

Land Development Agency

Statement of Intent

2015-16

Land Development Agency

The Land Development Agency (LDA) is a Territory Authority established under the *Planning and Development Act 2007*.

The LDA is committed to contributing positively towards economic, social and sustainable outcomes through its greenfield and urban renewal projects in development of residential, commercial, industrial and community land.

In accordance with the Territory Plan, the LDA is dedicated to contributing to an attractive, safe and efficient environment, in which people of the ACT can live and work.

The Statement of Intent, which focuses on the 2015-16 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the LDA strategic and business planning processes.

This Statement of Intent for 2015-16 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Mr Andrew Barr MLA was consulted during the preparation of the Statement of Intent.

The LDA 2015-16 Statement of Intent has been agreed between:

Ross Barrett
Chair, LDA Board

Andrew Barr MLA
Chief Minister
Treasurer
Minister for Urban Renewal

Contents

Purpose.....	1
Nature and scope of activities.....	1
Performance measures and targets	6
Employment profile.....	14
Monitoring and reporting	14
Financial arrangements	16
Indicative 2015-16 to 2018-19 Land Release Program.....	24

Purpose

The key objectives of the LDA are to:

- ensure that an adequate supply of land is maintained to meet market demand and to stimulate economic activity in the residential, commercial, industrial and community land development sectors;
- contribute to the provision of advice to Government on the ACT property market to support the development of its land release targets;
- contribute to the delivery of the Government's policies and priorities as they relate to land development, urban renewal and urban sustainability;
- cultivate and maintain productive relationships across the ACT Government;
- cultivate and maintain productive working relationships and linkages with the private sector;
- operate efficiently in the markets in which it operates and provide agreed returns to the Territory;
- ensure that key commercial decisions on land in the ACT are consistent with the long-term sustainability of the Territory; and
- engage the community in a timely manner in the land development process and continue to improve community engagement processes for high profile redevelopments.

Nature and scope of activities

The LDA is responsible for the release and development of government owned land for residential, commercial, industrial and community purposes. The LDA seeks to balance potentially competing public sector and commercial priorities and provide opportunities for private sector development to optimise the community benefits from the ACT's land assets.

The LDA's key deliverables for 2015-16 are to:

- deliver the Government's Indicative Land Release Programs for residential, commercial, industrial and community land uses;
- deliver the Government's priority urban renewal projects;
- provide timely support for direct sales of land by the Government;
- support the delivery of urban intensification along the Capital Metro Corridor;
- support the work of the Government's Asbestos Response Taskforce in dealing with homes affected by loose-fill asbestos;

- support the work of the Public Housing Renewal Taskforce in delivering modern and fit for purpose public housing;
- deliver high quality, sustainable developments, including public realm and community development;
- provide a variety of land and housing options that set benchmarks for quality and timeliness in sustainable building and design;
- contribute to diversity in the supply of new housing in the Territory, reflective of current and anticipated demographic change; and
- pursue development opportunities where such opportunities would be consistent with the Government's policy framework for land acquisitions.

Proposed Statement of Planning Intent

The 2015-16 LDA Statement of Intent has been prepared with due consideration of the objectives of the proposed *Statement of Planning Intent* for the Minister for Planning, Minister Gentleman MLA, which will set out the main principles that are to govern planning and land development in the ACT over the short term. The *Statement of Planning Intent* will seek to achieve a more compact and sustainable city that is inclusive, vibrant, connected, prosperous and environmentally responsible, while aiming to encourage quality design of the public realm, innovation and flexibility in the planning system and maintaining an appropriate level of certainty in planning and design outcomes on the ground.

The LDA will provide support in addressing the community's desires for compact and sustainable neighbourhoods, a collaborative approach between the public and private sectors, housing choice and affordability, improved quality of urban design of the public realm, showcasing of sustainability and quality design in new developments and precincts, and improved transport options for the ACT.

Land Supply

The 2015-16 to 2018-19 Indicative Land Release Program includes residential, commercial, industrial and community releases, which are an important part of the ACT Government's economic, social and environmental strategic planning framework.

The Indicative Land Release Program and targets are developed by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) in consultation with the LDA and other directorates. The Indicative Land Release Program is then considered and approved by the Government.

The program aims to meet overall market demand and provide a range of land choices while allowing for a variety of housing types, and different scales of commercial and industrial development.

The publication of the program provides guidance on the Government's land release intentions to property developers, builders, homeowners, investors, community organisations and the business and industry sectors.

The LDA is responsible for the delivery of the Indicative Land Release Program and manages the release of land for residential, commercial, industrial and community purposes by:

- releasing serviced sites from its own greenfield estates, urban renewal and infill locations;
- partnering with others in joint venture developments; and
- releasing large parcels of raw land directly to the private sector (englobo releases).

Risks

There are a number of risks that may impact the LDA's ability to achieve its objectives and key deliverables.

