sales Application Fee Revenue

The Agency receives direct sale application fees when applicants submit direct sales applications. The application fee is refunded in full if the application does not meet the eligibility requirements, and 50 per cent of the application fee is retained by the Agency if a suitable site cannot be found but the applicant meets the eligibility criteria.

If the direct sale is completed the Agency discharges its obligation to refund the application fee to the applicant and gains control of the fee. The application fee is recognised as revenue as at the settlement date. If any portion of the application fee is retained as a result of the applicant meeting the eligibility criteria but not finding a suitable site the revenue is recognised at the time the Agency determines that the contract is terminated or will not proceed.

No revenue is recognised if the application fee is refunded in full due to the applicant not meeting the eligibility requirements.

Note 5. Investment Revenue

Interest revenue is recognised using the effective interest method.

Note 6. Grants and Contributions

Resources received free of charge from ACT Government agencies are recorded as revenue and an expense in the Statement of Comprehensive Income at fair value. The revenue is separately disclosed under grants and contributions, with the expense being recorded in the line item to which it relates. Services that are received free of charge are only recorded in the Statement of Comprehensive Income if they can be reliably measured and would have been purchased if not provided to the Agency free of charge. The Agency received services from a number of ACT Government entities free of charge and these have been recorded in the Statement of Comprehensive Income.

Legal Services were received free of charge from the ACT Government Solicitor's Office.

The Agency is required by the ACT Government to use Shared Services for its financial and HR processing. Given Shared Services is directly appropriated by the ACT Government to provide certain services at a fixed cost to the agency, it means that the Agency does not have to pay for these services. The fixed costs for financial and HR services are known and the Agency would have had to purchase these services if they were not provided by Shared Services. As such, these amounts have been recognised as resources provided free of charge.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 6. Grants and Contributions - continued

The Agency also receives Territory-owned land from other ACT Government entities free of charge, which it prepares for sale on behalf of the Territory. In this case, the revenue is disclosed under grants and contributions, with the land being recorded as assets in the Balance Sheet.

Significant Accounting Policies - Expenses

Note 7. Employee Expenses

Employee benefits include:

- Short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 20 Employee Benefits if longer than 12 months) after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

Employees of the Agency have varying superannuation arrangements to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Section Superannuation Scheme (PSS), the Agency makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by CMTEDD. The Agency also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), the Agency makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Superannuation Liability Recognition

For Agency employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

Note 8. Supplies and Services

Insurance

All reasonably insurable risks are insured through the ACT Insurance Authority. The excess payable under this arrangement varies depending on each class of insurance held.

Contractors and Consultants

Contractors and consultants include financial management and accounting services and advice, project management services, legal expenses (excluding conveyancing), valuations and other professional services.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 9. Cost of Land Sold

Land Transfers and Acquisitions

Unleased Territory land is transferred at market value. The Agency recognises the land as inventory when custodianship is transferred to the Agency. The Agency also purchases land from external parties at market value in line with Territory legislation and policies. It also receives land for no cost through transfers from other ACT Government entities. Land costs are expensed in the Statement of Comprehensive Income when finished land is settled.

Capitalised Development Costs

Capitalised Development Costs represent costs or services that are directly attributable to the development of the land. These transactions are generally direct labour costs and purchases of goods or services that are directly inputted into producing land available for sale. Capitalised development costs are expensed in the Statement of Comprehensive Income when finished land is settled.

Note 10. Write Down of Inventory

Inventories held for sale are valued at the lower of cost and net realisable value. The difference between the cost and book value is recorded as a write down of inventory. This includes write down of land transferred from other ACT Government agencies and inventory costs written off for discontinued projects where the criteria for an asset is no longer met in line with the relevant accounting standards.

Note 11. Other Expenses

Land Holding Cost (Interest) and Stamp Duty Equivalents

Consistent with the ACT Government's policy on competitive neutrality, the Agency applies similar costing and pricing principles, taxation, debt guarantee requirements and regulations as a fully corporatised business. Refer to Note 1: *Public Trading Enterprise* for further details. The Agency pays land holding cost equivalent on land purchased from EPSDD. It also pays stamp duty equivalent to CMTEDD on land purchased from the Territory.

Note 12. National Tax Equivalent

Taxation

The Agency is registered with the National Tax Equivalent Regime and is required to calculate income tax in accordance with the Income Tax Assessment Act 1997 and to account for the resulting amounts under the requirements of Australian Accounting Standard AASB 112 Income Taxes.

The amount of the current national tax equivalent expense is based on the surplus/(deficit) for the year adjusted for any non-assessable or non-deductible items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant Accounting Policies - Assets

Assets - Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months of the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

Significant Accounting Judgements and Estimates - Fair Value of Assets

The Agency has made a significant estimate regarding the fair value of its assets. Land and buildings have been recorded at the market value of similar properties as determined by independent valuers. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

Note 14. Receivables

Receivables include the right to receive infrastructure, trade receivables, deferred payment receivables, accrued revenue and GST refunds due.

Right to Receive Infrastructure

Some sales contracts include the requirement for purchasers to construct and return specific infrastructure assets to the Agency, at their own cost. The estimated cost of the infrastructure is contained within the Deed of Agreement or Prescribed Conditions within the sales contract, and this becomes the agreed infrastructure asset value that will be transferred to the Agency upon practical completion.

The infrastructure revenue is recognised upon settlement of the contract with a corresponding entry recognised as an associated infrastructure asset receivable.

Trade Receivables

Trade receivables arise in the normal course of providing goods and services to other agencies and the public. Trade receivables are payable within 30 days after the goods or services have been provided under a contractual arrangement and in accordance with the terms and conditions of that arrangement.

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Statement of Comprehensive Income.

Deferred Receivable - Contribution to the West Belconnen Joint Venture

The Agency continues to provide a contribution to the joint operation to fund project activities under the West Belconnen Joint Venture Agreement. The Agency has a priority right to the distributions from the joint operation where and by the amount that creates an imbalance in the joint operation equity account. If the contributed amount exceeds the Agency's share of the assets and liabilities of the joint operation, the remaining amount is recognised as a net deferred receivable. This amount is further assessed for recoverability on an annual basis. As at 30 June 2021, the net deferred receivable balance was \$0.926 million (see Note 14: Receivables).

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 14. Receivables - continued

Credit Loss Receivables

The Agency has adopted AASB 9 *Financial Instruments* with a date of initial application of 1 July 2018. The Standard includes a single approach for the classification and measurement of financial assets, based on cash flow characteristics and the business model used for the management of the financial instruments. It introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in AASB 139 *Financial Instruments: Recognition and Management*.

The allowance for expected credit losses represents the amount of trade and other receivables the Agency estimates will not be collected. The allowance for credit losses is based on objective evidence and a review of overdue balances. The Agency has measured expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of the expected credit loss is recognised in the Statement of Comprehensive Income. The allowance for impairment losses is written off against the allowance account when the Agency ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

Where the Agency has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance.

Significant Accounting Judgements and Estimates - Allowance for Credit Losses

The Agency made a significant estimate in the calculation of the allowance for credit losses for receivables in the Financial Statements. The allowances for expected credit losses of receivables is calculated separately for groupings of assets with similar loss patterns. Calculations are based on historical observed default rates where possible. Where historical data is unavailable, relevant internal and external stakeholders were consulted to determine expected credit losses, with adjustments for reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 15. Inventories

Inventories held for sale include developed land and land being developed and are valued at the lower of cost and net realisable value. Land being developed - work in progress is transferred to developed land when operational acceptance is provided by EPSDD and the land becomes available for sale. The cost of developed land includes land acquisition and land development costs. Land transferred from the EPSDD is recognised in inventories – land being developed - work in progress when custodianship of land is received by the Agency.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing and selling activities.

Land Purchases

Unleased Territory land is acquired at market value. The Agency recognises the land as inventory when custodianship is transferred to the Agency in addition to recognising a corresponding payable to EPSDD for the market value of the land. The Agency also purchases land from external parties at market value as required and receives land for no cost through transfers from other ACT Government entities.

Capitalised Development Costs

Capitalised development costs relate directly to preparing sites for sale as serviced land. These include expenditure associated with the implementation of estate planning, demolition, remediation activities, and relocation or construction of infrastructure services. Costs associated with marketing and selling activities are not considered to be directly related to the preparation of the sites for sale as serviced land, and are expensed as incurred. Land sites held for development and sale are classified as current assets when they are expected to be sold within 12 months.

Significant Accounting Judgements and Estimates - Current and Non-Current Inventory

Inventory is classified as current where it is forecast/expected to settle in the 12 months from the reporting date, irrespective of whether the land is constructed and available for sale. The Agency develops land in accordance with the Indicative Land Release Program and where land supply exceeds demand, unsold stock may accumulate. Therefore, the most appropriate indicator for the classification of inventory as current is the expected timing of settlement rather than the completed construction and availability of land. Where blocks are not forecast to settle within the next 12 months they are classified as non-current.

