[ENTER TITLE OF ESTATE] BUSINESS PLAN

VERSION # - [enter date]

Supported	…… [Name and position of Executive]
Financial Feasibility Verified	…… [Name and position of Executive - CFO]
Endorsed	…… [Name and position of Executive - Deputy CEO]
Approved	…… [Name and position of Executive - CEO]

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Executive Summary

Item	Comment
Division	
Area	
Location	[enter ACTMapi graphic here]
Completed Planning	[eg Structure Plan (ACTPLA) eg Territory Plan: Estate Development Code (ACTPLA) eg Master Plan Prepared (LDA) refer to page xx]
Ongoing	[eg EDP Stage 1 Lodged: December 2015 (LDA)]
Environmental Planning	[eg identify undevelopable area]
Capital Works	[eg works funded by LDA eg works funded by others]
Yield	[# Dwellings # Community Site # Local Centre # School Site]
ILRP yield	[FY15/16 # dwellings FY16/17 # dwellings FY17/18 # dwellings FY18/19 # dwellings Total # dwellings]
SOI Revenue	[FY17/18 - $xx.x m revenue FY18/19 - $xx.x m revenue]
Time Frames	[esp staging time frames]
Revenue Profile	<table><tr><th>Release Year</th><th>Business Plan Yield SRD</th><th>Business Plan Revenue</th></tr><tr><td>[revenue years</td><td></td><td></td></tr></table>

	Further Years		$140m
	Total		**$517.3m**
Gross Realisation			
Total Development Costs (inc Land)			
Net GST Paid			
Profit			
Development Margin			
Internal Rate of Return			
Adopted Land Value			
Return to Territory	$xx.xxxm (Profit, Land Value, Stamp Duty & Interest)		
Company Tax	[The total return to the Territory calculation does not include any income tax. Income tax is not accounted for within a project but on a whole LDA basis that encompasses all LDA projects and corporate overheads]		

1. Purpose of this Plan

The purpose of this Business Plan is to provide direction and guidance on the planning, detailed design and development of [enter title of estate]. Specifically, the Business Plan has the following key functions:

- Establish the project's charter, key milestone targets and associated risks;
- Identify the financial and non financial requirements of the project and establish a project budget and strategy to report against; and
- Identify the key stakeholders associated with the project.
- Identify and manage project risk.

The Business Plan will be used to monitor progress at regular project review points and form the basis of the post project review.

2. LDA Statement of Intent (SOI) Objectives & Key Deliverables

[enter title of estate] will assist the delivery of the following key deliverables identified in the LDA [span] SOI. These include:

- [list all relevant deliverables]
- [and include other requirements as SOI changes]

Section 7 of this document details how [enter title of estate] will achieve the objectives and deliverables.

3. The Site

Location

[include ACTMapi locality plan]

Figure 1 Locality Plan

Suburb Name and Vision

[Details of master planning, themes and design principles]

Existing Site Conditions

[Details of current use and any due diligence work that has been undertaken to date]

4. Planning Context

[include planning overlay map]

Structure Planning

[effective date]
[scope of plan]
[ref to Territory plan]

Concept Planning

[ref to Precinct code]

[suburb / area] Strategic Assessment

[ref to Strategic Assessment, under Part 10 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act)]

[impact of EPBC]

Preliminary Planning Investigations

[ref to structure plan and master plan. Standard Attachment C master plan]
[ref to Design Review Panel]

[The projected population of [enter title of estate] when fully developed will be approximately x,xxx based on y,yyy dwellings and an occupancy rate of z.z people per dwelling]

[details of zoning]

[The Master Plan illustrates that [enter title of estate] will be developed as a residential estate comprising:

- A dwelling yield in the order
- The single residential block mix
- The remainder will be 45 percent mid-sized blocks and
- xx% affordable housing
- y% public housing through a
- A CZ4 Local Centre in the western portion of the site with a site area of two hectares. Associated with the local centre will be medium density housing, mixed use development and a 0.7 hectare community facility site.

- mixed use sites …
- … site for a Government school
- District playing fields …
- … density housing
- Local shopping precinct
- Preservation of significant ridgelines and waterways as open space.

[ref to LRP]

Existing Approvals

5. The Proposal

Staging and Development Timing

Estate Development

[The Estate Development Plan ….
… five primary stages ...
… connection to infrastructure services]

Construction

Table 1 –Construction Staging

Year	Stage	Single Dwelling	Multi Unit	Total
year 1				
year 2 etc				
Total				

*Stages may be subject to the provision of infrastructure by….

The construction costs for the estate have been assessed utilising recent civil contracts. The LDA for the purpose of this business plan has adopted a civil construction cost of $xx,xxx per dwelling for single sites referring to the evidence below.

Table 2 – Construction Cost Summary per Dwelling

Location	$ per dwelling
[Denman Prospect	$70,000 per dwelling
Moncrieff	$62,000 per dwelling
Lawson	$77,500 per dwelling
Wright	$71,000 per dwelling
Coombs	$60,500 per dwelling
Crace	$62,500 per dwelling]
add newer locations]	

The total cost of civil construction works for the estate excluding contingency is $yyy m and includes a y[1]% escalation rate to account for changes in the market over the project. This forecast budget is in line with other similar projects and has been endorsed by the engineering section of LDA Greenfields development.

Landscaping

The proposed landscaping budget for the development will include;

- Open Space Landscaping $xx.xm (@ $y,yyy per dwelling)
- [District playing fields comprising of six (6) standard play fields and a car park of approximately zzz spaces and a bus layover for action buses. (LDA contribution of $aa.a m)]

[Landscaping construction will be timed …]

Table 3. – Landscaping Cost Summary per Dwelling

Location	Landscaping Cost (Actual)	$ per dwelling

Communications

Supporting Development Works

Intersections

Water

Sales and Marketing

Sales Objectives

Market Assessment Advice

Current Market Valuation

[The LDA sought Market Assessment advice from …]

[1] See business assumptions – LDA-257

TCCS Valuation

Block Mix

Table 4 - Block Mix

Block Sizes - Single Residential	Percentages Single Residential	Dwelling Numbers
Total Single Residential Dwellings		
Block Sizes - Multi Unit Residential	**Percentages**	**Dwelling Numbers**
Multi Unit		
Total Multi-Unit Dwellings		
Dwelling Grand Total	**100%**	

Adopted 'As If Complete' Sale Prices

The average sales price is based on an analysis of previous land sale prices achieved at Moncrieff. Sales revenue has not been escalated in the feasibility taking a conservative view of revenue due to the expected competition from other estates that will be for sale at the same time as [enter title of estate].

Table 5 – Adopted Gross Realisations

Block Sizes	Land Sale Price (incl GST)
[Single Residential – Compact	$145,000
Single Residential – 250 to 500m²	$250,000
Single Residential – Over 500m²	$270,000
Multi-Units (Mixture of Low/Medium Density Types)	$70,000]

Development GST

[The feasibility model accounts for GST by adopting a conservative approach and applying Item 1 of the margin scheme on sales, which is likely to be approximately x%, and by taking GST input credits on development costs.]

Communication strategy

6. Summary of Primary Costs

The following table sets out the primary cost items identified by the project team for the delivery of the development. The costs are based upon actuals and estimates calculated from LDA research. These costs will be reviewed during the project term with any significant changes reported during the bi-annual review (BAR) process.

Table 6 – Total Development Cost Summary

Output	Budget (inc GST) $m
Estate Development Plans	
Superintendency	
Landscaping Design	
Market Advice	
Affordable Housing Delivery	
Display Village Delivery	
Sustainability Management	
Other professional fees	
Master Plan	
Due Diligence	
Development Management	
Civil Construction	
Landscape	
Playing Fields and School Site Construction	
Electrical Provision	

Display Village	
Affordable Housing	
NBN Provision	
Off Site Works	
Statutory Costs	
Miscellaneous	
Public Housing Renewal	
Estate Maintenance	
Selling Costs (y%)	
Marketing and Advertising	
Community Engagement	
Interest	
Project Contingency (x%)	
Stamp Duty	
Land (TCCS Value)	
Total Development Costs (inc GST)	

7. Development Objectives

Non-Financial Objectives and Deliverables

This section quantifies specific initiatives and corresponding budget commitments to underpin the achievement of the LDA's key objectives and deliverables identified in the LDA 2015-16 Statement of Intent (SOI).

[enter title of estate] will deliver against the following LDA Objectives as identified in the [span] Land Development Agency Statement of Intent.

1. [Ensure that an adequate supply of land is maintained to meet market demand to stimulate economic activity in the residential, commercial, industrial and community land development sectors.
2. Contribute to the provision of advice to Government on the ACT property market to support the development of its land release targets.
3. Contribute to the delivery of the Government's policies and priorities as they relate to land development, urban renewal and urban sustainability.
4. Ensure that key commercial decisions on land in the ACT are consistent with the long term sustainability of the Territory.
5. Cultivate and maintain productive relationships and linkages with the private sector.
6. Deliver high quality, sustainable developments, including public realm and community development.]

Land Supply & Market Demand

The Indicative Land Release Program (ILRP) indicates x,xxx dwelling sites are to be released for sale in …

Housing Diversity

Affordable Housing

Public Housing

Community Housing

[Defence Housing]

[Display Village]

Sustainable Design

Open Space

Active Living

Public Transport

Community Engagement

Financial Objectives and Deliverables

- Operate efficiently in the markets in which the LDA operates and provide agreed returns to the Territory

Financial Benchmark …

The following table provides a summary of the project's key financial indicators based on a staged land payment of $xx,xxx,xxx as per the current agreement with [TCCS].