Regulatory Risks

- The availability of an adequate supply of appropriately zoned residential, commercial, industrial and community land, together with concept plans and timely approvals to enable development activity to take place within planned timeframes.
- Unforeseen delays in approvals and clearances from relevant directorates and Commonwealth agencies that would result in slippage in the achievement of the indicative land release program and associated revenue, including ARI releases, which are also subject to a range of dependencies such as advance delivery of replacement housing stock.
- Changes in Commonwealth or other regulatory requirements may add uncertainty or increase costs for LDA activities impacting on delivery timeframes.

Industry Capacity and Performance Risks

- Inability of the LDA to attract, recruit and retain a sufficient number of skilled staff.
- Delays in the planning and timely delivery by other directorates and utilities providers of the necessary budget funded capital works infrastructure in order to support the land release program.
- Increases in costs due to contract performance or extension of time (e.g. from sustained wet weather) impacting on development schedules and the financial performance of projects, resulting in lower or delayed forecast returns to the Government.
- Failure to meet the requirements of the *Work Health and Safety Act 2011*.
- The adequacy or otherwise of industry capacity and skills availability to provide necessary services to deliver land servicing and broader capital works activities.

Market Risks

- Volatility in market demand for land as a result of the economic environment.
- Whether the Government's Indicative Land Release Program can be absorbed by the market at the forecasted revenue.
- Possible increases in land servicing and construction costs.

Stakeholder Risks

- Whether the sales revenue and land release targets can be achieved.
- Addressing diverse and/or conflicting community views on development.

Strategies for 2015-16

The key strategies for 2015-16 that the LDA will employ to achieve its objectives and effectively manage risks include:

- collaborating with government agencies to establish an inventory of environmentally cleared, planned, release ready and serviced land;
- active management of the full range of contractors and consultants providing services to the LDA;
- exploring alternative project delivery methods and project management models to achieve the most timely and cost-effective delivery of land development;
- providing detailed technical advice to CMTEDD to assist in resolving land development issues with the Commonwealth;
- working with government agencies and the community to implement strategies for key government development priorities in the city centre, town centres, major transport corridors and urban infill areas;
- effectively engaging with local communities, industry associations, special interest groups and the broader ACT community to ensure relevant interests are identified and considered in land release activities;
- maintaining a detailed understanding of relevant regulatory requirements, monitoring approval processes and liaising with relevant agencies to manage any issues that could otherwise delay projects;
- effectively engaging with the private sector to capture market knowledge and encourage innovation and the transfer of skills;
- pursuing initiatives to deliver affordable housing, consistent with the Affordable Housing Action Plan;
- improving integration of design management and delivery of capital works within estate works;
- encouraging viable and liveable communities by providing a variety of block types and public spaces to suit the needs of residents and surrounding communities;
- delivering community development programs to encourage involvement and support for community building;
- positioning the LDA as a place of preferred employment through effective succession planning, rewarding performance and investing in staff development; and
- contributing to the redevelopment of the Capital Metro Corridor and the implementation of the City to the Lake project.

Performance measures and targets

Key Performance Indicators for 2015-16 to 2018-19

The following table outlines LDA's performance measures for profitability, liquidity and financial stability.

Table 1 – Financial Measures

	2014-15 Estimated Outcome	2015/16 Budget	2016/17 Estimate	2017-18 Estimate	2018-19 Estimate
Profitability					
Profit before tax (million)	\$92	\$224	\$270	\$136	\$224
Profit after tax/Dividend (million)	\$65	\$157	\$189	\$95	\$157
Return on Assets (%)	24.1	54.2	59.9	28.4	46.2
Return on Equity (%)	73.4	178.1	214.7	108.0	177.8
Gross Profit Margin on Land Sales (%)	43.4	46.7	55.4	45.5	46.3
Liquidity					
Current Ratio	1.3	1.1	0.9	1.0	1.1
Acid Test Ratio	0.5	0.5	0.2	0.4	0.5
Cash Flow Indicator	0.3	0.5	0.4	0.5	1.0
Financial Stability					
Debt to Equity Ratio (%)	0.0	0.0	0.0	0.0	0.0
Equity Ratio (%)	0.3	0.3	0.3	0.2	0.3
Interest Coverage	37.4	53.9	71.5	29.1	41.3

Return on Assets = (operating result before tax + interest expense) / average total assets for period

Return on Equity = operating result before tax / equity

Gross Profit Margin = (lease sales - cost of goods sold including duty) / lease sales

Current Ratio = current assets / current liabilities

Acid Test Ratio = (current assets - current inventory) / current liabilities

Cash Flow Indicator = cash flow from operating activities / current liabilities

Equity Ratio = total funds employed / total assets

Debt to Equity Ratio = total borrowings / total funds employed

Interest Coverage = (operating result before tax + interest expense) / interest expense

The LDA’s non-financial performance will be measured by assessing:

- the level of achievement against the targets for the release of residential, commercial, industrial and community land specified in the Government’s Indicative Land Release Program for 2015-16 as set out in Table 2 below; and
- against the targets in Table 3.