Note 16. Property, Plant and Equipment

Acquisition and Recognition of Property, Plant and Equipment

Property, Plant and Equipment are initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item). The Agency capitalises all Property, Plant and Equipment with a value of \$5,000 or more. Land acquired that is not intended to be developed at the time an assessment is undertaken is recorded as Property, Plant and Equipment as disclosed in Note 16: Property, Plant and Equipment. This may include land held for use for infrastructure, environmental or other purposes. The Agency regularly assesses land recorded as Property, Plant and Equipment to ensure it is correctly designated. Where land is held for use (Property, Plant and Equipment) and is re-designated subsequently as held for sale, the land is transferred from Property, Plant and Equipment to Inventory.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 16. Property, Plant and Equipment - continued

Measurement of Property, Plant and Equipment after Initial Recognition

Land and buildings are revalued every 3 years. However, if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land and buildings that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to fair value. Any accumulated depreciation relating to buildings at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revaluated amount of the asset.

Impairment of Assets

The Agency assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Impairment losses for plant and equipment, leasehold improvements, heritage and intangible assets are recognised in the Statement of Comprehensive Income. The carrying amount of the asset is reduced to its recoverable amount.

Impairment losses for land and buildings are recognised as a decrease in the asset revaluation surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an asset revaluation surplus attached to them. Where the impairment loss is greater than the balance in the asset revaluation surplus for the relevant class of asset, the difference is expensed in the Statement of Comprehensive Income.

Right of Use Assets

Right of use assets are initially measured at cost. After the commencement date, right of use assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any re-measurement of the lease liability.

Significant Accounting Policies - Liabilities

Liabilities - Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

Note 17. Payables

Payables are initially recognised at fair value based on the transaction cost with any adjustments to the carrying amount being recorded in the Statement of Comprehensive Income.

Payables include trade payables, accrued expenses, payable to EPSDD for land sold, developed or yet to be developed and other payables.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant Accounting Judgements and Estimates - Current and Non-Current Payables to EPSDD for Land Sold, Developed or Yet to be Developed

Payables to EPSDD for land sold, developed or yet to be developed represents a liability to EPSDD for the cost of land sold by the Agency. The liability to EPSDD crystallises only when the land is sold by the Agency. The Agency's forward estimates for land sales determine the timing of expected settlement. Where blocks are expected to settle within the next 12 months, the associated payable to EPSDD is classified as current.

Note 18. Contract Liabilities

The Agency receives deposits at the time of exchange of land sales contract and recognises these as Revenue Received in Advance. All deposits are received prior to the Agency transferring the land to the customers, and as such are considered contract liabilities. The performance obligation of the Agency is the transfer of land to the customer/purchaser at settlement.

Note 19. Lease Liabilities

The Agency adopted AASB 16 Leases on 1 July 2019. The new accounting standard introduces a single lease accounting model and requires lessees to recognise 'right of use' assets and the related lease liabilities at commencement of the lease. The Agency has applied AASB 16 Leases to motor vehicles leased from SG Fleet by recognising a lease liability and measures the lease liability at the present value of the remaining lease payments, discounted using the interest rate defined by the lease. At the same time, a right of use asset is recognised at an amount equal to the lease liability.

Exceptions to Lease Accounting

The Agency has elected to apply exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Agency applies a threshold of \$10,000 (inclusive GST) to be distinct from low value assets.

The Agency recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 20. Employee Benefits

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2020-21, the rate used to estimate the present value of future payments for long service leave is 100.5 per cent (2019-20 101.3%).

Employee Benefits are listed in Appendix B - Note 7 *Employee Expenses*.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 20. Employee Benefits - continued

Annual and Long Service Leave

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period end, the present value of future annual leave and long service leave payments is estimated using market yields on ten-year corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2020-21 the adjustment factors used to estimate the present value of future liabilities are summarised below:

- annual leave payments is 100.1 per cent (100.5 per cent in the previous financial year); and
- payments for long service leave is 100.5 per cent (101.3 per cent in the previous financial year).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Significant Judgements and Estimates - Employee Benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The assessment by an actuary is performed every five years. The next actuarial review is expected to be undertaken by early 2022.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Note 21. Other Provisions

Significant Accounting Judgements and Estimates - Provision for Project Completion

For any parcel of developed land, the proportion of costs anticipated but not yet incurred is accounted for in the provision for project completion. An estimate is made of the amount of work still to be completed by the Agency. This estimate takes the form of a 'project completion percentage' and is calculated on a monthly basis. The provision for project completion is a calculation combining the total anticipated costs of each finished parcel of developed land together with the project completion percentage.

The estimate is based on the latest available, reliable information. The estimate may need revision if changes occur to the circumstances on which the estimate is based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not a correction of an error.

The Agency has undertaken an analysis of the estimated timing of future cash flows relating to the project completion and determined the effect on present value is immaterial. On this basis, the provision for project completion has not been discounted.

The classification of the Provision for project completion is linked to forecasted expenses and is classified as current where costs are expected to be incurred in the next 12 months. Where expenses are not forecast to be incurred within the next 12 months the Provision for project completion is classified as non-current.

Provision to Transfer Infrastructure

The sale of land by the Agency can involve the receipt of cash as well as the value of infrastructure assets (such as roads, services and landscaping) required to be constructed by the purchaser as part of the sale conditions. Upon completion, the infrastructure works are transferred to Transport Canberra and City Services Directorate (TCCS) and Icon Water. At contract settlement, the Agency recognises the value of future infrastructure to be transferred to TCCS and Icon Water as a liability.

Note 23. Other Liabilities

The City Renewal Authority and the Suburban Land Agency (Suburban Land Agency Payment of Funds to Territory) Direction 2018 (NI2018-224) directs the Agency to pay a dividend of 100 per cent of its net profits after tax. Payments of the dividend are made in two instalments each year: an interim payment of 80 per cent of estimated net profits is payable by 30 June of each financial year with a final balance of actual net profits by 31 October of the following financial year.

The direction also provides the Government with flexibility to approve a different dividend payment ratio and/or flexibility of payment timing, subject to the Board providing a case to the Treasurer in writing. The Treasurer may approve the modification of:

- (a) the amount of the interim dividend and final dividend payments; and
- (b) the date of payment for the interim and final dividend payments.

Note 24. Deferred Tax Liability

Deferred tax liabilities are the amounts of national tax equivalent payable in future periods relating to taxable temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Suburban Land Agency
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant Accounting Policies - Other Notes

Note 25. Financial Instruments

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

Note 28. Interest in a Joint Operation

The Agency is part of a Joint Arrangement with Riverview Developments (ACT) Pty Ltd, Reid & Stevens Pty Limited and Corkhill Bros Pty Limited to develop land to the west of Belconnen.

The West Belconnen Joint Venture revenue, expenses, assets and liabilities were consolidated into the Agency's accounts in respect of its share in the joint operation. The Agency holds an interest in the joint operation on behalf of the Territory.

The Agency continues to provide a contribution to the joint operation to fund project activities under the West Belconnen Joint Venture agreement. The Agency has a priority right to the distributions from the joint operation where and by the amount that creates an imbalance in the joint operation equity account. If the contributed amount exceeds the Agency's share of the assets and liabilities of the joint operation, the remaining amount is recognised as a net deferred receivable. This amount is further assessed for recoverability on an annual basis. As at 30 June 2021, the Net Deferred Receivable — Contribution to the West Belconnen Joint Venture balance was \$0.926 million (see Note 14: *Receivables*), as at 30 June 2020 the Net Deferred Receivable – Contribution to the West Belconnen Joint Venture was \$29.570 million.

Note 33. Budgetary Reporting

Significant Accounting Judgements and Estimates - Budgetary Reporting

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10 per cent of the relevant associated category (Income, Expenses and Equity totals) or more than 10 per cent of the sub element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 5 per cent and \$15 million.

Suburban Land Agency
APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED
BUT YET TO BE APPLIED
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Agency does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current [AASB 101] (application date 1 January 2023)

This amendment, including the change in the application of “unconditional right to defer settlement of a liability” criteria for current liabilities is expected to impact the Agency’s accounting policy disclosure, and to impact the criteria applied by the Agency in classifying liabilities as current vs non-current.

AASB 2020-3 Amendments to AASB 3 - Reference to the Conceptual Framework (application date 1 January 2022)

The amendments are intended to replace a reference to a previous version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The Agency will evaluate these updates with reference to AASB 3 but does not expect to be party to any business combination transactions in scope of this standard.

AASB 2020-3 Amendments to AASB 137 - Onerous Contracts - Cost of Fulfilling a Contract (application date 1 January 2022)

The amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a ‘directly related cost approach’. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Agency will apply this amendment in the event of future onerous contracts arising, however this amendment is not expected to have a material impact on the accounts.

Suburban Land Agency
APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED
BUT YET TO BE APPLIED
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED - CONTINUED

AASB 2020-3 Amendments to AASB 116 - Property, Plant and Equipment: Proceeds before Intended Use (application date 1 January 2022)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The Agency does not expect this standard to impact values recorded in the financial statements.

The Agency's property, plant and equipment includes land assets which may derive income, however this class of assets is recorded at fair value therefore we believe that this amendment would not impact the Agency.

Land development costs related to ordinary business activities are accounted for as inventory, therefore these balances would not be impacted by this amendment.