Table 7 - Summary of Financial Indicators

Performance	Amount (inc GST) $m	Per Dwelling Site (inc GST) $k
Gross Project Revenue		
Total Project Costs		
Net GST Paid		
Net Development Profit		
Development Margin (profit/cost)		%

Internal Rate of Return (IRR)	%
Territory Return (Land Value, Net Profit, Interest & Stamp Duty)	

The project feasibility study has been undertaken that estimates a return to the Territory of approximately $xxx million based on the initial land value, stamp duty, interest expense and the profit generated over the life of the project.

Development Cash Flow

The anticipated revenue return from the development ...

The following table ...

Table 8 – Development Delivery

Release Year	BP Yield SRD	BP Revenue
2018-2019		
2019-2020		
Further Years		
Total		

LDA will undertake bi-annual reviews (BAR) of the project's costs and budgets and update the financial models accordingly. The outcome of these reviews will be reported to the LDA Board.

8. Stakeholder Engagement

A high level Stakeholder Engagement Plan (SEP) as part of the [enter title of estate] development is presented identifying stakeholders, their role and influences over the project and a strategy to inform and receive information. A detailed SMP will form part of the communication strategy for the projects.

Stakeholder	Roles	Influence of Project	Strategy
LDA Board/Executive	• The LDA Board is the Project Sponsor. • Determines project relevance to organisation. • Aligns project to corporate objectives. • Approves funding • Approves Business Plan	• The LDA Board is committing the resources for the project and the Board is the approving body for funding	• Monthly reporting to keep the LDA Board and Executive informed. • Bi-Annual Review Reporting (March and October)
Project Team	• Provides the relevant skills to manage and deliver the project.	• The Project Team will be carrying out the planning, implementation, marketing, finance and construction management of the project	• Monthly PCG meetings. • Internal meetings when required
Chief Minister Treasury Economic Development Directorate (CMTEDD)	• CMTEDD are responsible for monitoring the Land Release Program (ILRP) delivery • Manages the delivery of major Capital Works associated with the ILRP • Co-ordination role to align efficient EDP approvals from a whole of Government approach	• Influence how outcomes will be achieved. • A number of Capital Works Items are required to be delivered in a timely manner for Throsby.	• Provide accurate and regular correspondence and communication • Ensure CMTEDD are aware of deadlines and timeframes for delivery of supporting Capital

			Works
ACT Government Agencies	• Sport and Rec (CMTEDD) is responsible for developing and administering district playing fields in the ACT • The ACT Planning and Land Authority (ACTPLA), within the ACT Government, is responsible for strategic planning, land information, development and building administration, land management and urban design approvals. • SSP is the ACT Government's procurement section. Major procurements need to be co-ordinated with SSP • TCCS is responsible for developing and implementing sustainable environmental policies and practices, particularly in the management of parks, nature reserves, waste and local sportsgrounds. • They are also responsible for issuing Design Acceptance and Handover of the assets to the Territory • EPSD develops and administers legislation regarding environmental protection concerning air, contaminated sites, hazardous materials, water, noise and chemicals and heritage places and objects. • ETD is responsible for developing and	• Require district playing fields in Taylor • Body responsible for preparing Structure Plans and approving body for Estate Development Plans and Development Applications. • Influence how outcomes will be achieved. • Approving body for Detailed Design Acceptance and Handover to the Territory. • Monitor adherence to environmental standards and respond to public enquiries and complaints regarding environmental matters. • Require a Government school in Taylor • CSD will be provided w/ approx yyy dwellings within [enter title of estate].	• Regular liaison to design a site that meets their needs

	administering public schools in the ACT • Community Services Directorate (CSD) is responsible for the delivery of public housing within new subdivisions.		
Service Authorities	• Actew own the water and sewer network in the ACT • ActewAGL owns and operates the ACT electricity distribution.	• Approve design of sewer and water infrastructure • Approve electrical design and installation of streetlights	• Regular correspondence and ongoing approval.
Contractors and Consultants for LDA	• The contractors/consultants are charged with completing and delivering the project on behalf of the LDA	• Delivers the goods and services required by the project	• Fortnightly construction co-ordination meetings. • Regular correspondence with consultants and contractors
General Public	• Potential future residents of estate and possible stakeholders that could be affected	• Enquiries about the development and potential sales contracts	• Community engagement strategy including public information sessions.
Community Groups	• Represent the views of the broader Gungahlin community. • Represent equestrian interests in the ACT • Represent stakeholders that are interested in the impact of urban development on nearby bushland	• Influence outcomes and how they will be achieved	• Provide regular correspondence and briefings at key milestones of the project. • Implement Community Development Plan

9. Risk Management Plan

The Risk Management Plan (RMP) identifies the higher order risks and mitigation actions that will be put in place to ensure delivery of the Project Objectives. A detailed RMP will be undertaken as part of the project development and used as a tool to report against at Project Control Group meetings and track / mitigate current risks and as a basis for identifying new risk.

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				**as calculated**					
2	Suppliers may not perform to the standards required by the contract	Poor quality work Maintenance liability to the Territory Possible delay in handover – delay to revenue	*Moderate*	*Possible*	*High*	Apply Quality Assurance and increase audit testing Increase frequency of site meetings and meetings with client Consider termination of contract Follow approved	*Moderate*	*Unlikely*	*Medium*	

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				**as calculated**					
						Procurement Procedures – (evaluation of Past Performance etc)				
3	Delay in Capital Works (water reservoir, intersections)	Delay in servicing the estate Impact on financial return Cost escalation for works	*High*	*Possible*	*High*	Open dialogue with ICON Water to accelerate construction of water reservoir Detailed action plan with ICON and design and delivery team. Clear deadlines to be provided for delivery of Works and incorporate works into Civil Contracts.	*Moderate*	*Unlikely*	*Medium*	

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				as calculated					
						LDA undertake delivery of works including new intersections.				
4	Poor time performance	Delay in land sales Delay in revenue for the Territory	*Moderate*	*Possible*	*High*	Ensure team is pre-qualified Check past performance, current work commitments and resources Ensure realistic contract period in documents Contractor to provide construction program Monitor progress against contractors program	*Moderate*	*Unlikely*	*Medium*	

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				**as calculated**					
5	Due Diligence not complete by award of contract – unforseen constraints	Delay to program Delay to land sales Possibility for project margins to decrease due to increased costs	*Moderate*	*Possible*	*High*	Scope due diligence requirements and note possible constraints Undertake due diligence early in the planning process Undertake necessary investigation studies prior to engaging contractor	*Moderate*	*Unlikely*	*Medium*	
6	Reduced demand for the land	Revenue returns to Territory delayed Inventory of serviced land	*Moderate*	*Unlikely*	*Medium*	Assess the supply/demand and analyse the risk prior to commencing each stage of development Consider not continuing with the	*Moderate*	*Rare*	*Medium*	

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				**as calculated**					
						development if demand is not appropriate Extend the contract duration lower development rate				
7	Significant delay in approvals	Delay to program (commencement of construction) Delay to land sales	*Moderate*	*Possible*	*High*	Monitor approval process and liaise with relevant Agency representatives to manage any contentious issues Pre-application meeting and early design engagement to identify issues early in the planning process	*Moderate*	*Unlikely*	*Medium*	

#	The Risk (Cause)	Consequence	Consequence Rating	Likelihood Rating	Risk Rating	How are Risks to be Treated?	Consequence Rating after Treatment	Likelihood Rating after Treatment	Level of Risk Rating after Treatment	LDA Risk Register Risk Identifier
	what can happen and how, grouped by type.				as calculated					
8	Potential WH&S Issues	Potential for injury on site to contractors and to members of the public Risk to achieving midyear review targets for finances and sales settlements	*Catastrophic*	*Possible*	*High*	Monitor & review WH&S plans and reports Carry out 6 monthly audits of the contractors procedures Consultant to carry out additional safety checks Incidents register so that near misses get logged within LDA databases. Employ Systems Audit to review contractor WH&S procedures.	*Major*	*Unlikely*	*Medium*	

10. Project Milestones

Milestone	Target Commencement Date	Target Completion Date
EDP Approval Stages ...		
EDP Approval Stage ...		
EDP Stage 4		
EDP Stage 5		
Construction Completion Stage 1		
Construction Completion Stage 2		
Construction Completion Stage 3		
Settlement Stage 1A		
Settlement Stage 2		
Settlement Stage 1B		
Multi Unit Settlements		
Commercial		
Community		

11. Financial Summary

This Business Plan is produced on the basis that the LDA will undertake management control of all planning, construction, marketing and selling of [enter title of estate] [including off site works].

To confirm the financial viability of the development the LDA has undertaken a financial analysis of the project utilising internal and external resources. The key findings are below.

Assumptions

[enter title of estate] has an approximate site area of xxx ha with an estimated yield of y,yyy dwelling …

Land Payment Methodology (TCCS Valuation)

As TCCS was the prior custodian of the land, the LDA will pay TCCS the value of the land as at Click here to enter a date., (the date immediately prior to LDA involvement in the development).

The land value was calculated by independent valuation firm [enter name of valuer] 1-Jan-16 and this value is set as V1.

V1 for [enter title of estate]. Is $xx,xxx,xxx.

LDA Development Feasibility

The LDA has undertaken an Estate Master feasibility assessment to analyse the profitability of the project based upon standard assumptions[2] below.

Business Plan Assumptions - Financial Feasibility	
Land Acquisition	V1 [$xxm]
Land payments timing - feasibility	Staged in line with block stage settlements as per TCCS payment procedure.
GST	Paid & Claimed One Month Later Margin Scheme Adopted. Likely 9%.