Table 2: Key Performance Indicators (non-financial) – Land Release

Indicative Land Release Programs			Target 2015-16
Residential	Detached		1,580
	Attached		800
	Apartments	LRP	513
		ARI	620
Commercial			57,194 m ²
Industrial			64,485 m ²
Community			57,154 m ²

Excluding Asset Recycling Initiative (ARI) releases, the four-year Residential Program is intended to deliver approximately 12,300 dwellings over 2015-16 to 2018-19 with a target of 2,900 dwellings per year between 2015-16 and 2017-18, increasing to 3,550 dwellings in 2018-19. Including ARI releases, the Residential Program intends to deliver 3,500 dwellings in 2015-16, 3,700 dwellings in 2016-17, 4,600 dwellings in 2017-18 and 5,400 dwellings in 2018-19. This level of supply is above the anticipated level of demand for detached housing in Greenfield estates, which is partly generated by the Government’s affordable housing initiatives, and to establish an inventory of serviced land. Planning for additional supply and establishing an inventory of serviced and unserviced land provides a buffer to enable the LDA to respond to increases in market demand.

Table 3: Key Performance Indicators – Other (non-financial)

Indicator Descriptor	Indicator	Target 2015-16
Urban Water Cycle Management	Percentage of LDA estates with specific Water Sensitive Urban Design Strategies, ensuring the strategies are appropriate to the size and location of the project.	100%
Sustainable Community Programs	Percentage of LDA estates that are larger than 500 dwellings that have a community development program.	100%
Housing Affordability	Percentage of englobo (greenfield) estates to have 20 per cent of dwelling sites released for the purpose of providing affordable housing.	100%
	Percentage of LDA greenfield estates to have 20 per cent of dwelling sites released for the purpose of providing affordable housing.	100%
Biodiversity and Landscape	Area protected for conservation in compliance with Commonwealth and ACT legislative requirements.	100%
Design Excellence	Percentage of key projects that will be reviewed by the Design Review Panel prior to the Board's consideration of Project Business Plans.	100%
Work Health and Safety	Compliance with Work Health and Safety Policy	100%

Assessment of performance against 2014-15 objectives

2014-15 Objective 1: Ensure that an adequate supply of land is maintained to meet market demand and to stimulate economic activity in the residential, commercial, industrial and community land development sectors.

The 2014-15 four-year Residential Program is intended to deliver approximately 13,500 dwellings over 2015-16 to 2018-19 with a target of 3,600 dwellings for 2014-15, reducing to 3,300 dwellings for the following years. This level of supply is above the anticipated level of demand for detached housing in greenfield estates, which is partly generated by the Government's affordable housing initiatives, and to establish an inventory of serviced land. Planning for additional supply and establishing an inventory of serviced and unserved land provides a buffer to enable Government to respond to increases in market demand.

The LDA is on track to release sub 4,000 dwelling sites in 2014-15, which exceeds the published target of 3,600. The inclusion of land releases for public housing renewal is a major contributor of the additional dwellings. Public housing renewal is driving urban

renewal in key parts of the city, including along the Capital Metro Corridor and in the City with the disposal of ageing public housing properties. The dwelling release targets have been achieved but there were notable changes to the sites that were released:

- 366 dwellings were brought forward to supply the public housing renewal program. This will supply land for the development of replacement dwellings in 2015-16 and 2016-17 of the renewal program. The sites comprised land in Coombs (built inventory of multi unit sites), Amaroo (brought forward from 2016-17) and Moncrieff (brought forward from 2015-16);
- 380 dwelling sites were released on three multi unit sites in Coombs, additional sites from built inventory;
- 25 additional dwelling sites were delivered in Moncrieff;
- a mixed use site in Harrison with a dwelling yield of 155 was brought forward from 2015-16 due to demand along Flemington Road / Capital Metro Corridor;
- 400 dwelling sites in Taylor were delayed due to consideration of alternative sales packaging for the estate; and
- a larger, consolidated multi unit site in the Belconnen Town centre is scheduled for release prior to the 2014-15 year end with an increased dwelling yield - 505 dwellings above the published yield.

The Commercial Land Release Program included a supply of mixed use commercial sites predominantly to support demand for residential uses in urban renewal areas and infill development in Belconnen and Tuggeranong town centres. The release of mixed use sites is an important part of delivering the ACT Planning Strategy target of achieving 50 per cent of new housing to be delivered as urban intensification. The release of the Coombs local centre will see the development of the first shopping centre in the Molonglo district.