The Agency's accounting policies related to property, plant and equipment are expected to be updated to reflect the clarification arising from this accounting standard amendment.

Suburban Land Agency
APPENDIX D – CHANGE IN ACCOUNTING POLICY AND
ACCOUNTING ESTIMATES
Forms Part of Note 3 of the Financial Statements
For the Year Ended 30 June 2021

APPENDIX D – CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

Estimate for Project Costs

The Agency undertakes an ongoing review of its estimated project costs to determine the remaining funding requirements. During this process estimates of project contingency costs are also reviewed. Any adjustments as a result of the reviews have an impact on the value of inventory and cost of land sold. The overall impact of the 2020-21 adjustment was a decrease to estimated project costs of \$13.7 million. The decrease was apportioned against the Cost of Land Sold and Inventory, and an overall increase to the operating surplus before income tax equivalents was recognised.

WEST BELCONNEN JOINT VENTURE FINANCIAL STATEMENTS

ABN 72 619 778 053

FOR THE YEAR ENDED 30 JUNE 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of the West Belconnen Joint Venture Board

Opinion

I have audited the financial statements of the West Belconnen Joint Venture (Joint Venture) for the year ended 30 June 2021 which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Joint Venture's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with Australian Accounting Standards.

Basis for the opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Joint Venture 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)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Joint Venture for the financial statements

The Joint Venture Board is responsible for:

- preparing and fairly presenting the financial statements in accordance with relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Joint Venture to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

The Auditor-General is responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Joint Venture.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Joint Venture's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Joint Venture;
- conclude on the appropriateness of the Joint Venture's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Joint Venture's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Joint Venture to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Joint Venture 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.



Ajay Sharma
Assistant Auditor-General, Financial Audit
21 September 2021

**WEST BELCONNEN JOINT VENTURE
DECLARATION BY THE JOINT VENTURE PARTICIPANTS**

1. In the opinion of the Joint Venture Participants of the West Belconnen Joint Venture (the Joint Venture):
 - a) the financial statements including notes and this declaration by the Joint Venture Participants, are in accordance with the basis of preparation described in Note 2(a), so as to give a true and fair view of the financial position of the Joint Venture at 30 June 2021 and its performance, as represented by the results of its operations and cash flows for the year ended 30 June 2021; and
 - b) there are reasonable grounds to believe that the Joint Venture will be able to pay its debts as and when they become due and payable.

2. In respect of the financial year ended 30 June 2021, the Joint Venture has:
 - a) kept such accounting records as correctly record and explain its transactions and financial position;
 - b) kept its accounting records so that true and fair financial statements of the Joint Venture can be prepared from time to time; and
 - c) kept its accounting records so that the financial statements of the Joint Venture can be conveniently and properly audited or reviewed in accordance with the Joint Venture Agreement.

Signed in accordance with a resolution of the Joint Venture Board:



Michael Scott
Chairperson of the Board



Angus Dawson
Member of the Board



David Maxwell
Member of the Board

14th September 2021

**WEST BELCONNEN JOINT VENTURE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note No.	2021 \$	2020 \$
Development fee		118,691,797	48,833,535
Built form revenue		9,746,679	4,273,753
Development costs		(79,444,486)	(31,703,215)
Built form costs		(8,266,469)	(4,242,414)
GROSS PROFIT		40,727,521	17,161,659
Other income	3	850,567	808,873
Administrative expenses	4	(3,569,796)	(3,443,225)
Finance costs	5	(1,436,414)	(2,563,264)
Marketing and communication expenses		(1,201,937)	(1,667,561)
Selling expenses		(2,702,289)	(1,817,631)
TOTAL OTHER INCOME AND EXPENSES		(8,059,869)	(8,682,808)
NET INCOME		32,667,652	8,478,851
TOTAL COMPREHENSIVE INCOME AVAILABLE FOR DISTRIBUTION TO JOINT VENTURE PARTICIPANTS		32,667,652	8,478,851

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**WEST BELCONNEN JOINT VENTURE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note No.	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	18,527,427	19,634,593
Trade receivables and other assets	7	9,026,124	3,248,101
Inventory	8	4,645,511	5,587,832
Tax assets	9	-	156,670
TOTAL CURRENT ASSETS		32,199,062	28,627,196
NON-CURRENT ASSETS			
Inventory	8	53,614,235	69,441,224
Property, plant, equipment and intangibles	10	2,434,117	2,907,328
TOTAL NON-CURRENT ASSETS		56,048,352	72,348,552
TOTAL ASSETS		88,247,414	100,975,748
LIABILITIES			
CURRENT LIABILITIES			
Trade creditors and other payables	11	3,231,807	3,895,438
Provision	12	10,949,011	3,811,687
Contract liabilities	13	3,534,558	6,833,156
Other liabilities	14	2,180,400	1,062,500
Tax liabilities	9	497,272	-
TOTAL CURRENT LIABILITIES		20,393,048	15,602,781
NON-CURRENT LIABILITIES			
Provision	12	37,480,933	12,501,409
Contract liabilities	13	-	1,118,288
TOTAL NON-CURRENT LIABILITIES		37,480,933	13,619,697
TOTAL LIABILITIES		57,873,981	29,222,478
NET ASSETS		30,373,433	71,753,270
JOINT VENTURE EQUITY			
Initial Equity Contributions and Accumulated Funds			
- Suburban Land Agency		17,765,509	434,488
- Riverview Development (ACT) Pty Limited		12,607,924	1,273,823
Equity Contributions Other than Initial Equity Contributions			
- Suburban Land Agency		-	70,044,959
TOTAL JOINT VENTURE EQUITY		30,373,433	71,753,270

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**WEST BELCONNEN JOINT VENTURE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Initial Equity Contributions and Accumulated Funds \$	Equity Contributions Other than Initial Equity Contributions \$	Total Equity \$
Balance at 1 July 2020	1,708,311	70,044,959	71,753,270
Comprehensive Income	32,667,652	-	32,667,652
Total Comprehensive Income	32,667,652	-	32,667,652
Equity contributions returned	(2,500,000)	(63,359,801)	(65,859,801)
Interest accrued	-	1,431,775	1,431,775
Interest paid	-	(8,116,933)	(8,116,933)
Distributions paid	(1,502,530)	-	(1,502,530)
Transactions Involving Joint Venture Participants Affecting Total Equity	(4,002,530)	(70,044,959)	(74,047,489)
Balance at 30 June 2021	30,373,433	-	30,373,433
Balance at 1 July 2019	(10,170,540)	67,489,527	57,318,987
Comprehensive Income	8,478,851	-	8,478,851
Total Comprehensive Income	8,478,851	-	8,478,851
Equity contributions received	3,400,000	-	3,400,000
Interest accrued	-	2,555,432	2,555,432
Transactions Involving Joint Venture Participants Affecting Total Equity	3,400,000	2,555,432	5,955,432
Balance at 30 June 2020	1,708,311	70,044,959	71,753,270

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**WEST BELCONNEN JOINT VENTURE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note No.	2021 \$	2020 \$
RECEIPTS			
Development Fee received		109,124,743	47,509,732
Built Form Revenue received		9,481,417	4,288,540
Other income received		629,658	410,104
Interest income received		86,089	124,399
Compliance Bonds received		1,148,750	735,000
Net GST refunded by ATO		186,625	204,270
Total receipts from operating activities		120,657,282	53,272,045
PAYMENTS			
Development and Built Form Costs paid		(39,784,404)	(45,583,771)
Other costs paid		(6,500,780)	(7,096,943)
Net GST remitted to ATO		-	-
Total payments from operating activities		(46,285,184)	(52,680,714)
Net cash inflows from operating activities	18(b)	74,372,098	591,331
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts for property, plant, equipment and intangibles		-	42,973
Net cash inflows from investing activities		-	42,973
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(3,470)
Initial equity contributions received		-	3,400,000
Initial equity contributions repaid		(2,500,000)	-
Equity contributions other than initial equity contributions		(63,359,801)	-
Interest paid		(8,116,933)	-
Distributions paid		(1,502,530)	-
Net cash (outflows)/inflows from financing activities		(75,479,264)	3,396,530
Net (decrease)/increase in cash and cash equivalents		(1,107,166)	4,030,834
Cash and cash equivalents at the beginning of the period		19,634,593	15,603,759
Cash and cash equivalents at the end of the period	18(a)	18,527,427	19,634,593

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

WEST BELCONNEN JOINT VENTURE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: JOINT VENTURE INFORMATION

The West Belconnen Joint Venture (the "Joint Venture") is a joint venture domiciled in Australia between the Australian Capital Territory and Riverview Developments (ACT) Pty Limited (the "Joint Venture Participants"). The Joint Venture was formed on 23 November 2016 to develop land in the location known as Ginninderry in the Australian Capital Territory. The Joint Venture is commonly referred to as the Ginninderry Joint Venture. The Australian Capital Territory has appointed the Suburban Land Agency to act as its agent to oversee and manage its interests and responsibilities under the Joint Venture Agreement and all agreements related to the Joint Venture.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with generally accepted accounting principles and accounting standards.