[2] ie from LDA-257

Business Plan Assumptions - Financial Feasibility	
Escalation on Revenue standard per LDA-257	[0%]
Escalation on Costs standard per LDA-257	x% applied after the 1st year.
Project Contingency % standard per LDA-257	[y%]
Sales % standard per LDA-257	[z%]
Marketing % standard per LDA-257	[a%]
Interest Rate standard per LDA-257	[b%]
Stamp Duty standard per LDA-257	Currently adopt ACT rates per Estate Master
Project funding standard per LDA-257	
Financial Benchmark Development Margin per LDA-143	
Financial Benchmark Internal Rate of Return per LDA-143	
Public Housing Blocks	
Return to Territory	

All the figures quoted are GST inclusive.

Critical Development Timing

The feasibility stipulates a **commencement of [July 2015]** as month 0 to coincide with the commencement of the Estate Development Plan process.

Timing estimates are:

- Estate Development Plan works commenced ….
- Commencement of construction is expected ….
- Sales and Settlements are expected following completion of construction, commencing ….

Adopted 'As If Complete' Land Values

The following gross realisations for completed sites have been adopted for the development feasibility.

Block Sizes	Land Sale Price (incl GST)
[Single Residential – Compact]	
[Single Residential – 250 to 500m²]	
[Single Residential – Over 500m²]	
[Multi-Units (Mixture of Low/Medium Density Types)]	

Professional Fees

The professional fees for the development program are the basic fees associated with undertaking the planning, design, delivery and construction supervision of the site. Allowances are based on actual fee proposals or consultancies on similar projects.

Item	Amount (incl GST) $m
EDP Planning (including public consultation and housing development guide, detail design, landscaping design and master planning)	
Superintendency (civil and landscaping)	
Other Consultants (Survey, Geo-Tech, sustainability and contract admin)	
Development Management	
Total	

Construction Costs

The construction costs for the development program have been updated with …

They are based on a 'S curve' cash flow profile for the timeframe of the development program. Escalation factors of 4% have been applied each year after the initial year, to professional fees, construction costs, statutory fees and contributions, and land holding costs to reflect anticipated increases.

Escalation has been applied to the construction costs ….

Item	Amount (incl GST) $m
Civil Works (including electrical works)	
Landscaping	
Playing Fields/School Site	
NBN Co.	
Offsite Works	
Other Construction Costs	
Project Contingency	
Total	

Marketing and Selling

Marketing, advertising and costs related to the sales process (e.g. commissions, ballots, etc) are included as part of selling costs, including x% of gross sales (forecast budget of $yy.ym) for agents fees and marketing and advertising are calculated at z% of gross sales (forecast budget of $a.am).

An additional resource of $1.0m has been allocated towards community engagement – the Mingle program.

Land Holding Costs and Estate Maintenance

Estate maintenance, including bushfire prevention, weed control, rubbish removal and general repairs are all included in land holding costs (equates to approximately $bbb per dwelling) and are estimated based on actual costs for these services in other LDA estates. The forecast budget is $c.cm.

Miscellaneous Costs

The Public Housing renewal Taskforce dwelling sites (total ddd off) have been included as a revenue and cost within the financial model. Total allowance $ee.e. m.

Miscellaneous Costs includes administrative costs such as environmental initiatives, general legal advice, and marketing material. The total budget for Miscellaneous Costs is $0.ff m.

Project Performance Financial Benchmark

This project is short / long term. The corresponding benchmark is development margin / IRR
The feasibility Development Margin demonstrates a xx.x% margin is achieved based on the current assumptions. The feasibility Internal Rate of Return is yy.y%.

Contingencies

There is an overall contingency on the project of yy% ($zz.zm), allocated evenly through the timeframe of the development program, as a buffer to allow for unforseen costs or circumstances. Contingency is aa% of construction, professional, statutory and miscellaneous costs.

Interest Costs (notional)

The interest rate is averaged at x% and equates to $y.ym for the life of the project. The majority of notional interest costs are a result of declaring payment for land on a staged basis. The LDA is not intending to make borrowings to fund this project and therefore this amount will result in an improvement in the net development profit, however the financial model assumes debt finance.

Debt

The estimate of peak debt exposure and breakeven date for cumulative cash flow is below.

Item	Amount (incl GST)
Peak debt exposure	$zz.zm
Peak debt exposure date	Click here to enter a date.
Breakeven date	Click here to enter a date.

Asset Handover

After construction of the estate, LDA will hand back public and utility assets constructed (road, verges, open space etc) to the Territory and service assets to responsible entities.

TOTAL RETURN TO TERRITORY RESULTS

The total return to Territory results are based upon the staged land agreement with TCCS where a proportion of the land value is paid to TCCS one month after settlement of each completed stage. Results are shown in the Summary of Project Returns.

The key items to note are:

- **Net Development Profit (before tax)** **$xxx.x m**
- **Development Margin (on costs)** **yy.y%**
- **Project Internal Rate of Return** **zz.z%**

- **Total Return to Territory (before tax) (Profit + Land + Interest + Stamp Duty) $aaa.a m**

TAX IMPLICATIONS

The total return to the Territory calculation does not include any income tax. Income tax is not accounted for within a project but on a whole LDA basis that encompasses all LDA projects and corporate overheads.

MARKET BASED RESULTS

The market results are based upon an upfront payment for the land of $xxx.yy m, assessed by JLL as the land value as at [enter date mmm yyyy]. The key items to note are

- **Net Development Profit (before tax) $xxx.xm**
- **Development Margin (on costs) yyy.y%**
- **Project Internal Rate of Return zz.z%**

The lower net development profit is the result of….

SENSITIVITY ANALYSIS

The feasibility analysis as presented is considered the most likely development scenario. A sensitivity analysis has been prepared to assess the impact on profit, the development margin and the internal rate of return if construction costs, sales revenue or the land value were to change.

The results from the sensitivity analysis of changes in key assumptions are presented below and demonstrate …

Indicator	10% Higher Construction	10% Lower Construction	5% Lower in Sales Values	5% Higher in Sales Values
Development Profit				
Development Margin				
Project Internal Rate of Return				

Indicator	10% Higher Construction, 10% Lower Sales	5% Higher Construction, 5% Lower Sales
Development Profit		
Development Margin		
Project Internal Rate of Return		

12. Revision History

13. Terminology

ATTACHMENT 1 MASTER PLAN

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ATTACHMENT 4 USE OF THIS DOCUMENT

A4.1 References

- LDA-143 LDA Project Internal Financial Benchmarking
- LDA-252 Gateway #1 Opportunity Assessment
- LDA-257 Business Assumptions for Financial Modelling

A4.2 Explanatory text

A4.2.1 Text in blue is explanatory text

A4.2.2 Text in red is an example

A4.3 Numerical Precision

A4.3.1 $ amounts are denoted as $m or $k only.

A4.3.2 Development margin and IRR are specified to one decimal place only.

TransACT House
470 Northbourne Avenue
Dickson ACT 2602

GPO Box 158 Canberra City ACT 2601

Telephone (02) 6205 0600 (General)
Telephone 1800 777 952 (Sales)
Facsimile (02) 6207 5101

Email lda@act.gov.au
Web www.lda.act.gov.au

Disclaimer: The Land Development Agency (LDA) makes no warranty to the accuracy or completeness of information in this publication and recommends obtaining independent legal, financial and accounting advice before considering purchasing land or making an offer to purchase land.

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

163.2.6 REVISED INSTRUMENT OF DELEGATION

Land Development Agency
CANBERRA FIRST

Purpose

To seek approval of the revised Instrument of Delegation under section 41 of the *Planning and Development Act 2007*.

Background

Section 41 *Planning and Development Act* 2007 (the Act) provides that the Land Development Agency (LDA) may delegate its functions, including those functions that have been delegated by the Planning and Land Authority to the Chief Executive Officer or a staff member of the LDA.

On 30 June 2016, the Chair approved the Instrument of Delegation to permit staff members occupying specified position within the LDA to undertake the function of issuing leases under the Act.

Recommendation 3 of the Land Development Division, *Business Process Review Report (BPR Report)*, provided:

> *Ascertain if an Instrument of Delegation for the delegation of powers under subsection 20(2) of the Planning and Development Act 2007 has been given to the Land Development Agency. If not then arrange the preparation of the Instrument as a matter of urgency and ensure it is notified on the ACT Legislation Register. Ensure that the Instrument of Delegation under section 41 of the Planning and Development Act 2007 is also notified on the ACT Legislation Register.*

The action against this recommendation is part of Phase one of the Governance Program and due for completion before 30 June 2017.

Issues

The Planning and Land Authority delegated its authority to grant leases to the LDA on 31 March 2008 under subsection 20(2) of the Act. A copy of the Delegation is provided for information at Attachment A.

The current LDA Instrument of Delegation under section 41 of the Act is not in the correct format for notification on the ACT Legislation Register (Attachment B).

A revised Instrument of Delegation that complies with the template requirements and technicalities of the Register is provided at Attachment C for approval. There has been no change to functions, positions or intent for the revised Instrument.

Recommendation

That the Board approve the *Planning and Development (Land Development Agency) Delegation 2017 (No 1)* at Attachment C.

Neil Bulless
Ag Deputy CEO
Land Development Division

21 March 2017

ACT Planning & Land Authority

AUSTRALIAN CAPITAL TERRITORY

DELEGATION

NO. 2 of 2008 – ACT PLANNING AND LAND AUTHORITY

Under section 20(2) of the *Planning and Development Act 2007* I DELEGATE to the Land Development Agency the function of granting leases.