The LDA released just over 95,000 m² of commercial land to the market in 2014-15, against a target of 75,000 m². Approximately 44,000 m² of additional commercial land was delivered comprising additional sites and sites delayed from previous years, which compensated the anticipated delay in releasing approximately 24,000 m² of programmed sites. Notable changes to the sites delivered include:

- a 11,935 m² mixed use site in Harrison was brought forward from 2015-16 due to demand along Flemington Road / Capital Metro Corridor;
- a larger, consolidated mixed use site in Belconnen Town centre is scheduled for release prior to the 2014-15 year end contributing an additional 9,790 m² above the published site area;
- 8,423 m² of commercial land in Coombs was brought forward from 2016-17 due to anticipated demand for a local centre in Molonglo;
- 9,348 m² of commercial land in the Kingston Group centre was released after being delayed from 2013-14; and

- a 5,348 m² site in Dickson group centre was released following protracted negotiations on the direct sale.

Industrial land sales experienced a significant turnaround in 2014-15 in terms of demand for general industry land (IZ1). The demand for IZ1 zoned land is being met from the inventory of land established in previous years. Demand continues to exist for mixed use industrial land (IZ2) with work continuing to obtain the necessary environmental and planning clearances for future IZ2 land releases in Majura/Pialligo and Fyshwick.

The LDA released 500,000 m² of industrial land and broadacre land to the market in 2014-15, well over a target of 123,000 m². The main reason for the significant difference was due to the direct sale of 370,000 m² of Broadacre zoned land to develop a solar farm – an outcome of the Government's Solar Auction initiative. The sale of the IKEA site in Pialligo comprised just over half of the published target. A number of additional IZ1 zoned sites in Hume also sold in 2014-15.

The Community and Non-Urban land release program continues to supply a large volume of land required to support community needs arising from Canberra's urban growth. The LDA released approximately 117,000 m² in 2014-15 against a target of 94,000 m². The additional supply reflects the inclusion of 20,512 m² of Community Facility zoned land for the development of aged persons units as part of the public housing renewal program. Notable releases in 2014-15 include four child care centre sites and two aged care sites supplying approximately 190 independent living units.

2014-15 Objective 2: Contribute to the provision of advice to Government on the ACT property market to support the development of its land release targets.

The LDA has continued to provide advice to Government on the state of the ACT property market.

This has been undertaken through regular briefings on the state of the housing market, turnover and prices through the Government's Residential and Commercial Advisory Group meetings held quarterly over 2014-15.

In addition, reports on economic trends and residential land and building activity are regularly produced. An updated version of these reports relating to 2014-15 is in development.

In 2014-15, an Aged Care Dwelling demand model was developed to forecast the demand for residential aged care facilities and retirement village dwellings in order to inform the number and location of sites that are required to meet the needs of an ageing population.

2014-15 Objective 3: Contribute to the delivery of the Government's policies and priorities as they relate to land development, urban renewal and urban sustainability.

The LDA provides strategic advice as part of the development of the Public Housing Renewal and other Urban Infill projects such as City to the Lake and the Capital Metro Corridor.

The ACT Planning Strategy has set a target to deliver 50 per cent or more of new housing through urban intensification. Of the 13,500 dwelling sites included in the 2014-15 Indicative Land Release Program, 55 per cent are within the existing urban boundary. Even with significant greenfield developments still rolling out in 2014-15 the LDA was able to deliver 714 urban infill dwelling sites across Greenway, Amaroo and Kingston.

The LDA has contributed to improving sustainability by increasing urban density and green infrastructure. Increasing urban density reduces car dependence and increases opportunities for active travel, promoting greater lifestyle choices. In all estates, the LDA provides for pedestrian and cycle connections within the estate as well as connecting to existing networks outside the estate, enhancing opportunities for pedestrian activity. All housing is located within 400 metres safe walking distance to a bus route.

The LDA has initiated a number of measures which deliver a more sustainable Canberra. These include seeking Green Star Community accreditation for Lawson, compulsory solar hot water in Lawson and Coombs, LED street light trials in Lawson and community gardens in a number of estates.

2014-15 Objective 4: Cultivate and maintain productive relationships across the ACT government.

The LDA works closely with Economic Development and other relevant parts of Government to provide technical input to various forums that assist in coordinating land delivery. This includes the Capital Works Coordinators Working Group to improve the integration of design management and delivery of capital works with estate works; the Residential and Commercial Advisory Committees; and other informal management level discussion groups.

The LDA also provided detailed technical advice to assist in resolving land development issues with the Commonwealth, especially in relation to obtaining environmental clearances under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*.

2014-15 Objective 5: Cultivate and maintain productive working relationships and linkages with the private sector.

The LDA works closely with and undertakes regular engagement activities with the private sector through pre-tender briefings, post-sale developer meetings, sponsorships, engagement of specialist consultants, and representation at roundtables with industry advocates.

2014-15 Objective 6: Operate efficiently in the markets in which it operates and provide agreed returns to the Territory.

As at 30 April 2015, the LDA had received land sales revenue totalling \$177.3 million in the period since 1 July 2014. As at that time, the value of exchanged contracts held by the LDA was \$393.9 million (ex GST), of these \$134.7 million were scheduled to settle in 2014-15.