At the time of these financial statements being prepared the Joint Venture has completed development works for Neighbourhood 1 of the project and is awaiting development approval so it can commence development works for Neighbourhood 2. All lots created in Neighbourhood 1 that have been released to market have sold and the majority have now settled. The sale of parcels of land to be created in Neighbourhood 2 will commence once the Joint Venture receives development approval for this neighbourhood.

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention.

The financial statements are presented in Australian dollars, which is the Joint Venture's functional currency.

All amounts in the financial statements are unrounded. Use of "-" represents zero amounts or amounts rounded down to zero.

The financial statements state the financial performance, changes in equity and cash flows of the Joint Venture for the year ended 30 June 2021 together with the financial position of the Joint Venture at 30 June 2021.

(b) Going concern

These financial statements have been prepared on a going concern basis and there are reasonable grounds to believe that the Joint Venture will be able to pay its debts as and when they fall due and payable as adequate current assets are available to pay debts.

(c) Compliance statement

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(d) Comparative figures

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where presentation or classification of items in the financial statements has been amended, the comparative amounts have been reclassified where practical. Where reclassification has occurred the nature, amount and the reason for the reclassification is provided.

(e) Early adoption of accounting policy

The Joint Venture has not early adopted any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2021 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material to the Joint Venture.

(f) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of promised goods or services and amounts recognised reflect the consideration to which the Joint Venture expects to be entitled in exchange for those goods or services. The requirements include a five-step framework to determine the timing and amount of revenue to recognise from contracts with customers. The five-steps are: identifying the contract with a customer, identifying the performance obligations, determining the transaction price, allocating the transaction price to the performance obligations and recognising revenue when/as performance obligations are satisfied.

In accordance with AASB 15 the following specific recognition criteria must also be met before revenue from contracts with customers is recognised:

Development fee

Development fee revenue is recognised when control of a parcel of land that the Joint Venture has developed, on behalf of the Joint Venture Participants, has transferred from the Joint Venture Participants to a purchaser. The Joint Venture has determined that the purchaser obtains control for the parcel of land at settlement. The revenue recognised equals the proceeds received by the relevant Joint Venture Participant (less any GST liability which is payable).

Built form revenue

Built form revenue is recognised when control of a house that the Joint Venture has built has transferred from the Joint Venture to a purchaser. The Joint Venture has determined that the purchaser obtains control of a house upon settlement of the parcel of land upon which the house is built. The revenue recognised equals the contract sum agreed in the built form contract (less any GST liability which is payable).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(f) Revenue from contracts with customers (continued)

Deposit forfeiture

When a purchaser has paid a deposit for a parcel of land that the Joint Venture is developing, on behalf of the Joint Venture Participants, and the purchaser's land sales contract is terminated, the deposit is forfeited and retained by the Joint Venture and recognised as revenue on the date when the contract is terminated.

Compliance bond forfeiture

On settlement, purchasers of a parcel of land that Joint Venture has developed are required to provide a compliance bond to the Joint Venture as security for ensuring compliance with obligations under their land sales contract. If a purchaser does not complete construction of their dwelling in compliance with their obligations, their compliance bond is forfeited and retained by the Joint Venture to be recognised as revenue on the date when the purchaser is advised of the forfeiture.

Grant income

The Joint Venture receives grant monies for training and employment initiatives that it undertakes. Grant income is recognised when monies for which it is intended to use it for has been spent.

(g) Other income

Interest income

Interest income is recognised when received.

Rental income

The Joint Venture receives rent for a residential building located on land which the Joint Venture has licence to use. Rental income is recognised when received which coincides with the period to which the payment relates.

(h) Distributions

Provision is made for the amount of any distributions declared and approved on or before the end of the financial year but not distributed at balance date. Distributions totalling \$1,502,530 were declared and paid during the financial year (2020: \$nil).

(i) Cash and cash equivalents

Cash is cash at bank. The cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(j) Inventory

The cost to develop the land owned by the Joint Venture Participants into Developed Lots and the cost to build built form that will then be sold is shown as inventory. Inventory is valued at the lower of cost and net realisable value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(k) Property, Plant, Equipment and Intangibles

Property, plant, equipment and intangibles are initially recorded at cost. Property, plant, equipment and intangibles with a minimum value of \$3,000 are capitalised.

Leasehold Improvements

The Joint Venture's leasehold improvements comprise The Link building which the Joint Venture has built on land that it has leased. The Joint Venture will surrender The Link building for nil consideration when the term of its 10 year lease ends in August 2026. Leasehold improvements are depreciated on a straight-line basis over the term of the lease.

Leasehold improvements are shown at cost less depreciation and accumulated impairment losses.

Plant and Equipment

Plant and equipment includes furniture and fittings and motor vehicles. Plant and equipment is measured at cost less depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All assets were assessed for impairment at 30 June 2021. Indications of impairment exist when the asset's recoverable amount is less than its carrying amount. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative period are as follows:

Class of Property, Plant and Equipment Useful Life

- Leasehold improvements 10 years
- Plant and equipment 5-10 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset carrying amounts are written down immediately to their recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds of the sale with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(k) Property, Plant, Equipment and Intangibles (continued)

Intangibles

The Joint Venture's intangible assets are comprised of externally acquired software and is recognised and capitalised when it is probable that the expected future economic benefits attributable to the software will flow to the Joint Venture and the cost of the software can be measured reliably.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 2.5 years.

Intangible Assets are measured at cost and only intangibles with a minimum value of \$3,000 are capitalised.

(l) Trade receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Statement of Comprehensive Income.

Collectability of trade receivables is reviewed on an ongoing basis. Trade receivables that are known to be uncollectable are written off when identified. An allowance for impairment of trade receivables would be established when there is objective evidence that the Joint Venture will not be able to collect all amounts to the original terms.

The expected credit loss from trade receivables represents the amount of trade receivables that the Joint Venture estimates will not be paid. The Joint Venture determines this loss based on forward looking evidence and a review of all balances. Historically, there have been no credit losses from trade receivables and business relations and conditions of services are expected to remain stable. As such no amount of expected credit loss has been recognised in the Statement of Comprehensive Income.

(m) Trade creditors

Trade creditors are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Statement of Comprehensive Income. All amounts are normally settled within 30 days after the invoice date.

(n) Provision

For any parcel of land that the Joint Venture develops on behalf of the Joint Venture Participants or built form it constructs for a purchaser, the proportion of related costs anticipated but not yet incurred is accounted for as a Provision for Development/Built Form Completion. An estimate is made of the amount of work still to be completed by the Joint Venture and this estimate takes the form of a 'project completion percentage'. The Provision for Development/Built Form Completion is a calculation combining the total anticipated costs of each finished parcel of land or built form house that has been developed/constructed together with the project completion percentage.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(o) Equity contributions other than initial equity contributions

Equity contributions other than initial equity contributions are interest bearing and repayment has been made to the Suburban Land Agency in priority of any distributions made to the Joint Venture Participants. As at 30 June 2021 all equity contributions other than initial equity contributions have been repaid and the balance is nil.

(p) Income tax

The Joint Venture is a non-taxable entity. The Joint Venture for taxation purposes is considered a partnership. Partnerships are not considered to be a separate tax entity under Australian tax law, and therefore no income tax is payable by the Joint Venture itself.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred on the purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- trade receivables and trade creditors, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is shown as a tax asset or tax liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the taxation authority.

(r) Contract liabilities

When an amount of consideration is received from a customer prior to the Joint Venture transferring a good or service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability.

(s) Other liabilities

Compliance bonds

On settlement, purchasers of a parcel of land that Joint Venture has developed are required to provide a compliance bond to the Joint Venture as security for ensuring compliance with obligations under their land sales contract. Upon the purchaser completing construction of their dwelling in compliance with their obligations, the compliance bond is refunded to the purchaser. Compliance bond monies received are kept in the Joint Venture's bank account. Monies held are not held in trust for the purchaser. At 30 June 2021 the balance of compliance bonds held was \$2,180,400 (2020: \$1,062,500).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(t) Impact of the COVID-19 global pandemic on the financial results

The Joint Venture has assessed the impact of the COVID-19 global pandemic on its financial results to be immaterial.

During the year ended 30 June 2021 there has been no material variance to revenue or expense stemming from the COVID-19 global pandemic and there has been no impact to balance sheet items.

(u) Significant accounting judgements and estimates

The preparation of the Joint Venture's financial statements requires management to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Joint Venture's exposure to risks and uncertainties include those outlined in Note 15 related to financial risk management.

Significant estimates and judgements made by management in preparing these financial statements include:

- Determining an estimate of the amount of work to be undertaken by the Joint Venture to finish parcels of land and built form houses. This estimate is required to calculate the Provision for Development Completion and Built Form Completion that is discussed further in Note 12. The estimate made by management is based on the information that was available to management when the financial statements were prepared. The estimate may need revision if changes occur to the circumstances which the estimate is based on or as a result of new information.
- Reviewing current and future revenues to make a judgement so as to ensure the balance reported for inventories is stated at the lower of cost or net realisable value.
- Reviewing property, plant and equipment owned by the Joint Venture for indications of changes to their condition or operating environment which could impact future economic benefits that can be derived from their use, and if such impact exists, recording an impairment loss against that asset.