The Land Development Agency may grant a lease only if:

a) The Land Development Agency has satisfied itself that the lease may be lawfully granted; and

b) (i) the form of the lease is in accordance with a registered Memorandum of provisions and in a standard format that has been approved by the ACT Planning and Land Authority; or

(ii) the form of the lease to be used has been approved by the ACT Planning and Land Authority, and the Authority has provided written advice to the Land Development Agency of its approval. The approval of the Authority for use of such lease format will remain in place until the Agency is advised that form of lease has ceased to be approved for use

Neil Savery
Chief Planning Executive
ACT Planning and Land Authority

31 March 2008

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

ABN 204 199 255 79

TransACT House
470 Northbourne Avenue
Dickson ACT 2602

GPO Box 158 Canberra ACT 2601

Phone: (02) 6205 0600
Fax: (02) 6207 5101
Email: lda@act.gov.au
Web: lda.act.gov.au

DELEGATION LAND DEVELOPMENT AGENCY

Under Section 20 of the *Planning and Development Act 2007,* the Planning and Land Authority (now known as the Environment and Planning Directorate) has delegated to the Land Development Agency the function of granting leases on behalf of the Executive ('Function').

Under Section 41 of the *Planning and Development Act 2007,* the Land Development Agency now DELEGATES the Function to each of the persons holding or performing the duties of an office specified in the Schedule.

This instrument only applies if:

a) The Land Development Agency has satisfied itself that the lease may be lawfully granted; and

b) (i) The form of the lease is in accordance with a registered memorandum of provisions and in a standard format that has been approved by the Environment and Planning Directorate; or

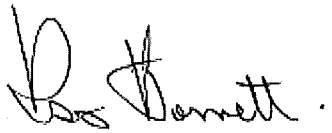
(ii) The form of the lease to be used has been approved by the Environment and Planning Directorate, and the Environment and Planning Directorate has provided written advice to the Land Development Agency of its approval.

This instrument commences on 30 June 2016.

All previous delegations of the Function are hereby revoked.

THE SCHEDULE

Position No	Position Title	Limit
E00919	Chief Executive Officer	Unlimited
E00747	Deputy Chief Executive Officer	Unlimited
E00822	Executive Director, Sales, Marketing and Property Management	Unlimited
E00818	Executive Director, Greenfield	Unlimited
E00823	Executive Director, Urban Renewal	Unlimited
E00816	Director, Sales, Marketing and Land Management	Unlimited
E00809	Chief Financial Officer	Unlimited
P33700	Assistant Director, Sales, Marketing and Mingle	Unlimited
P55376	Sales and Marketing Manager, Greenfield	Unlimited
P11138	Sales and Marketing Manager, Urban	Unlimited



Ross Barrett
Chair
30 June 2016

Australian Capital Territory

Planning and Development (Land Development Agency) Delegation 2017 (No1)

Notifiable Instrument NI2017–

made under the

***Planning and Development Act 2007*, section 41 (Delegation by land agency)**

1 Name of Instrument

This instrument is the *Planning and Development (Land Development Agency) Delegation 2017 (No 1).*

2 Commencement

This instrument commences on the day after it is notified.

3 Delegation of Functions

I delegate the functions of the planning and land authority, delegated to the Land Development Agency on 31 March 2008, under the provisions of the *Planning and Development Act 2007* identified in column 2 of the Schedule to the persons who from time to time occupy the positions as a land agency staff member identified in the corresponding entry in column 3.

Note The Legislation Act 2001 defines "occupy", in relation to a position, as including: to hold the position, act in the position or exercise functions of the position.

4 Limitation on Functions

The function may only be exercised if:

a. the Land Development Agency has satisfied itself that the lease may be lawfully granted; and

b. (i) the form of the lease is in accordance with a registered Memorandum of provisions and in a standard format that has been approved by the Planning and Land Authority; or

(ii) the form of the lease to be used has been approved by the Planning and Land Authority, and the Authority has provided written advice to the Land Development Agency of its approval. The approval of the Authority for use of such lease format will remain in place until the Agency is advised that form of lease has ceased to be approved for use.

5 Revocation

This instrument revokes the *Delegation Land Development Agency* made on the 30 June 2016.

Ross Barrett
Chair
Land Development Agency
March 2017

Schedule

Item	Function	Position
1	Granting of a lease	E00919 Chief Executive Officer Land Development Agency
2	Granting of a lease	E00747 Deputy Chief Executive Officer Land Development Agency
3	Granting of a lease	E00822 Executive Director, Sales, Marketing and Property Management Land Development Agency
4	Granting of a lease	E00818 Executive Director, Greenfield Land Development Agency
5	Granting of a lease	E00823 Executive Director, Urban Renewal Land Development Agency
6	Granting of a lease	E00816 Director, Sales, Marketing and Property Management Land Development Agency
7	Granting of a lease	E00809 Chief Financial Officer Land Development Agency
8	Granting of a lease	P33700 Assistant Director, Sales Marketing and Mingle Land Development Agency
9	Granting of a lease	P55376 Sales Marketing Manager, Greenfield Land Development Agency
10	Granting of a lease	P11138 Sales Marketing Manager, Urban Land Development Agency

163.2.7 PROPOSED LAND ACQUISITIONS – WEST BELCONNEN

Land Development Agency
CANBERRA FIRST

Purpose

To provide an update on proposed land acquisitions as part of progressing the West Belconnen project and the ACT second electricity supply project, and to assure compliance with the *Land Acquisition Policy Framework Direction 2014* by seeking the Board's approval for all land acquisitions.

Background

At its meeting of 6 June 2016, the LDA Board considered paper number 153.4.2 which proposed the acquisition of:

- Part block 1601, District of Belconnen [redacted];
- An easement over Block 1600, District of Belconnen [redacted]; and
- Block 1582, District of Belconnen [redacted]

to enable the progression of the West Belconnen development project and the ACT second electricity supply project. The Board noted the negotiations to date with landholders on the proposed acquisitions, noted the importance of an expeditious resolution to the negotiations and agreed to the LDA progressing negotiations to finalise arrangements. A copy of the paper and the decision is attached.

Issues

Subsequent to the decision, extensive technical work has been ongoing with Transgrid, as well as negotiations with land owners on the final alignment. Below is an update of the current status of each:

- Block 1600, District of Belconnen [redacted] - All commercial matters are now agreed between the parties. The final alignment provides for an easement of 23,718m^2 with the consideration payable of [redacted] This is higher than the initial estimate due to a larger easement being required. The per hectare rate has not changed from the original commercial negotiation. Documents are currently being prepared for execution.

- Part Block 1601, District of Belconnen [redacted] – All issues have now been resolved and documents are being prepared for execution. The final value of the acquisition is now [redacted] which is less than a 10% increase on the original estimate. The increase is due to a larger easement being required due to alignment negotiations with the lessee. The original per hectare rate has not changed.

- Block 1582, District of Belconnen [redacted] - The original terms of [redacted] offer to sell included the provision for [redacted] to transfer the dwelling right from the block to be sold to the residual parcel of land it has elected to retain. In negotiating the lease variation change with EPSDD, [redacted] has advised an additional cost of [redacted] This represents a 10% increase on

previous advice to the Board. The strategic purpose of this acquisition, however, enables the relocation of electrical transmission lines and releases a further 10-15 hectares of land for residential development which provides a prudent basis for a decision to acquire the land. Documents are being prepared for execution.

Recommendation

That the Board **approves** the acquisitions on the basis of the updated commercial (purchase price) arrangements described in this paper.

Tom Gordon
Executive Director, Greenfield
21 March 2017

163.2.8 BONSHAW - LAND ACQUISITION OPPORTUNITY

Land Development Agency
CANBERRA FIRST

Purpose

To advise the Board of the opportunity to acquire land identified as Block 12 Section 111 Symonston and Blocks 2233, 2234, 2235 Jerrabomberra (*Bonshaw*).

Background

Bonshaw consists of one ACT rural leasehold property outlined in red in **Attachment 1**.

The title description is:

- Block 12 Section 111 District of Symonston and Blocks 2233, 2234, 2235 in the District of Jerrabomberra – 84.5ha - Deposited Plans No. 10325 and 10326

The acquisition proposal results from an approach by the current owners [redacted] to sell to the LDA. The subject property consists of approximately 84ha located 9km southeast of Canberra's CBD, fronting Canberra Avenue and adjacent to the recently acquired Commonwealth property Bonshaw. It is bounded on the east by HMAS Harman.

The land is described as full tenant right 99 year ACT Rural lease with no withdrawal clause. A large area of the block is restricted of any buildings or structures without prior consent of the Commonwealth, but due to the decommissioning of radar facility at Harman and the adjacent land being owned by the Territory this provision should be able to be removed.

Subject to the Board's views, further work would be progressed, including undertaking a detailed assessment of the potential uses of the area. Preliminary desktop analysis suggests that development in line with the Eastern Broadacre study may be suitable for:

- Additional conservation;
- Industrial development; and/or
- Potential cemetery site to replace the Hume site

Identification of the Eastern Broadacre area firstly as an urban capable area and then as a future employment corridor occurred in the Government's *Canberra Spatial Plan* – (March 2004). *Bonshaw* falls within the southern area shown as future employment corridor.

The key strategic direction from the *Canberra Spatial Plan* for the future employment corridor is to be used primarily for future large scale industrial, institutional, tourist and other employment generating uses. It is not intended that this corridor replace the retail role of Civic or the town centres.

The *Canberra Spatial Plan* (2004) – Urban Suitable Land map is at **Attachment 2** and shows the extent of the future employment corridor.

The potential purchase of Bonshaw is considered a significant acquisition in securing land potentially for conservation and management of adjacent properties, and to support future opportunites for employment growth in the Territory. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development or conservation.

Issues

Land Acquisition Policy Framework

The LDA is subject to the *Land Acquisition Policy Framework Direction 2014* when exercising its functions under the *Planning and Development Act 1997*. Should the acquisition be pursued it would be subject to the principles of the framework.

Crown Lessee

The Crown Lessee is identified as [redacted] has a 99 year lease on the property that commenced on 31 December 2005, meaning there are approximately 87 years to run.