2014-15 Objective 7: Ensure that key commercial decisions on land in the ACT are consistent with the long-term sustainability of the Territory

The LDA ensures its key commercial decisions on land are made with due consideration to the sustainability of the Territory by identifying and integrating economic, social and environmental factors into decision making. These elements are transferred into the business cases that are considered by the LDA Board for all major developments.

2014-15 Objective 8: Engage the community in a timely manner in the land development process and continue to improve community engagement processes for high profile redevelopments

The LDA Community Engagement team continuously reviews and improves its strategies and practices to ensure open, proactive and meaningful community engagement. The team aims for best practice by integrating early with project teams working on urban renewal projects and land releases, developing comprehensive communications strategies and tailoring communication and activities to specific target audiences and project goals.

Community engagement processes conducted in 2014-15 include:

Canberra Brickworks

The Canberra Brickworks and Environs proposed Planning and Development strategy was released for public comment between May and July 2014. This was complemented by information sessions, tours of the sites, newsletters and letterbox drops. The LDA received 165 written submissions during the consultation period. In response, the LDA identified modifications to the Strategy to address the issues raised by the community, which included traffic management, density and building heights, parking, heritage and environmental values and open spaces. The result was a revised Strategy that adopts best-practice transport and sustainable development principles to produce a high-quality urban environment that will benefit Canberra for generations to come.

Grevillia Park Master Plan

The Grevillea Park Master Plan was developed to enhance water-based recreation activity on Lake Burley Griffin and contribute to its use as public open space parkland. The 2014-15 Indicative Land Release Program identifies two Grevillea Park sites as community sites for sport and recreation activities.

The communications strategy included a community information session, held on 19 November 2014, and a public submission period on the draft master plan.

The consultation period closed on 3 December 2014 with a total of 20 submissions received. Issues raised during the consultation period included path access, parking and traffic, impact on vistas, conservation of natural environment, recreational facilities, heritage consideration and noise impacts.

A formal response addressing common themes highlighted in the submissions was developed and placed on the LDA website and the master plan will be modified to address issues raised. In response to issues raised during the consultation process, Minister for Planning, Mr Mick Gentlemen MLA, has initiated a Conservation Management Plan (CMP) as part of the master planning process.

Employment profile

The staff level for Full Time Equivalents (FTE) expected at the end of 2014-15 and the levels planned for the end of 2015-16 are detailed below.

Table 4– Projected Staffing Level

Staff Numbers (FTE) ^{1,2} Classification	2014-15 SOI 30 June 2015	Estimated Outcome 30 June 2015	Target 30 June 2016
Executive	4.0	6.0	4.0
SOG A/B	42.0	38.3	44.0
SOG C	25.0	20.7	22.0
ASO 6	11.0	9.4	11.0
ASO 5	7.0	5.0	8.0
ASO 2/3/4	6.0	6.2	6.0
Total	95.0	85.6	95.0

Notes

1. The projected staffing level does not account for a number of officers in CMTEDD whose output is attributed to the LDA through the Memorandum of Understanding between the two organisations. This includes the Chief Executive Officer and a number of other senior officers.

2. The Classifications listed represent Administrative classification structure titles. Staffing numbers are for both Administrative classifications and their equivalent Infrastructure Officer classifications.

Monitoring and reporting

The LDA shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The LDA Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from the LDA for a stated period including annual, quarterly and monthly reporting.

Quarterly Reporting

To enable consolidated whole of government reporting requirements to be met on a quarterly basis, the LDA will ensure the availability to the Treasurer, through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) (by the eighth working day of each quarter), information, in the prescribed form and detail, in respect of the previous quarter:

- a) Operating Statement.
- b) Balance Sheet.
- c) Statement of Changes in Equity.
- d) Cash Flow Statement.
- e) Operating Statement material variance explanations against seasonal budget provided by the Agency (by the eighth working day of each quarter).
- f) Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter).
- g) Management Discussion and Analysis of the LDA results to date, forecast results and related issues that may impact on the financial condition of the Authority (by the tenth working day of each quarter).

Monthly Reporting

In addition to the quarterly information required as identified above, on a monthly basis the Authority will ensure the availability to the Treasurer through CMTEDD (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

As part of preparations for end of year reporting CMTEDD will advise the dates when the following documents are required at CMTEDD and the Auditor-General's Office:

- a) Certified financial statements.
- b) Management discussion and analysis.
- c) A full and accurate set of audited financial records for the preceding financial year in the form requested.
- d) Consolidation packs relating to the annual financial statements, draft and final.

Financial arrangements

Financial Statements

Budgeted financial statements for the 2015-16 Budget year, as well as forward estimates for the three financial years commencing 2015-16 appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- a) Operating Statement.
- b) Balance Sheet.
- c) Statement of Changes in Equity.
- d) Cash Flow Statement.
- e) Notes to the Financial Statements as appropriate.