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: OTHER INCOME

	2021 \$	2020 \$
Interest income	86,089	124,399
Rental income	19,760	19,760
Grant income	605,064	388,262
Deposit forfeiture	103,970	274,370
Compliance bond forfeiture	30,850	-
Other income	4,834	2,082
Total other income	850,567	808,873

NOTE 4: ADMINISTRATIVE EXPENSES

	2021 \$	2020 \$
Administration and operational expenses	2,166,575	2,284,307
Depreciation and amortisation	473,211	506,029
External audit fee^	48,125	40,900
Community and social planning initiatives	74,097	132,840
Art and culture initiatives	89,048	-
Training and employment initiatives	658,076	439,389
Sponsorships	60,664	39,760
Total administrative expenses	3,569,796	3,443,225

^External audit fees are paid to the ACT Audit Office for the audit of the financial statements. No other services were provided by the ACT Audit Office.

NOTE 5: FINANCE COSTS

	2021 \$	2020 \$
Bank fees	4,663	7,831
Interest expense	1,431,751	2,555,433
Total finance costs	1,436,414	2,563,264

NOTE 6: CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank	18,527,427	19,634,593
Total cash and cash equivalents	18,527,427	19,634,593

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: TRADE RECEIVABLES AND OTHER ASSETS

	2021 \$	2020 \$
Trade receivables	8,971,421	3,167,678
Prepayments	54,691	80,411
Other receivables	12	12
Total trade receivables and other assets	9,026,124	3,248,101

Allowance for Expected Credit Loss

Trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and an allowance for expected credit loss would be recognised when there is objective evidence that an individual trade receivable is expected to have a credit loss. These amounts would be included in administrative expenses. The allowance for the reporting period is \$nil (2020 \$nil).

Ageing of trade receivables

At balance date trade receivables of \$8,971,421 (2020: \$3,167,678) were within the trading terms of 30 days.

NOTE 8: INVENTORY

	2021 \$	2020 \$
<i>CURRENT</i>		
Built form - available for sale – at cost	-	335,566
Development work – work in progress - at cost	1,927,291	1,897,613
Built form – work in progress – at cost	2,718,220	3,354,653
Total current inventory	4,645,511	5,587,832
<i>NON-CURRENT</i>		
Development work – work in progress – at cost	53,614,235	69,441,224
Total non-current inventory	53,614,235	69,441,224
Total inventory	58,259,746	75,029,056

NOTE 9: TAX ASSETS AND LIABILITIES

	2021 \$	2020 \$
Net GST receivable	463,646	498,758
Net GST payable	(960,918)	(342,088)
Total tax (liabilities)/assets	(497,272)	156,670

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES

	2021 \$	2020 \$
LEASEHOLD IMPROVEMENTS		
At cost	3,700,000	3,700,000
Less accumulated depreciation	(1,359,181)	(906,121)
Total leasehold improvements	2,340,819	2,793,879
FURNITURE AND FITTINGS		
At cost	109,906	109,906
Less accumulated depreciation	(47,145)	(36,155)
Total furniture and fittings	62,761	73,751
MOTOR VEHICLES		
At cost	45,805	45,805
Less accumulated depreciation	(15,268)	(6,107)
Total motor vehicles	30,537	39,698
Total property, plant, equipment and intangibles	2,434,117	2,907,328

Reconciliation of Property, Plant, Equipment and Intangibles

The following table shows the movement for each class of property, plant, equipment and intangibles during the year:

	Leasehold Improvements \$	Furniture and Fittings \$	Motor Vehicles \$	Total \$
Carrying amount at 1 July 2020	2,793,879	73,751	39,698	2,907,328
Depreciation/Amortisation	(453,060)	(10,990)	(9,161)	(473,211)
Carrying amount at 30 June 2021	2,340,819	62,761	30,537	2,434,117

NOTE 11: TRADE CREDITORS AND OTHER PAYABLES

	2021 \$	2020 \$
Trade creditors	2,066,325	1,384,554
Accrued expenditures	1,165,482	2,510,884
Total creditors and other payables	3,231,807	3,895,438

Trade creditors are generally due and payable within 30 days and relate to costs incurred in the ordinary course of business.

Accrued expenditures relate to project costs incurred at 30 June 2021 which had not yet been invoiced.

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12: PROVISION

	2021 \$	2020 \$
<i>CURRENT</i>		
Provision for Development Completion	9,858,980	3,682,055
Provision for Built Form Completion	1,090,031	129,632
Total current provision	10,949,011	3,811,687
<i>NON-CURRENT</i>		
Provision for Development Completion	37,480,933	12,501,409
Total non-current provision	37,480,933	12,501,409
Total provision	48,429,944	16,313,096

The Provision for Development Completion and Built Form Completion reflects the expected costs required to finish parcels of land and built form houses already sold by the Joint Venture Participants. As at 30 June 2021, the value of Provision for Development Completion related to development costs expected to be incurred for parcels of land that had settled and for which the Joint Venture has received a Development Fee from the Joint Venture Participants and at 30 June 2021 the value of Provision for Built Form Completion related to minor construction cost amounts yet to be incurred for houses that have transferred to their purchaser.

NOTE 13: CONTRACT LIABILITIES

	2021 \$	2020 \$
<i>CURRENT</i>		
Contacts with Customers – Development Fee	2,864,945	6,406,930
Contracts with Customers – Grant Income	669,613	426,226
Total current contract liabilities	3,534,558	6,833,156
<i>NON-CURRENT</i>		
Contacts with Customers – Development Fee	-	1,118,288
Total non-current contract liabilities	-	1,118,288
Total contract liabilities	3,534,558	7,951,444

Contract liabilities relates to both consideration received in advance from the Joint Venture Participants in respect of the development fee and grant monies received from government organisations which the Joint Venture is yet to spend.

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: OTHER LIABILITIES

	2021 \$	2020 \$
CURRENT		
Compliance bonds	2,180,400	1,062,500
Total current other liabilities	<u>2,180,400</u>	<u>1,062,500</u>
Total other liabilities	<u>2,180,400</u>	<u>1,062,500</u>

NOTE 15: FINANCIAL RISK MANAGEMENT

The Joint Venture's principal financial instruments comprise trade receivables, trade creditors and cash and cash equivalents.

The Joint Venture Board manages the Joint Venture's exposure to key financial risks, which include credit risk and liquidity risk. The overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Joint Venture.

The Joint Venture Board identifies, evaluates and mitigates financial risks.

Credit risk

Credit risk arises from the financial assets of the Joint Venture, which comprises cash and cash equivalents and trade receivables.

The Joint Venture's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure to the carrying amount of these instruments. As the main counter party for the Joint Venture's trade receivables is the Suburban Land Agency, there is no requirement for collateral from the Suburban Land Agency.

The cash and cash equivalents component of financial assets is considered to have a low credit risk, as cash at banks is maintained in accounts operated by a reputable financial institution. The Joint Venture's financial institution is the only concentration of credit risk for the Joint Venture.

Liquidity risk

The Joint Venture regularly updates and reviews its cash flow forecasts to assist in managing its liquidity. To limit its exposure to liquidity risk, the Joint Venture ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities.

Fair value and credit risk

Due to the short-term nature of trade creditors and trade receivables, their carrying value is assumed to approximate their fair value.

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: FINANCIAL RISK MANAGEMENT - CONTINUED

The carrying value and maturity of the Joint Venture's financial assets and financial liabilities has been tabulated below:

		Carrying Amount 2021 \$	Fair Value Amount 2021 \$	Carrying Amount 2020 \$	Fair Value Amount 2020 \$
FINANCIAL ASSETS					
Cash at bank	Note 6	18,527,427	18,527,427	19,634,593	19,634,593
Trade receivables	Note 7	8,971,421	8,971,421	3,167,678	3,167,678
Total financial assets		27,498,848	27,498,848	22,802,271	22,802,271
FINANCIAL LIABILITIES					
Trade creditors	Note 11	2,066,325	2,066,325	1,384,554	1,384,554
Equity contributions other than initial equity		-	-	70,044,959	70,044,959
Total financial liabilities		2,066,325	2,066,325	71,429,513	71,429,513

30 June 2021	1 year or less \$	1-5 years \$	>5 years \$	Total \$
FINANCIAL LIABILITIES				
Trade creditors	2,066,325	-	-	2,066,325
Net Maturity	2,066,325	-	-	2,066,325
30 June 2020				
	1 year or less \$	1-5 years \$	>5 years \$	Total \$
FINANCIAL LIABILITIES				
Trade creditors	1,384,554	-	-	1,384,554
Equity contributions other than initial equity	39,932,595	30,112,364	-	70,044,959
Net Maturity	41,317,149	30,112,364	-	71,429,513

NOTE 16: RELATED PARTIES

Joint Venture Participants

The names of the Joint Venture Participants who formed the Joint Venture are:

- Australian Capital Territory
- Riverview Developments (ACT) Pty Limited

The Suburban Land Agency has been appointed by the Australian Capital Territory to act as its agent to oversee and manage its interests and responsibilities under the Joint Venture Agreement and all agreements related to the Joint Venture.