Application and Valuation

[redacted] has provided LDA with a copy a land valuation. The valuer Herron Todd White (HTW) determined a price of [redacted] excluding GST (refer Attachment 3). The valuation is based on the current lease purpose clause as rural land.

After the initial approach to the LDA, we commissioned a land valuation to assist in determining a fair market value. The valuer Knight Frank has determined a price of between [redacted] excluding GST with an adopted value of [redacted] excluding GST, which is marginally higher than the valuation from the seller. The valuation is based on the current lease purpose clause as rural land and is at Attachment 4.

It is expected that any future development on the subject property could include land for urban development, open space, infrastructure corridors and roads, and possibly areas of future EPBC offset potential.

If the acquisition is subsequently agreed to by the Board, LDA would propose to purchase the property as a going concern. GST would not apply to the purchase.

Details of the commercial return to the LDA are yet to be determined. However, based on approximately 85 hectares of land with 50% available for industrial development and 2/3rds of the remainder representing net developable land (approx. 29 hectares) the gross sales revenue is estimated to be in the order of [redacted]

Land Management

Ongoing management of the land would take the form of a licence or sub-lease to either [redacted] or another interested party and would include a land management agreement with the LDA. This would allow the operation of the farm to continue until such time as the land in part or as a whole is required for urban development.

Part of the land may have potential as an environmental offset area under the EPBC Act for associated developments depending on the species and communities impacted at the time.

Price Analysis
The property valuation received as part of the assessment of Bonshaw analysed sales evidence from recent sales of comparable properties within the ACT.

Conclusion
The LDA will conduct the necessary analysis of risk, due diligence and expected financial performance to enable the presentation of a business case to the Board at its next meeting. Meantime Management will continue its negotiations and deliberations as described below.

Recommendation

That the Board agrees:

1. The LDA proceed with negotiations with [redacted] for the possible acquisition of Bonshaw in the District of Jerrabomberra.

That the Board notes:

1. The purchase price parameter to be negotiated with [redacted] will be set at an upper limit of [redacted] excluding GST; and
2. Subject to the outcome of negotiations, LDA Management will present a business case to the April 2017 Board meeting for Board approval of the land acquisition.

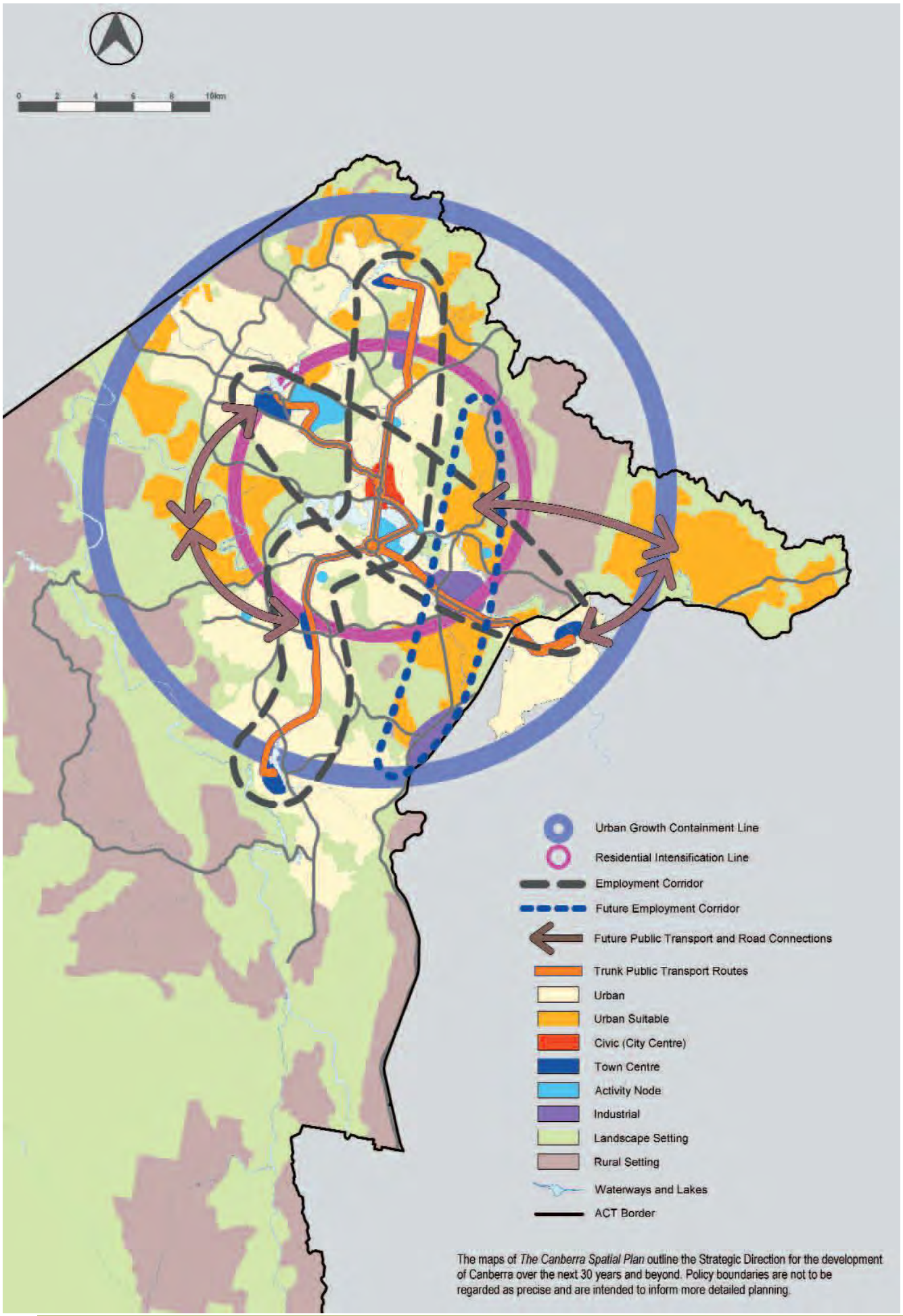
Tom Gordon
Executive Director – Greenfield
21 March 2017

Attachments:

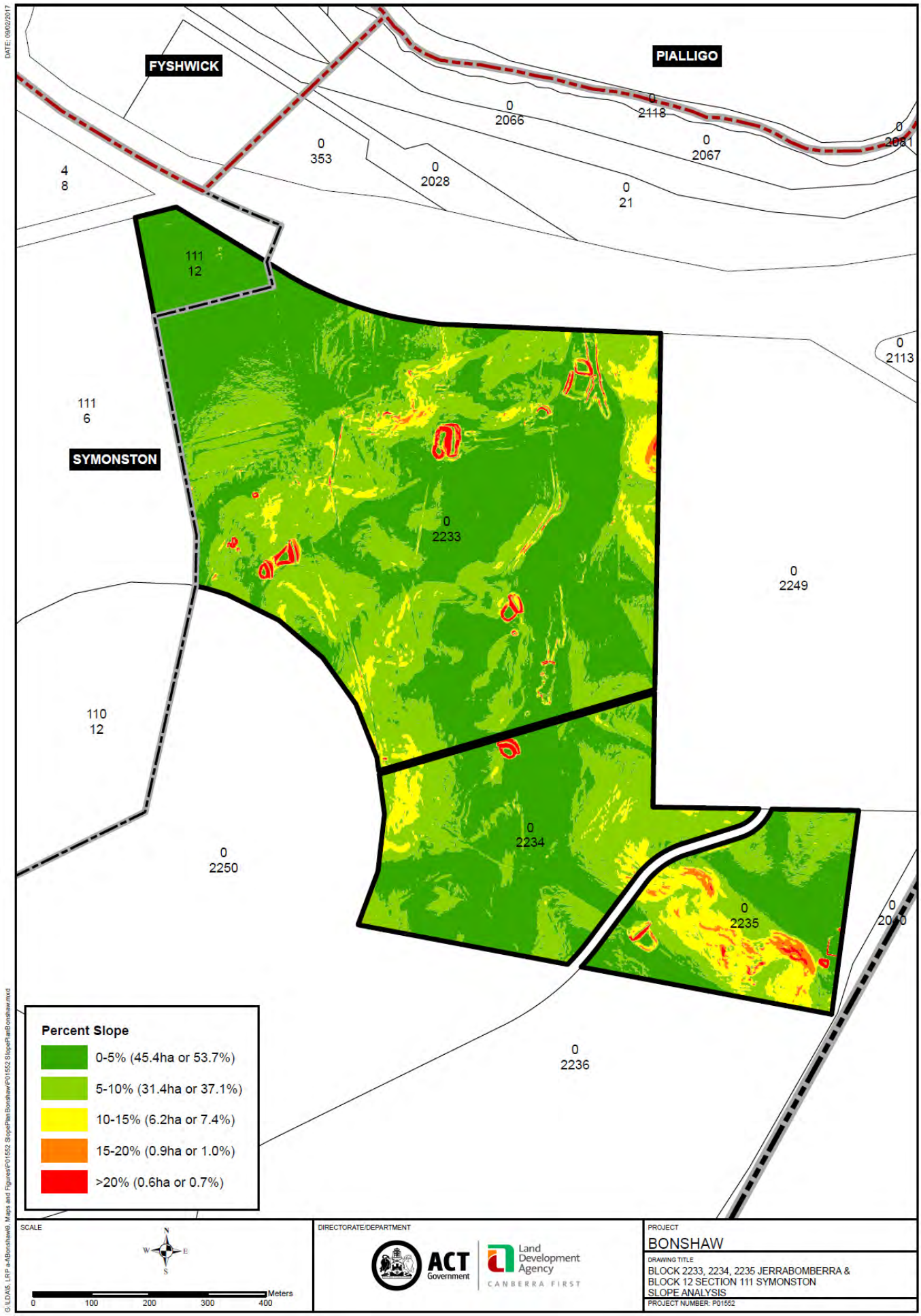
Attachment 1 - Proposed Land Acquisition
Attachment 2 - The Canberra Spatial Plan (2004) – Urban Suitable Land
Attachment 3 - Herron Todd White valuation
Attachment 4 - Knight Frank valuation

Attachment 1 – Proposed Land Acquisition

Attachment 2 – The Canberra Spatial Plan (2004) – Urban Suitable Land



Attachment 3 – Slope Plan



163.3.10 LAND ACQUISITION POLICY FRAMEWORK DIRECTION 2014 – COMPLIANCE REPORT

Land Development Agency
CANBERRA FIRST

Purpose

To update the Land Development Agency (LDA) Board on the LDA's compliance with the *Planning and Development (C) Direction 2014 (No 1), NI2014-264* (the Framework).