Operating Statement

2014-15 Budget \$'000		2014-15 Est'd Outcome \$'000	2015-16 Budget \$'000	Var %	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
Revenue							
140	User Charges - Non ACT Government	90	92	2	95	97	99
701	User Charges - ACT Government	1,101	1,129	3	1,157	1,186	1,215
1,700	Interest	2,600	3,800	46	800	800	800
314,157	Land Revenue	331,104	557,802	68	566,480	513,004	574,473
307	Other Revenue	365	185	-49	185	185	185
0	Resources Received Free of Charge	4,495	0	-100	0	0	0
317,005	Total Revenue	339,755	563,008	66	568,717	515,272	576,772
Expenses							
11,726	Employee Expenses	11,687	12,267	5	12,429	12,592	12,757
1,511	Superannuation Expenses	1,559	1,522	-2	1,542	1,563	1,584
16,354	Supplies and Services	15,761	16,016	2	15,524	15,758	15,466
111	Depreciation and Amortisation	122	75	-39	24	23	0
2,172	Borrowing Costs	2,537	4,232	67	3,830	4,830	5,555
210,793	Cost of Goods Sold	187,560	297,125	58	252,716	279,755	308,349
2,248	Grants and Purchased Services	3,325	3,357	1	3,441	3,527	3,615
2,348	Other Expenses	25,254	4,387	-83	9,125	61,374	5,761
247,263	Total Expenses	247,805	338,981	37	298,631	379,422	353,087
0	Share of Operating Result from Joint Venture accounted for using the Equity Method	328	0	-100	0	0	0
69,742	Operating Result from Ordinary Activities	92,278	224,027	143	270,086	135,850	223,685
20,922	Income Tax Equivalent	27,683	67,209	143	81,025	40,755	67,105
48,820	Operating Result	64,595	156,818	143	189,061	95,095	156,580
Other Comprehensive Income							
48,820	Total Comprehensive Income	64,595	156,818	143	189,061	95,095	156,580

Balance Sheet

2014-15 Budget \$'000	Est'd Outcome as at 30/06/2015 \$'000	2015-16 Budget \$'000	%	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	
Current Assets							
59,130	Cash and Cash Equivalents	75,096	100,678	34	16,070	102,776	101,692
55,463	Receivables	25,539	39,655	55	33,747	34,005	33,679
121,777	Inventories	144,366	153,625	6	204,998	196,208	152,560
236,370	Total Current Assets	245,001	293,958	20	254,815	332,989	287,931
Non Current Assets							
5,533	Receivables	7,919	7,919	-	7,919	7,919	7,919
0	Investments	12,766	16,266	27	16,266	16,266	16,266
101,536	Inventories	121,112	137,516	14	180,346	173,428	150,594
3,668	Property, Plant and Equipment	51	0	-100	0	0	0
0	Intangibles	70	47	-33	23	0	0
110,737	Total Non Current Assets	141,918	161,748	14	204,554	197,613	174,779
347,107	TOTAL ASSETS	386,919	455,706	18	459,369	530,602	462,710
Current Liabilities							
41,086	Payables	38,947	43,796	12	36,283	36,177	49,767
94	Finance Leases	53	53	-	53	53	53
4,293	Employee Benefits	5,245	5,242	..	5,241	5,242	5,241
75,963	Other Provisions	59,834	73,256	22	85,255	110,628	128,989
5,618	Income Tax Payable	13,139	22,209	69	22,572	15,665	22,106
41,220	Other Liabilities	75,835	122,283	61	121,098	173,970	67,687
168,274	Total Current Liabilities	193,053	266,839	38	270,502	341,735	273,843
Non Current Liabilities							
35	Finance Leases	77	77	-	77	77	77
229	Employee Benefits	216	217	..	217	217	217
33,092	Other Non-Current Provisions	34,104	34,104	-	34,104	34,104	34,104
19,696	Income Tax Payable Non-Current	33,688	28,688	-15	28,688	28,688	28,688
53,052	Total Non Current Liabilities	68,085	63,086	-7	63,086	63,086	63,086
221,326	TOTAL LIABILITIES	261,138	329,925	26	333,588	404,821	336,929
125,781	NET ASSETS	125,781	125,781	-	125,781	125,781	125,781
REPRESENTED BY FUNDS EMPLOYED							
122,902	Accumulated Funds	125,781	125,781	-	125,781	125,781	125,781
2,879	Reserves	0	0	-	0	0	0
125,781	TOTAL FUNDS EMPLOYED	125,781	125,781	-	125,781	125,781	125,781