The Joint Venture has appointed Riverview Projects (ACT) Pty Limited as the Development Manager and Riverview Sales and Marketing Pty Limited as the Marketing and Sales Manager.

WEST BELCONNEN JOINT VENTURE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: RELATED PARTIES - CONTINUED

Joint Venture Board

The members of the Joint Venture Board are:

- Michael Scott (Chairperson)
- Thomas Gordon
- Angus Dawson
- Katrina Fanning (appointed 10th September 2020)
- David Maxwell
- Thomas Corkhill
- Patricia Barber (appointed 10th September 2020)

Transactions with related parties during the period

	Transaction value 2021 \$	Amount of receivable at 30 June 2021 \$	Amount of payable at 30 June 2021 \$	Amount committed at 30 June 2021 \$
Services rendered				
Suburban Land Agency				
- Development Fee	114,404,033	8,954,921	-	390,203,951
Total services rendered	114,404,033	8,954,921	-	390,203,951

Services received

Riverview Projects (ACT) Pty Limited				
- Development Management Fee	3,476,829	-	329,387	11,809,540
Riverview Sales and Marketing Pty Limited				
- Marketing and Sales Fee	2,424,690	-	246,532	8,414,768
Total services received	5,901,519	-	575,919	20,224,308

	Transaction value 2020 \$	Amount of receivable at 30 June 2020 \$	Amount of payable at 30 June 2020 \$	Amount committed at 30 June 2020 \$
Services rendered				
Suburban Land Agency				
- Development Fee	50,371,258	3,147,678	-	175,539,109
Total services rendered	50,371,258	3,147,678	-	175,539,109

Riverview Projects (ACT) Pty Limited				
- Development Management Fee	3,166,197	-	331,372	755,287
Riverview Sales and Marketing Pty Limited				
- Marketing and Sales Fee	1,561,841	-	148,011	3,126,906
Total services received	4,728,038	-	479,383	3,882,193

WEST BELCONNEN JOINT VENTURE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: RELATED PARTIES - CONTINUED

Transactions between the Joint Venture and related parties are on normal commercial terms and conditions. Amounts shown as committed relate to remaining amounts to be recognised or incurred related to the development of parcels of land in Neighbourhood 1 of the development.

Equity Contributions from related parties

Initial equity contributions received from the Joint Venture Participants at commencement of the Joint Venture was \$1,000,000 (Australian Capital Territory \$600,000 and Riverview Developments (ACT) Pty Limited \$400,000) and since commencement further contributions of \$6,206,156 have been contributed (Australian Capital Territory \$3,103,078 and Riverview Developments (ACT) Pty Limited \$3,103,078) and during the year initial equity contributions of \$2,500,000 have been repaid to the Joint Venture Participants (Australian Capital Territory \$1,250,000 and Riverview Developments (ACT) Pty Limited \$1,250,000).

Equity Contributions from related parties (continued)

During the year “equity contributions other than initial equity contributions” received in previous years from the Suburban Land Agency as agent for the Australian Capital Territory was repaid along with interest accrued. Interest accrued during the year was \$1,431,751 (2020: \$2,555,433).

Key Management Personnel Compensation

An amount of \$112,949 (2020: \$112,057) was paid to members of the Joint Venture Board during the reporting period. This amount represents Board Fees paid to Mr Michael Scott, Mr Angus Dawson, Ms Katrina Fanning, Mr Thomas Corkhill and Ms Patricia Barber and their out of pocket expenses for attending meetings.

NOTE 17: CONTINGENCIES

Contingent Assets

No contingent assets exist at reporting date (2020: \$nil).

Contingent Liabilities

No contingent liabilities exist at reporting date (2020: \$nil).

WEST BELCONNEN JOINT VENTURE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: CASH FLOW INFORMATION

	2021	2020
	\$	\$
(a) Reconciliation of cash and cash equivalents		
Cash at bank	18,527,427	19,634,593
Total cash and cash equivalents	18,527,427	19,634,593
(b) Reconciliation of net income to net cash inflows from operating		
Net income for the year	32,667,652	8,478,851
Add non-cash items:		
Depreciation and amortisation	473,211	506,029
Add financing items:		
Interest expense accrued	1,431,775	2,555,433
Changes in operating assets and liabilities:		
(Increase) in trade receivables and other assets	(5,778,022)	(1,630,840)
Decrease/(Increase) in inventory	16,769,310	(22,685,894)
(Decrease)/Increase in trade creditors and other payables	(663,632)	294,898
Increase in provisions	32,116,848	12,190,917
(Decrease)/Increase in contract liabilities	(4,416,886)	1,265,354
Increase in other liabilities	1,117,900	735,000
Decrease/(Increase) in net tax assets/liabilities	653,942	(1,118,417)
Net cash inflows from operating activities	74,372,098	591,331

C.3 Capital Works

The Agency does not receive appropriation for Capital Works.

Expenditure by the Agency represents the costs to develop inventory rather than representing a capital works program.

Further information can be obtained from:

Joseph Lee
Chief Financial Officer
Suburban Land Agency
+61 2 6205 0600



C.4 Asset management

Assets managed

The Agency managed assets with a total value of \$12.502 million as at 30 June 2021. Assets managed are shown in Table 33.

Table 33: Assets managed

Asset Type	Comprising	Value \$'000
Land	Land in Tuggeranong, Belconnen and Wallaroo	10,479
Leasehold improvements	60% interest in West Belconnen Joint Venture Office Building	1,404
Plant and equipment	Right of use assets related to motor vehicle leases, and 60% interest in furniture and equipment of West Belconnen Joint Venture	177
Community and heritage assets	John Fowler & Co Locomotive	442

During 2020–21, we managed and maintained land in Tuggeranong, Belconnen and Wallaroo districts. There were no asset upgrades in 2020–21.

There were nil asset audits (condition, hazardous materials, buildings, etc.) conducted in 2020–21.

Office accommodation

As at 30 June 2021, we had access to the office space of the ACT Government Office, 480 Northbourne Avenue, Dickson. We operate in an activity-based working (ABW) environment. Under ABW arrangements, officers don't have a designated workstation/desk. In line with ACT Public Service working arrangements during COVID-19, our employees were working partially on-site and partially from home by the end of the 2020–21 financial year.

Further information can be obtained from:

Joseph Lee
Chief Financial Officer
Suburban Land Agency
+61 2 6205 0600



C.5 Government contracting

The online ACT Government Contracts Register records contracts with suppliers of goods, services and works, with a value of \$25,000 or more.

A full search of Agency contracts notified with an execution date from 1 July 2020 to 30 June 2021 can be made at <https://tenders.act.gov.au/contract/search>.

Secure Local Jobs Code

There were no exemptions to the Secure Local Jobs code under section 22G of the *Government Procurement Act 2011*.

Aboriginal and Torres Strait Islander Procurement Policy

The majority of Aboriginal and Torres Strait Islander Procurement Policy Addressable Spend is in Capital Works and related professional services, not Operational Expenditure. In 2020–21, there were comparatively fewer Registered Aboriginal and Torres Strait Islander Enterprises for Capital Works. As a consequence, our performance is below target for Measure 3 of the Aboriginal and Torres Strait Islander Procurement Policy. Our performance has improved from 2019–20, and we are committed to engaging Aboriginal and Torres Strait Islander Enterprises and improving performance for all Aboriginal and Torres Strait Islander Procurement Policy reportable measures.

Measure 1

In 2020–21, there were no Aboriginal and Torres Strait Islander Enterprises who responded to an Agency tender or quotation opportunities issued from the Approved Systems.

Measure 2

In 2020–21, there were 5 unique Aboriginal and Torres Strait Islander Enterprises attributed a value of Addressable Spend.

Measure 3

In 2020–21, there was 0.19 per cent of Addressable Spend spent with Aboriginal and Torres Strait Islander Enterprises against a target of 1.5 per cent.

Creative Services Panel

The Creative Services Panel is a whole of government arrangement for the purchase of creative services, including:

- advertising
- marketing
- communications and engagement
- digital
- graphic design

- photography and video
- media buying.

During 2020–21, we spent a total of \$1.709m through the panel. This includes procurement of all of the categories of creative services, including:

- brand and marketing strategy development
- development and delivery of creative collateral
- content and video production
- media bookings and placements including, television and radio advertising, digital and print advertising.

Marketing activity supports the release of greenfield and urban renewal land sales for residential, commercial, industrial and community land. Our marketing programs often involve procurement for services for long-running multi-stage land sales campaigns supporting the government’s ILRP.

The principal suburbs marketed in the current reporting period were Whitlam, Taylor and Throsby. A brand agency was engaged to support us in delivering a brand strategy and campaigns to showcase the ‘great places where communities thrive’ vision. Other marketing activities included:

- the promotion of land ballots
- a landscape rebate to encourage new residents to create front gardens after building their new homes
- an energy rebate in Whitlam to encourage climate-wise building
- a campaign to drive customer sign ups to the ACT Government’s Affordable Home Purchase Scheme.

Major purchases through this panel are published online on the ACT Government Contracts Register.