Background

At the 23 February 2017 LDA Board Meeting, the Board was advised of a number of matters regarding compliance with the Land Acquisition Policy Framework. Specifically:

- That pending a review of the Framework, staff were to ensure that all future acquisitions comply with the Framework for any land acquisition;
- Custodial responsibilities for land transferred from Transport Canberra and City Services to the LDA is not governed by the Framework;
- The ACT Government Solicitor has provided advice regarding the date that an acquisition is deemed to occur when counting towards the cumulative annual total, and the required approval processes to meet the conditions of the Framework; and
- The recommendations of the Auditor-General concerning the Framework and land acquisitions are being dealt with under the Governance Program.

Issues

The cumulative total of acquisitions in this financial year is the one single acquisition valued at $4.0 million for the former Wintergarden estate. This acquisition has been assessed against the Framework and has been approved by the Board and settled. A number of other acquisitions are currently under consideration and are being assessed against the Framework and will be brought to the Board for approval. We would also propose that briefing be provided to the Treasurer for any acquisitions above $5 million and that Cabinet be briefed on acquisitions above $10 million regardless of what year they are due to settle.

With the announcement of the formation of two new land development entities that will take effect from 1 July 2017, the existing Land Acquisition Policy Framework will be repealed at the end of this financial year. Discussions have commenced with relevant Directorate officials responsible for the establishement of the two new entities about the need for a new Land Acquisition Framework.

At the request of the Board, Economic Development has reviewed all acquisitions against the principles of the Framework and a total of 17 acquisitions are relevant. Of these, 7 were assessed at the time of approval against the Framework and are compliant, while the remaining 10 are currently being assessed. The list of these 10 acquisitions is at Attachment A and a paper on the findings will be provided to the Board at the March Meeting.

Recommendation:

That the Board:

1. notes the above information regarding compliance with the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*; and

2. notes that a paper on the assessment of select land acquisitions against the principles of the Framework will be tabled at the March Board meeting.

Neil Bulless
A/g Deputy Chief Executive Officer

23 March 2017

ATTACHMENT A

Acquisitions to be Assessed against the Principles of the LAPF

Details	2014-15 Total $'000	2015-16 Total $'000	2016-17 Total $'000
City B24 S65 (Glebe Park Pty Ltd)		3,801	
Kambah Six	820	2,610	
Acton B13 S33 (Bike Hire)		1,100	
Action B16 S33 (Boat Hire)		1,000	
Lot 2 Wallaroo Road, NSW (Parish of Weetangra)		950	
Dickson B25 S72		49	
Dickson B6 S72	3,755		
Belconnen B858	2,467		
Belconnen B859 – 138 Parkwood Road, Macgregor	832		
Pialligo B5 S12 (Majura Road IKEA slip)	470		

163.3.7. City to the Lake update

Land Development Agency
CANBERRA FIRST

Purpose

To update the LDA Board (Board) on progress on City to the Lake since the previous meeting.

Issues

Program Implementation Plan

The project team has produced a strategic over-arching Program Implementation Plan (PIP). The PIP seeks to encapsulate in a single document, for the first time, the origins and drivers of the City to the Lake program; its regulatory constraints; frameworks for risk management and stakeholder engagement; and governance.

The strategic planning substance of the PIP is articulated in Part Three: Program Delivery. Part Three details:

- project activity and achievements to date;
- what works need to be completed to further progress elements of the program and when;
- a logically sequenced master program that covers the entirety of the program out to 2040;
- financial modelling of capital expenditure and revenue cashflows across the entire program; and
- a particular focus on works required over the four year forward estimates to further progress the program, based on identified priorities and the resolution of land release constraints.

The PIP is a substantial document. It had been intended it would be tabled at this Board meeting, however, the plan was only scheduled to be reviewed by the Project Control Board (PCB) on 23 March 2017. This would not provide time for the PCB to meaningfully review and provide comment on the draft plan. Accordingly, it is proposed that the PIP will instead be tabled at the April Board meeting.

Land Release

The Light Rail Stage 2 route and resolution of a Parkes Way realignment solution is likely to heavily impact the potential for land release in the City Hill and West Basin precinct. Other possible sites are being investigated, however these are limited and also present constraints in relation to the redevelopment of adjacent road and services infrastructure.

A detailed review of all potential release sites as part of the PIP development has indicated that with the exception of the new office building location, land release in the City Hill and West Basin precinct is unlikely to occur before 2019-20.

While a few sites could potentially be released earlier, there may be abortive work and loss of value and/or uplift that would be achieved from the resolution of Parkes Way and Light Rail Stage 2.

Parkes Way

Following the announcement of the new land entities by the Chief Minister, discussions have been initiated by Transport Canberra and City Services (TCCS) to take over management of the

resolution of the Parkes Way realignment. This approach has some obvious synergies in the context of Light Rail Stage 2, noting though it would need to work closely with the new City Renewal Authority to ensure the broader vision for City to the Lake remains intact.

The LDA has advised TCCS that, in-principle, it has no concerns with this proposal, but given the role of City Renewal Authority, that this should be a decision of Government.

In the meantime, the LDA is continuing to work with the NCA and key stakeholders to develop the urban design framework to complement the engineering analysis and options development completed to date. Workshops are being organised over coming weeks to further progress this area of work.

Decommissioning of Westside

See agenda item 163.2.5 for information on Westside.

Construction of the Point Park boardwalk and detailed design of the parklands

Construction of the first stage of the West Basin waterfront, 150 metres of boardwalk from Commonwealth Avenue Bridge alongside the future Point Park, commenced in October 2016. Construction of the boardwalk is expected to be complete by late April 2017.

The detailed design of Point Park (landscaped parkland) is underway, with construction to start as soon as possible following receipt of NCA Works Approval. Completion is expected in late-2017.

Recommendation

That the Board **notes** the status of the City to the Lake program as outlined in this report.

Liz Lopa
Executive Director LDA Urban Renewal

21 March 2017

164.3.1 CHIEF EXECUTIVE OFFICER'S REPORT

Land Development Agency
CANBERRA FIRST

1. Matters of note

Finance report for the period ended 31 March 2017

For the year to date (YTD) 31 March 2017 the LDA achieved $244.8m in land sales revenue, which is $12.8m higher than the $232.0m year to date Statement of Intent (SOI). This represents 39% of the full year SOI.

- The full year land sales revenue forecast is $597.5m which is $32.3m below the SOI.
- The full year operating profit before tax forecast is $343.3m which is $41.5m higher than SOI. A detailed explanation is provided in the Finance report at agenda item 164.3.4.

High risk land revenue forecasts for 2016-17 have been assessed at $125.5m or 19.2%, comprising of:

- Throsby ($68.5m) due to low market demand for premium priced land;
- Taylor ($35.7m) due to a risk that construction will not be completed in time for settlement in 2016-17;
- the ARI Motor Vehicle Inspection Site ($17.9m) awaiting finalisation of tender assessment and negotiations with preferred tenderers; and
- Moncrieff ($3.4m) multi-unit settlement due to financial difficulties being experienced by the purchaser.

Land release summary

	Residential Dwellings	Mixed Use Area	Commercial Site Area	Industrial Site Area	Community Site Area
Released as at 11 April 2017	2,647	108,662m^2	5,225m^2	0	124,885m^2
ILRP 2016-17 Target	4,550	86,219m^2	12,811m^2	30,000m^2	131,404m^2
YTD Variance	-1,903	22,443m^2	-7,586m^2	-30,000m^2	-6,519m^2
Scheduled for released between 12 Apr 17 and 30 Jun 17	1,904	0m^2	0m^2	29,935m^2	1,996m^2
Variance Forecast	1	22,443 m^2	-7,586m^2	-68m^2	-4,523m^2

Establishment of new land structures

Between 3 and 12 April, the Transition Team facilitated 16 team-based consultation sessions with staff. These sessions followed individual and group meetings with Executives. Most of the staff consultations were attended by the Deputy CEO Mr Neil Bulless and/or the Head of the Transition Team Mr Andrew Kefford.

The consultations sought staff feedback in the following areas:

- Functions and Fit – exploring options for alignment of existing business functions across the new structure, including the identification of supporting staffing establishment
- Opportunities and challenges
- canvassing areas of effective business process in the current framework and options for integrating across the new structure, and
- identifying opportunities for systems, process or delivery improvements and associated challenges.

Key themes

Across the sessions, several common themes (beyond exploring how the new arrangements are to be constituted) emerged:

- continued adoption of a project management approach to the delivery of works by the Suburban Land Authority (SLA) and City Renewal Agency, and the interaction of these entities with the Land Development Stream of the Directorate, will be critical to the success of the new arrangements.
- relevance and connection of due diligence activities across the full life of development projects.
- business connectivity to capture and plan for whole of life project costs
- strategic planning and decision making
- design standards, asset acceptance and maintenance
- accountability of the boards and the relationship with the directorate and ministers – including the enhanced governance and oversight role to be fulfilled by the directorate
- managing internal collaboration in the new directorate, including preserving the independence of the planning and land authority
- preferred locations for corporate and governance related functions in the directorate as they relate specifically to the two delivery entities

EDP for Red Hill

The Estate Development Plan (EDP) development application, setting out the proposed subdivision of the Red Hill Precinct, was lodged with the Planning and Land Authority on 21 March 2017 and was publically notified on the Planning website on 27 March 2017. The public notification period for the community to submit representations has now been extended from 26 April 2017 to 5 May 2017, as a consequence of the number of public holidays during the notification period.