Statement of Changes in Equity

2014-15 Budget \$'000	Est'd Outcome as at 30/06/2015 \$'000	2015-16 Budget \$'000	%	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-9 Estimate \$'000	
Opening Equity							
122,902	Opening Accumulated Funds	122,902	125,781	2	125,781	125,781	125,781
2,879	Opening Asset Revaluation Reserve	2,879	0	-100	0	0	0
125,781	Balance at the Start of the Reporting Period	125,781	125,781	-	125,781	125,781	125,781
Comprehensive Income							
48,820	Operating Result for the Period	64,595	156,818	143	189,061	95,095	156,580
48,820	Total Comprehensive Income	64,595	156,818	143	189,061	95,095	156,580
0	Transfer to/from Accumulated Funds	2,879	0	-100	0	0	0
0	Movement in Asset Revaluation Reserve	-2,879	0	100	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
0	Capital Distributions to Government	-8,858	0	100	-5,155	-56,367	0
0	Inc/Dec in Net Assets due to Admin Restructure	8,858	0	-100	5,155	56,367	0
-48,820	Dividend Approved	-64,595	-156,818	-143	-189,061	-95,095	-156,580
-48,820	Total Transactions Involving Owners Affecting Accumulated Funds	-64,595	-156,818	-143	-189,061	-95,095	-156,580
Closing Equity							
122,902	Closing Accumulated Funds	125,781	125,781	-	125,781	125,781	125,781
2,879	Closing Asset Revaluation Reserve	0	0	-	0	0	0
125,781	Balance at the End of the Reporting Period	125,781	125,781	-	125,781	125,781	125,781

Statement of Cash Flows

2014-15 Budget \$'000		2014-15 Est'd Outcome \$'000	2015-16 Budget \$'000	Var %	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
925	User Charges	1,078	981	-9	984	986	99
1,873	Interest Received	2,502	3,500	40	1,550	800	800
355,473	Other Receipts	401,212	572,157	43	598,530	528,689	602,986
358,271	Operating Receipts	404,792	576,638	42	601,064	530,475	603,885
Payments							
11,436	Related to Employees	11,687	12,267	5	12,429	12,592	12,757
1,511	Related to Superannuation	1,559	1,522	-2	1,542	1,563	1,584
16,473	Related to Supplies and Services	16,402	16,012	-2	15,521	15,755	15,464
2,165	Borrowing Costs	2,530	4,225	67	3,823	4,822	5,547
2,248	Grants and Purchased Services	3,325	3,357	1	3,441	3,527	3,615
288,641	Other	312,474	399,799	28	453,515	306,920	303,138
322,474	Operating Payments	347,977	437,182	26	490,271	345,179	342,105
35,797	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	56,815	139,456	145	110,793	185,296	261,780
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale/Maturity of Investments	1,751	0	-100	0	0	0
0	Investing Receipts	1,751	0	-100	0	0	0
Payments							
0	Purchase of Investments	6,859	3,500	-49	0	0	0
0	Investing Payments	6,859	3,500	-49	0	0	0
0	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-5,108	-3,500	31	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
0	Distributions to Government	8,858	0	-100	5,155	56,367	0
52,851	Dividends to Government	60,464	110,374	83	190,246	42,223	262,864
52,851	Financing Payments	69,322	110,374	59	195,401	98,590	262,864
-52,851	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-69,322	-110,374	-59	-195,401	-98,590	-262,864
-17,054	NET INCREASE / (DECREASE) IN CASH HELD	-17,615	25,582	245	-84,608	86,706	-1,084
76,184	CASH AT THE BEGINNING OF REPORTING PERIOD	92,711	75,096	-19	100,678	16,070	102,776
59,130	CASH AT THE END OF REPORTING PERIOD	75,096	100,678	34	16,070	102,776	101,692

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- interest: the increase of \$1.2 million in 2015-16 Budget from the 2014-15 estimated outcome is due to the higher than budgeted cash reserves available to invest in the Treasury Bank Account.
- land revenue: the increase of \$226.698 million in the 2015-16 Budget from the 2014-15 estimated outcome relates to the expected completion and settlement of Moncrieff, Lawson and from asset sales under the Asset Recycling Initiative.
- resource received free of charge:
 - the increase of \$4.495 million in the 2014-15 estimated outcome from the original budget relates to the transfer of assets from other government agencies free of charge; and
 - the decrease of \$4.495 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to budgeted assets transferred to LDA from other government agencies free of charge.
- borrowing costs: the increase of \$1.695 million in 2015-16 Budget from the 2014-15 estimated outcome is due to an increase in land held for development.
- cost of goods sold:
 - the decrease of \$23.233 million in the 2014-15 estimated outcome from the original budget is due to savings in development costs as a result of better than estimated project performance; and
 - the increase of \$109.565 million in the 2015-16 Budget from the 2014-15 estimated outcome reflects the costs associated with the increase in land revenue.
- grants and purchased services: the increase of \$1.077 million in the 2014-15 estimated outcome from the original budget is mainly due to the reclassification of legal fees from supplies and services.
- other expenses:
 - the increase of \$22.906 million in the 2014-15 estimated outcome from the original budget is due to transfer of assets from other government agencies free of charge and subsequent inventory write offs in accordance with AASB 102; and
 - the decrease of \$20.867 million in the 2015-16 Budget from the 2014-15 estimated outcome is due assets to be transferred to LDA from other government agencies free of charge and no subsequent write off of the inventory.