C.6 Statement of Performance

For the year ended 30 June 2021

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Suburban Land Agency for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with the Suburban Land Agency's records or do not fairly reflect, in all material respects, the performance of the Suburban Land Agency, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

The Suburban Land Agency's responsibilities for the statement of performance

The Governing Board is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Suburban Land Agency.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Suburban Land Agency's records or do not fairly reflect, in all material respects, the performance of the Suburban Land Agency, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Suburban Land Agency, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Suburban Land Agency.

A handwritten signature in black ink, appearing to read "M. L. Harris", with a horizontal line underneath it.

Michael Harris
Auditor-General
23 September 2021

SUBURBAN LAND AGENCY STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

Statement of Responsibility

In my opinion, the certified Statement of Performance is in agreement with the Suburban Land Agency's records and fairly reflects the service performance of the Suburban Land Agency for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.



John Fitzgerald
Chair
Suburban Land Agency
23 September 2021

SUBURBAN LAND AGENCY STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

Statement by the Chief Executive Officer

In my opinion, the certified Statement of Performance is in agreement with the Suburban Land Agency's records and fairly reflects the service performance of the Suburban Land Agency for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.



John Dietz
Chief Executive Officer
Suburban Land Agency
23 September 2021

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Financial Performance Indicators 2020–21

Table 34: Financial Measures

Indicator Descriptor	Indicator	Target 2020–21	Actual 2020–21	Variance (%) from Target	Explanation of Material Variances (+/-10%)
Meet Financial Obligations	Land Sales Revenue (million)	\$807	\$806	0%	
Meet Financial Obligations	Total Return to Government (million) ¹	\$464	\$449	(3%)	
Meet Financial Obligations	Return on Assets (%) ²	72.4	64.8	(10%)	Mainly due to a higher cash balance at year end than budgeted which was caused by lower development costs, National Tax Equivalent, and dividend payments, resulting in a high average assets for period.
Meet Financial Obligations	Gross Profit Margin on Land Sales (%) ^{3&6}	61.4	58.3	(5%)	
Meet Financial Obligations	Net Profit Margin (%) ^{4&6}	37.3	36.0	(3%)	
Meet Financial Obligations	Inventory Turnover (%) ⁵	68.0	79.3	17%	Due to lower than budgeted closing inventory linked to unprecedented demand for developed land during the year.

The accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

Notes:

1. Total Return to Government = operating result before tax + payments for land acquisitions + payroll tax + stamp duty equivalents + land holding costs equivalents + capital distributions.
2. Return on Assets = (operating result before tax + interest expenses) / average total assets for period.
3. Gross Profit Margin = (land sales - cost of goods sold including duty) / land sales.

4. Net Profit Margin = operating result / total revenue.
5. Inventory turnover = cost of goods sold / average inventory.
6. The profit margins of the Suburban Land Agency are used for internal purposes to provide comparatives across projects and time periods. These margins are not comparable with private industry, noting that the Government, through the Suburban Land Agency, enters into the land development process at an earlier stage than a private developer. Additionally, the Government invests in infrastructure within and around its developments with the cost incurred by other Government agencies and therefore not reflected in the Suburban Land Agency's profit margins.

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Non-Financial Performance Indicators 2020–21

Table 35: Non-Financial – Land Release

Indicator Descriptor	Indicator	Target 2020–21	Actual 2020–21	Variance (%) from Target	Explanation of Material Variances (+/-10%)
Meet Indicative Land Release Program (ILRP) Obligations (Release)	Residential (# dwellings)	3,043	3,061	1%	-
Meet ILRP Obligations (Release)	Mixed Use (m ²)	110,673	72,063	(35%)	<p>The variance is due to:</p> <ul style="list-style-type: none"> • The deferred release of Oaks Estate Section 7 Blocks 5,6,7 (combined 4,380m²) until 2021–22 pending the finalisation of a Territory Plan Variation • Two sites in Gungahlin having a site reduction as subdivision design was finalised on Section 249 Block 12 (formerly Block 3) (691m²) and Gungahlin Section 249 Block 5 (72m²) • Parkes Section 3 Block 12 (31,977m²) scheduled to be released on behalf of the City Renewal Authority, being removed from the program
Meet ILRP Obligations (Release)	Commercial (m ²)	47,429	24,598	(48%)	<p>The variance is due to:</p> <ul style="list-style-type: none"> • The Agency deferring the release of Casey Section 132 Blocks 12 and 13 (24,000m²) because the site had not yet been returned to the Territory under the Holding lease <p>This was partially offset by:</p> <ul style="list-style-type: none"> • the addition of Belconnen Section 149 Block 29 (1,169m²).

Indicator Descriptor	Indicator	Target 2020–21	Actual 2020–21	Variance (%) from Target	Explanation of Material Variances (+/-10%)
Meet ILRP Obligations (Release)	Industrial (m ²)	18,000	18,282	2%	-
Meet ILRP Obligations (Release)	Community (m ²)	91,978	33,665	(63%)	<p>The variance is due to:</p> <ul style="list-style-type: none"> • Kenny (-72,000m²) not being under the control of the Agency. <p>This was partially offset by:</p> <ul style="list-style-type: none"> • Calwell, Section 788 area sub-division finalisation resulted in an increased area by (3,606m²); and • The direct sale of: <ul style="list-style-type: none"> ○ Moncrieff, Section 23 Block 5 (6,001m²) ○ Narrabundah, Section 43 Block 34 (4,080m²)
Meet ILRP Obligations (Affordable)	Affordable Purchase and Land Rent (#dwellings)	239	296	24%	<p>The variance is due to:</p> <ul style="list-style-type: none"> • The housing targets for Kenny (15) and Casey (10) were not achieved as the sites were not yet in the Agency's control and therefore the release of these sites was delayed. The assigned targets will carry over until the associated releases in Kenny and Casey take place. <p>This was partially offset by:</p> <ul style="list-style-type: none"> • an additional 44 single residential blocks in Taylor and 38 in Whitlam were released as part of Land Rent ballots.
Meet ILRP Obligations (Affordable)	Public Housing (#dwellings)	53	49	(8%)	The housing target was not achieved as Kenny (10) was not yet in the Agency's control and therefore the release was delayed. The assigned target will carry over until the associated release in Kenny takes place.
Meet ILRP Obligations (Affordable)	Community Housing (#dwellings)	10	0	(100%)	The housing target was not achieved as Kenny (10) was not yet in the Agency's control and therefore the release was delayed. The assigned target will carry over until the associated release in Kenny takes place.

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Table 36: Non-Financial – Non-Land Release

Indicator Descriptor	Indicator	Target 2020–21	Actual 2020–21	Variance (%) from Target	Explanation of Material Variances (+/-10%)
Best Practice	Work Health and Safety (Active Certification) audits completed ¹	100%	100%	0%	
Cultivate Product Innovation	Establish strategic partnerships for service delivery	2	2	0%	
Environmental Sustainability	Pilot the application of sustainability rating tools in Agency developments	2	3	50%	An additional urban release site was identified by the Agency to apply the Green Star sustainability rating tools to in 2020–21.
Increase Customer Value	Annual unique users visiting the Agency website	102,300	208,263	104%	Strong marketing campaigns combined with the record level of demand for Agency land and general market activity both locally and nationally increased visitor numbers significantly.
Increase Customer Value	Total annual Agency email subscribers	43,327	77,135	78%	Strong marketing campaigns combined with growth in market demand for land resulted in increased interest in the Agency's product.
Cultivate Product Innovation	Pilot the innovation framework	8	10	25%	Strong executive support and promotion meant staff participation in the Innovation Framework exceeded expectations.
Environmental Sustainability	Implement actions Identified in the Framework for tree canopy cover	4	6	50%	The Agency's focus on sustainability and clear expectations for delivery meant the target was exceeded.

Indicator Descriptor	Indicator	Target 2020–21	Actual 2020–21	Variance (%) from Target	Explanation of Material Variances (+/-10%)
Social Sustainability	Delivery of resident-led Mingle activities	6	17	183%	The result aligns with the program objective to have most events, activities and initiatives resident-led. The increased result reflects the success the Mingle team has achieved in promoting resident-led initiatives post-COVID-19 lockdown.
Improve Knowledge and Skills	Agency staff employed at 1 July 2020 have Performance and Development Plans in place	90%	94%	4%	
Improve Knowledge and Skills	Agency staff ² have completed Fraud and Ethics training by 30 June 2021	70%	97%	39%	The Agency and executive deployed regular communication to staff and managers in relation to the mandatory Fraud and Ethics training (focusing on Conflicts of Interest). This resulted in staff building awareness and capability relating to Conflicts of Interest and their management within the Agency context.
Improve Knowledge and Skills	Agency staff ² have completed Work Health and Safety training by 30 June 2021	90%	96%	7%	
Best Practice	Develop a Workforce Capability and Culture Framework	1	1	-	

The Accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

Notes:

1. Active Certification includes Principal Contractor Audits and Superintendent Audits.
2. Agency Staff employed at 1 January 2021.



Part D

Reporting by Exception



Future development of the Belconnen Lakeshore Precinct will be guided by a Place Design Brief, which defines local community aspirations.