The relocation of the public housing tenants into their new properties is now completed. Housing ACT have employed a security company, which is providing random patrols 7 days a week and security fencing on the site has been established. Transfer of the site to the LDA will be undertaken once the equity transfer has been finalised. Engagement of a Demolition Contractor is expected in May 2017.

Westside decommissioning

Further to advice provided at the March 2017 meeting of the Board, a briefing has been prepared for the Minister setting out the options for decommissioning of the Westside village. The advice notes that the LDA Board has been briefed on this matter and considers a public EOI process would be an appropriate approach.

Update on Negotiations with CED

Since the last Board meeting, we have:

1. Engaged the ACT Government Solicitor (ACTGS) to prepare the formal Sales Contract. ACTGS and CED solicitors have touched base to discuss timing.
2. Finalised the sale contract attachments, being the Draft Development Deed, Deed of Variation for Denman Prospect Stage 1B, to cover all interface works between the development of DP1 and DP2. These have been forwarded to ACTGS.
3. We have requested that a separate GST deed be drawn by the ACTGS. This will be attached to the sales contract.
4. We have replied to CED in relation to their proposed Development Deed amendments as outline in their latest offer.
5. We have reiterated that all risk and cost assumptions of Deed works rests with them.
6. We have confirmed CED's position of affordable housing delivery as per there latest offer.

We expect to have the Contract and associated attachments issued to CED by no later than 5 May 2017.

The Link Building

The building was opened by the Minister for Arts and Community Events, Mr Gordon Ramsay MLA, on 8 April 2017. The building provides a sales and marketing facility for the project as well office space. The Link also offers community and gallery space and a cafe.

The opening of the Link coincided with the release of the first sales in the project with 80 blocks of land available as well as 17 Flexi-living house and land packages (as part of the affordable housing project). Buyers need to register by 21 April 2017 to go into a draw which will be conducted on 28 April 2017. At this stage over 500 registrations have been received for the land component, and over 200 registrations have been received for the Flexi-living product.

Illawarra Retirement Trust

As previously advised to the Board, due to human error, a tender application submitted by IRT for a site in Higgins was inadvertently missed and would have been the winning tenderer if included in the assessment. GSO has advised that [redacted] Four potential sites were discussed with IRT on the basis of a possible direct sale process. IRT identified a site in Greenway that would suit their purposes and a direct sale application was subsequently submitted. The matter was considered by Government on 19 April 2017 and the proposed direct sale was not approved.

IRT is seeking advice from Government on why the application was not agreed and whether there are other potential opportunities to secure a suitable site. IRT has also foreshadowed its intention to pursue compensation for costs it has incurred. [redacted]

2. Standing reports

Community Engagement

Canberra Brickworks

Minister for Urban Renewal Mick Gentleman MLA announced the preferred tenderer for the Canberra Brickworks Precinct, Doma Group, via media release on 11 April. This was a successful outcome for the LDA's community panel, a first for the ACT Government. Community engagement continued throughout the sale process and has ensured the development will reflect the expectations of the local and broader community.

The LDA is now in contractual negotiations with Doma to agree principles for project delivery and ongoing community engagement before statutory planning submissions and throughout project delivery.

Former Belconnen water police site (Block 23 Section 149)

Representatives from the LDA met with the Belconnen Arts Centre and Belconnen Community Council representatives on Wednesday 12 April to update them on the sales process for the site. The Expression of Interest process received two submissions, neither was successful.

The project team is now briefing the relevant LDA managers on options for the sale of this block.

Public Housing Renewal Taskforce

Earlier this month the Public Housing Renewal Taskforce held consultation sessions in Tuggeranong, Weston Creek and Woden to gather community feedback on six community facility-zoned sites proposed for public housing developments. Instead of 'town hall' style forums, the sessions offered people 20-minute time slots, booked online or via phone, to talk to Taskforce and Housing ACT representatives about the site(s) they are particularly interested in. Each site station featured a large indicative plan of the proposed development and a map showing the spread of replacement public housing sites throughout Canberra. Handouts about each site, including its proximity to services such as schools and shops, were also available.

Information provided at these sessions along with feedback forms are online at www.act.gov.au/housingrenewal.

The Weston Creek sites (in Chapman, Holder and Wright) attracted most community interest. At the three-hour consultation session on Saturday 8 April, each of the six stations - two for each site - accommodated six people, i.e. a total of 324 people could discuss the sites and provide feedback. Registrations totalled 237, and about 20 people dropped in without bookings and were accommodated.

The Taskforce is now analysing attendance numbers and feedback, and will provide a detailed briefing about the sessions, the key issues and proposed response to relevant Ministers. The response to issues will also be made available online before Development Applications are lodged.

Mingle/community development

Wright and Coombs

- The LDA partnered with resident volunteers to deliver an Easter egg hunt on 12 April 2017. Approximately 250 attended the event.
- The LDA has partnered with the ACT Government Parks and Conservation Team to deliver a series of Ranger-led walks. The first will be held on 19 April 2017 and covers the River Corridor area and Barrer Hill.
- The LDA is planning to host an event during National Volunteer Week in May to celebrate the contribution from so many local residents.
- A Community Information Night is scheduled for 11 May 2017 where guest speakers will be presenting on topics relating to the development of the region.
- Following the success of the 2016 'Molonglo Valley's Biggest Morning Tea', the LDA plans to deliver a similar event on 27 May 2017.

Bonner

- The LDA continues to work with the Bonner Resident Group and Communities@Work in the final transition stage of the program which is scheduled for completion by June 2017.

Moncrieff

- The LDA delivered a community event around the official opening of Moncrieff's first play space - Dawson Park, on 11 April 2017. Members of the two Dawson families attended and told stories to residents. Over 100 people attended the event.
- The LDA has partnered with the ACT Government ACTsmart team to deliver a workshop on 2 June 2017 called 'Heating your home without breaking the bank.'

Lawson

- The LDA is continuing to liaise with a local Lawson resident to deliver the Mingle program in Lawson. This will include a communications plan, social media, newsletter and a series of activities delivered prior to October 2017. The first will be a 'Pizza night on the hill' followed by some fitness-related activities. The first Lawson newsletter is also being prepared.

Throsby

- Following the success of a trial Actsmart Pre-Build workshop for Throsby purchasers the LDA will be funding the delivery of a second workshop on 2 May 2017.

Sponsorships/partnerships

The LDA has agreed to sponsor the upcoming Civil Contractors Federation Earth Awards to be held on 12 May 2017.

The 'Celebrate Gungahlin' Festival will be held on Saturday 29 April 2017. The LDA is a key sponsor and will facilitate an ACT Government information stand to provide the community with a range of updates.

The LDA recently submitted nominations in the Urban Development Institute of Australia (UDIA) Awards for Franklin (Masterplanned Community) and Northbourne Avenue (marketing). Winners will be announced in August 2017.

Digital Marketing

March 2017

The LDA website received 18,191 unique users across a total of 97,009 page views in the month of March. This represents a slight increase from February mostly attributed to the release of Taylor.

The most visited pages:

- LDA Home – 10,100 page views
- Suburban Residential – 7,100
- Taylor land for sale – 6,497 page views
- The LDA maintains 6 social media channels which all have in increased following this month:
- LDA page – 2,707 likes (up 21 this month) – the most viewed boosted post was for Westside Village with 3,873 people reached. A new reporting functionality was reviewed this month which showed that the Kingston Foreshore page had a total reach of over 162,000 people.
- Kingston Foreshore - 3,862 likes (up 25 this month)
- Molonglo Valley Mingle – 961 likes (up 17 this month)
- Bonner Mingle – 621 likes (up 1 this month)
- Moncrieff Mingle – 202 likes (up 18 this month)
- Westside Village – 6,490 likes (recently transferred from the event company)
- LDA Twitter – 561 followers (up 8 this month)

Single source procurements: March - April

There have been no single source procurements entered into since the March 2017 Board meeting.

Cabinet and Assembly

Questions on Notice

The LDA has received a significant number of Questions on Notice following both the Annual Report hearings and the March Legislative Assembly sittings. The questions are broad ranging, covering land acquisitions, staffing levels, community engagement, government contracting and public housing renewal.

Assembly Resolution – Dickson sites

On 29 March 2017, the Assembly passed a resolution requiring the release of information and response to questions about four blocks of land within Dickson. Blocks 6 and 25 Section 72 Dickson, and Block 30 (previously 20) Section 34 Dickson relate to a land swap negotiated between the Territory and the Canberra Tradesman's Union Club. Block 22 Section 72 Dickson is leased by the [redacted] and is subject to separate consideration.

[redacted] a range of papers related to the Dickson sites will be tabled in the Legisaltive Assembly, including valuations, briefings, leesses and details or authorisation, including consideration by the Board. For each of the sites, the transactions were authorised by me under the delegations and powers vested in the role of the CEO position. The responses also indicate that the Board was advised of the transactions 'for noting'. The transactions occurred prior to the introduction of the land acquisition framework.

Corporate update

An update of *Freedom of Information* requests, training delivered, and contractors and consultants engaged during the period March to April 2017 is attached to this report for the Board's information. This includes details of the finalisation of an FOI request received from [redacted] in which [redacted] sought access to certain valuations and LDA Board agendas and minutes.