- income tax equivalent: the increase of \$6.761 million in the 2014-15 estimated outcome from the original budget and the increase of \$39.526 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to increased profits.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$15.966 million in the 2014-15 estimated outcome from the original budget is largely due to the increase in the operating result in 2014-15; and
 - the increase of \$25.582 million in the 2015-16 Budget from the 2014-15 estimated outcome is largely due to the increase in budgeted operating result.
- current and non current receivables:
 - the decrease of \$27.538 million in the 2014-15 estimated outcome from the original budget is largely due the receipt of GST refunds from the ATO and to lower infrastructure receivables due to completed infrastructure assets transferred to TAMS and ACTEW Corporation; and
 - the increase of \$14.116 million in the 2015-16 Budget from the 2014-15 estimated outcome is largely due to receivables for land rent sales.
- current investments: the increase of \$12.766 million in the 2014-15 estimated outcome from the original budget and the increase of \$3.5 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to the anticipated West Belconnen project.
- current and non current inventories:
 - the increase of \$42.165 million in the 2014-15 estimated outcome from the original budget is mainly due to higher than budgeted development activity; and
 - the increase of \$25.663 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to anticipated increase in development activity.
- Property, plant and equipment: the decrease of \$3.617 million in the 2014-15 estimated outcome from the original budget is due to the transfer of Kingston Foreshore land and building to artsACT.
- current payables: the increase of \$4.849 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to increased GST payable to the ATO at the end of financial year.
- current and non current other provisions:

- the decrease of \$15.117 million in the 2014-15 estimated outcome from the original budget is due to lower than budgeted balance of infrastructure payable as the result of transfer of completed infrastructure assets to TAMS and ACTEW Corporation; and
- the increase of \$13.422 million in the 2015-16 Budget from the 2014-15 estimated outcome is mainly due to an anticipated increase in provision for project completion.
- current and non current income tax payable: the increase of \$21.513 million in the 2014-15 estimated outcome from the original budget and the increase of \$4.070 million in the 2015-16 Budget from the 2014-15 estimated outcome is due to increased operating surplus and timing differences in income tax payments under tax effect accounting principles.
- current other liabilities: the increase of \$34.615 million in the 2014-15 estimated outcome from the original budget and the increase of \$46.448 million in the 2015-16 Budget from the 2014-15 estimated outcome is mainly due to an increase in the dividend payable.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Statement of Cash Flow Statement

- Other Payments: the increase of \$23.833 million in the 2014-15 estimated outcome from the original budget is mainly due to increased development activities.

Other variations in the statement are explained in the notes above.

Indicative 2015-16 to 2018-19 Land Release Program

Indicative Residential Land Release Program

Location	2015-2016	2016-2017	2017-2018	2018-2019
	Number of Dwelling Sites			
Gungahlin	1,300	750	500	650
Belconnen	370	500	1,012	1,050
Central Canberra	594	725	675	685
Molonglo	400	700	563	1,164
Woden and Weston	0	0	80	0
Tuggeranong	229	270	100	0
ARI	620	768	1,636	1,849
Other	0	0	0	0
Total	3,513	3,713	4,566	5,398

Indicative Commercial Land Release Program (site area)

Location	2015-2016	2016-2017	2017-2018	2018-2019
	m ²	m ²	m ²	m ²
Gungahlin	0	0	16,000	10,000
Belconnen	1,263	2,309	30,941	9,664
Central Canberra	23,294	23,417	12,174	8,300
Molonglo	0	8,150	0	0
Woden and Weston	11,891	0	0	0
Tuggeranong	20,746	24,739	44,624	0
ARI	0	0	0	0
Other	0	0	0	0
Total	57,194	58,615	103,739	27,964

Indicative Industrial Land Release Program (site area)

Location	2015-2016	2016-2017	2017-2018	2018-2019
	m ²	m ²	m ²	m ²
Gungahlin	0	0	0	0
Belconnen	0	0	0	0
Central Canberra	0	0	0	0
Molonglo	0	0	0	0
Woden and Weston	0	0	0	0
Tuggeranong	0	0	0	0
ARI	0	0	0	0
Other	64,485	76,250	41,930	47,618
Total	64,485	76,250	41,930	47,618

Indicative Community and Non-Urban Land Release Program (site area)

Location	2015-2016	2016-2017	2017-2018	2018-2019
	m ²	m ²	m ²	m ²
Gungahlin	7,854	5,000	30,000	0
Belconnen	43,500	6,638	0	0
Central Canberra	4,500	0	0	0
Molonglo	0	0	0	0
Woden and Weston	1,300	0	20,000	0
Tuggeranong	0	41,897	0	0
ARI	0	0	0	0
Other	0	0	0	0
Total	57,154	53,535	50,000	0