D.1 Notices of non-compliance

Dangerous Substances

The Agency was not served with any notices of non-compliance relating to the *Dangerous Substances Act 2004* during 2020–21.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600

Medicines Poisons and Therapeutic Goods

The Agency was not served with any notices of non-compliance relating to the *Medicines, Poisons and Therapeutic Goods Act 2008* during 2020–21.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



Throsby community enjoying a Nature Play Mingle event.



Part E

**Agency specific Annual Report
Requirements**

Dhawara language workshop for Agency staff.



E.1 Annual Report requirements for specific reporting entities

Chief Minister, Treasury and Economic Development

Tobacco Compliance Testing

The Agency has no responsibility for reporting under the *Tobacco and Other Smoking Products Act 1927*, and therefore no items to report against this section.

Education and Training

The Agency has no responsibility for the investigation of complaints under section 22 of the *Education Act 2004*, nor for the reporting required by the Teacher Quality Institute under the *ACT Teacher Quality Institute Act 2010*, and therefore no items to report against this section.

Health

The Agency has no responsibility for reporting under the *Mental Health (Treatment and Care) Act 1994*; this responsibility lies with the Chief Psychiatrist and Care Coordinator.

Gambling and Racing

The Agency has nothing to report against this section as it relates specifically to reporting by the Gambling and Racing Commission.

Ministerial and Director-General Directions

The Agency did not receive any Ministerial Directions under the *City Renewal and Suburban Land Agency Act 2017* or the *Planning and Development Act 2007* during 2020–21.

The Agency reports any land acquisitions to EPSDD in accordance with the reporting requirements set out in the *Government Agencies (Land Acquisition) Reporting Act 2018*. The Agency did not acquire any land during 2020–21.

Public Land Management Plans

The Agency was not custodian of public land in 2020–21 in accordance with the *Planning and Development Act 2007* (section 320) and the *Nature Conservation Act 2014* (section 177), therefore was not required to prepare any public land management plans during the reporting year.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



Part F

Whole of Government Annual Reporting

*Celebrating the opening of Whitlam's first stage,
attended by Agency CEO John Dietz, Aunty Violet Sheridan
and Minister for Housing and Suburban Development,
Yvette Berry MLA.*



F.1 Whole of Government Annual Reporting

Justice and Community Safety

Bushfire Risk Management

The Agency has provided input to the Justice and Community Safety Directorate in relation to bushfire risk management for inclusion in the *2020–21 Justice and Community Safety Directorate Annual Report*.

Human Rights

The Agency has provided input to the Justice and Community Safety Directorate in relation to human rights for inclusion in the *2020–21 Justice and Community Safety Directorate Annual Report*.

Legal Services Directions

The Agency has provided input to the Justice and Community Safety Directorate in relation to legal services directions for inclusion in the *2020–21 Justice and Community Safety Directorate Annual Report*.

Territory Records

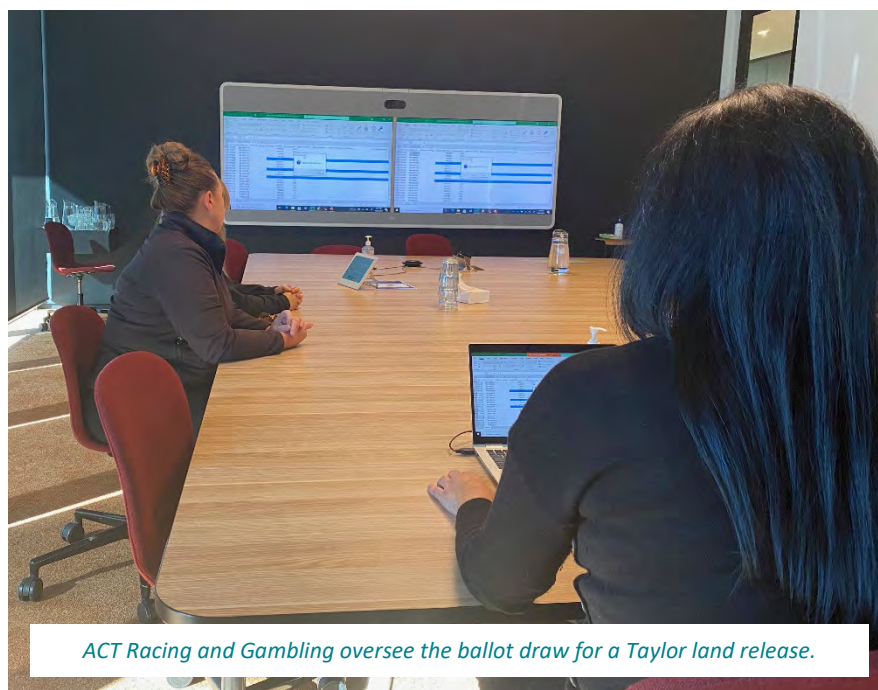
The Agency has provided input to the Director of Territory Records on the Agency's records management program for inclusion in the *2020–21 Director of Territory Records Annual Report*.

Public Sector Standards and Workforce Profile

The Agency input to the Commissioner for Public Administration *2020–21 State of the Service Report* which centred on workforce profile data, was sourced directly from the Shared Services Human Resources system.

Further information can be obtained from:

John Dietz
Chief Executive Officer
Suburban Land Agency
+61 2 6205 0600



ACT Racing and Gambling oversee the ballot draw for a Taylor land release.



Part G

Attachments



Development continues on the Southquay Greenway waterfront precinct located along the shores of Lake Tuggeranong.

Attachment A: Ecologically sustainable development

The following table outlines the Agency’s energy, water, transport fuel, and waste consumption, and the associated greenhouse gas emissions. Reported consumption indicates office accommodation and external usage within developments for the current financial year. As the Agency is part of EPSDD, the below data has been extracted by EPSDD for reporting purposes.

During the 2020–21 financial year, the Agency was temporarily responsible for paying utility bills including electricity, gas and water for a number of sites prior to their sale, demolition or transfer to other ACT Government agencies. COVID-19 resulted in most people working from home part-time, which had an impact on electricity use within the office, reduced fleet transport use, and a reduction in waste. Any increased electricity use at home has not been accounted for. Also, in 2020–21, we moved office building to 480 Northbourne Avenue, leading to significant reductions in electricity use.

Table 37: Sustainable Development Performance: Current and Previous Financial Year

Indicator as at 30 June	Unit	Current Financial Year	Previous Financial Year	Percentage Change (%)
Stationary energy usage				
Electricity use	Kilowatt hours	69,036.38	114,951.69	-39.94
Natural gas use (non-transport)	Megajoules	0	0	0
Diesel use (non-transport)	Kilolitres	0.1	0	10.00
Transport fuel usage				
Electric vehicles	Number	3	2	50.00
Hybrid vehicles	Number	1	1	0
Hydrogen vehicles	Number	0	0	0
Total number of vehicles	Number	9	9	0
Fuel use – Petrol	Kilolitres	0.48	1.84	-74.00
Fuel use – Diesel	Kilolitres	9.28	10.85	-14.48
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	0	0	
Water usage				
Water use	Kilolitres	78.89	79.21	-0.40
Resource efficiency and waste				
Reams of paper purchased	Reams	127.89	425	-69.91
Recycled content of paper purchased	Percentage	69	85	-18.82
Waste to landfill	Litres	19,150	49,920	-61.64
Co-mingled material recycled	Litres	14,464	12,500	15.71
Paper and cardboard recycled (including secure paper)	Litres	19,096	37,500	-69.65
Organic material recycled	Litres	400	5,200	-92.31
Greenhouse gas emissions				
Emissions from natural gas use (non-transport)	Tonnes CO ₂ -e	N/A	N/A	
Emissions diesel use (non-transport)	Tonnes CO ₂ -e	0.27	0	27.17

Indicator as at 30 June	Unit	Current Financial Year	Previous Financial Year	Percentage Change (%)
Emissions from transport fuel use	Tonnes CO ₂ -e	26.42	33.97	-22.22
Total emissions	Tonnes CO ₂ -e	26.69	33.97	-21.42

Notes:

Please note that some data reported for financial year 2019–20 (previous financial year) may differ slightly from figures reported in the 2019–20 Annual Report. This is due to updates to agency occupancy and historical consumption data. Where actual data is not available, the Enterprise Sustainability Platform provides estimations using an accrual function. Accruals are calculated from the average annual daily consumption of the most current 12-month period applied for the number of days of missing data.

Emissions reported for stationary energy and transport fuels include Scope 1 and Scope 2 emissions only. Scope 1 are direct emissions from sources owned and operated by the government, including emissions from transport fuel and natural gas use. Scope 2 are indirect emissions from mains electricity.

Emission factors used to calculate natural gas and fleet fuel are based on the latest National Greenhouse Accounts factors.

The ACT met its 100% renewable electricity target in 2019–20. As a result, the ACT Government reports zero greenhouse gas emissions from electricity use. The ACT Government is committed to maintaining 100% renewable electricity supply beyond 2020.

Treatment of plug-in hybrids

A plug-in hybrid electric vehicle (also known as a range-extended vehicle or PHEV) is fuelled by electricity as well as having either a petrol or diesel tank to extend the range of the vehicle for long trips. PHEVs are considered zero emissions vehicles (ZEVs) under the *ACT Government Fleet Procurement and Management Policy* and are counted as ZEVs in reporting.



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