3. Sales and marketing highlights

Residential Sales

Moncrieff

Block 2 Section 30 (Multi Unit site) has been terminated and will be re-sold via auction in April, to allow settlement to occur in 2016-17.

Throsby

Stage 1A,1B, 2A, 2B, 3A and 3B have received Operational Acceptance, with roads now opened to the public. Crown Leases (where applicable) have now been called to allow settlements to occur in 2016-17. An increasing number of extension and rescission requests are being received now settlement has been triggered and these are being responded to in accordance with the relevant polices.

An auction of 22 single residential blocks adjacent to the Hill Top Park and playground will be auctioned separately on 30 April 2017, at the same auction as similar product in Taylor.

65 single residential blocks are available for sale Over The Counter (OTC) currently available through Civium Property, Colliers and Luton Properties, with all blocks being actively marketed. The campaign will additionally rollout an onsite sales suite scheduled to be fitted out by the end of April and an advertising campaign to commence in May.

Taylor

The Taylor ballot resulted in the successful sale of all 126 blocks for a combined value of $40,361,000 (GST inc). 29 of the 34 blocks available with a Land Rent option were taken up under land rent $7,360,000) with all other blocks exchanging on Standard leases ($33,001,000).

An auction of 21 single residential blocks surrounded by landscaped open space will be autioned separately on 30 April 2017, at the same auction as similar product in Throsby.

The Taylor Superlot and Multi Unit Tender closed on 4 April 2017 and is currently being assessed.

Suburban Residential

254 blocks have sold of the 293 released to date since the sales program commenced in April 2016. The auction clearance rate is 61% while the overall sales rate is 72%.

The next campaigns are for

- 28 blocks to be sold at auction on 22 May 2017
- 37 blocks to be sold at auction on 23 May 2017
- 27 blocks to be sold at auction on 24 May 2017
- 22 blocks to be sold at auction on 25 May 2017.
- 39 blocks are available for sale over-the-counter. With 13 of these blocks currently under offer with exchange pending.

Commercial Sales

DPMH

Dame Patti Menzies House (DPMH) is located on Blocks 19 and 29 Section 32 Dickson a CZ2 Business zoned site of 3,517m2 site and was identified for sale under the Asset Recycling Initiative. The site was offered for sale by tender with a pre-commitment from the ACT Government to lease back the buildings for a minimum of 3 years with the option for two one year extensions. Tenders closed 2pm Thursday 23 March 2017 and are currently being assessed.

Aged Care

Two aged cares sites are being offered by tender closing 20 April 2017. Block 45 Section 100 Narrabundah has a total area of 37,442m2 and will be offered with a lease permitting the development of residential care accommodation and retirement village of not more than 100 independent living units or serviced units and Block 5 Section 52 Monash has a total area of 39,864m2 and will be offered with a lease permitting the development of residential care accommodation and retirement village of not more than 120 independent living units or serviced units.

Recommendation

That the Board notes the CEO's Report and Corporate update at Attachment A.

David Dawes
Chief Executive Officer

Attachment A – Corporate update

164.3.8 City to the Lake Strategic Outlook

Land Development Agency
CANBERRA FIRST

Purpose

To provide the Board with a copy of the City to the Lake Strategic Outlook (Attachment A).

Background

The City to the Lake Strategic Outlook encapsulates in a single document, for the first time, the origins and drivers of the City to the Lake program; its regulatory constraints; frameworks for risk management and stakeholder engagement; and its governance structure. The substance of the Strategic Outlook is articulated in Part Three: Program Delivery. Part Three details project activity and achievements to date; program financing; short term deliverables and the 2040 master program to achieve the City to the Lake vision.

The City to the Lake Project Control Board, consisting of Directors-General from the Economic Development; Environment, Planning and Sustainable Development; and Transport Canberra and City Services directorates and the Under Treasurer considered the Strategic Outlook on 22 March 2017 [redacted]

The City to the Lake Strategic Outlook is also proposed as an incoming brief for the City Renewal Authority. It proposes a forward work program that can aid the transition and allow the Authority to maintain momentum from day one.

Issues

Delivery of the City to the Lake program is constrained by a number of matters, most notably:

1. The ability to fund enabling infrastructure.

   The capacity of the program to deliver the complete City to the Lake vision relies on the realignment of Parkes Way.

   This is required to overcome the physical barrier that it presents between the city and the lake, and to contribute to West Basin being an accessible and attractive destination. It will also provide for improved east-west arterial traffic movements across the city; enabling the creation of a suitable site for a city stadium and unlocking substantial areas of developable land.

   A complicating factor is the road's joint ownership with the Commonwealth. The Commonwealth owns two thirds of the proposed length of reconstructed road. Thus agreement on the design solution and funding mechanism is required between the two governments.

   Subject to the Chief Minister's agreement, the planning and delivery of the Parkes Way realignment is expected to transfer to Transport Canberra in the very near future, given its strong interdependencies with Light Rail Stage Two.

2. The ability to generate revenue through land sales to assist in offsetting infrastructure costs.

   Land release within the program's boundaries is constrained primarily by the need to firstly realign Parkes Way, but also due to the impact of the future light rail routes and enabling road works. City land release is not anticipated to commence until 2019-20, at the earliest, with land release in West Basin at least a further five years away.

   Once resolved, however, these constraints will result in significant value uplift in the surrounding developable land.

The proposed forward works program has considered these constraints, along with other hurdles to development identified in the Strategic Outlook, and sets out a proposed course of action to resolve them in a sequentially logical manner to deliver against the program's vision.

Table 1 below provides a brief summary of the assumed delivery timeframes for the major elements of the City to the Lake program. These timeframes include design and approval, budget, procurement and construction processes.

In addition to the possible reliance on the Commonwealth to fund parts of the program, the Commonwealth, through the National Capital Authority is the regulatory planning body for much of the development under City to the Lake, as the land is classified as Designated Area under the National Capital Plan. Commonwealth approval is therefore required prior to any development commencing for most elements under the program.

Financial Implications

The estimated expenditure and revenue streams associated with the delivery of the City to the Lake master program to 2040 are presented at Attachment B.

Table 2 below provides a high level summary of this work. These figures are based solely on estimated capital expenditure and expected land sales revenue, and do not include associated recurrent costs or broader financial and economic impacts. The impacts of

alternative funding models, such as Public Private Partnerships, have also not been considered at this stage. Inflation has been accounted for.

- [redacted] The large infrastructure components that sit under the program would need to be supported by individual business cases that assess wider economic benefits, whole-of-life costs and alternate financing options.

As Table 2 illustrates, when viewed as a program of capital expenditure supported by land sales revenues, City to the Lake, in its totality, cannot be expected to deliver a financial return to the Territory.

Of the individual projects, the Australia Forum reference design represents the largest single item of capital expenditure. Given the Government's current position not to progress this project in the absence of a significant Commonwealth contribution to its construction, it is reasonable to exclude its capital cost from the estimated future cash flows, at which point the program starts to become revenue neutral.

A key question raised in the development of the Strategic Outlook is whether the broader city renewal agenda is intended to be revenue generating. Or, whether it is an urban renewal program that will generate some revenue, but also recognises and places importance on the broader social and economic benefits derived from certain investment decisions. A clear articulation of the program's objective in this regard is essential to guiding the further development and delivery of this program, [redacted]

Recommendations

That the Board note:

- the City to the Lake Strategic Outlook at Attachment A
- the supporting financial modelling at Attachment B
- the constraints facing city land release, as detailed in the Strategic Outlook
- city land release, originally programmed for 2017-18, is now not anticipated until 2019-20.

Nicholas Holt
Director, Urban Projects
14 April 2017

165.3.7 Governance Program Update

Purpose

To provide the Land Development Agency Board (the Board) with information regarding the progress of the Governance Program and seek advice on:

- The revised guideline for providing information to the Board; and
- The level of engagement the Board would like to have in the planning for phase two of the Program.

Background/Issues

Phase one of the Governance Program is currently on track to be completed by 30 June 2017. The chart at Attachment A outlines progress.

Key activities that have occurred in the last month include:

- **Planning for phase two of the Program**
  - Planning for phase two of the Program has commenced. The *McPhee Governance Framework Review* and *Business Process Review* recommendations that were prioritised for phases two and three are being reviewed in the context of the establishment the City Renewal Authority (CRA) and the Suburban Land Agency (SLA).
  - A report on phase one will be provided to the June Board meeting.
  - Advice is requested on the level of engagement the Board would like have in the planning for phase two of the Governance Program.

- **Valuations Policy and Standard Operating Procedure**
  - These have now been finalised and document the requirement for all LDA sourced valuation reports to be procured through the New Business, Valuations and Land Management Team and appropriately documented (Attachments B and C).

- **Guidelines for providing information to the Board**
  - Staff consultation has occurred and feedback provided by the Board at the March meeting has been incorporated into the revised draft at Attachment D. Changes include clarification of the importance of the Board being provided with comprehensive information to support decision making, and the addition of information regarding the role of the Chief Executive Officer.

- **Guidelines for staff on compulsory acquisitions**
  - A guideline for staff has been developed and advice on the draft is now being sought from the ACT Government Solicitor prior to finalisation.

- **LDA's market position – website information**
  - The Governance and Quality Assurance Team is working with Sales and Marketing to prepare information for the public outlining the market based approach to engaging agents and contractors. This information will be transferrable to the SLA and CRA websites.

- **Communication with staff**
  - Governance champions have been identified and meetings have taken place to discuss the role and to seek feedback as to how the Governance and Quality Assurance Team can support improved governance practices across LDA and the broader Land Development Division.
  - Members of the Governance and Quality Assurance Team are attending team meetings within business areas to promote the Governance Program and improved governance practices.
  - The Governance Program Bulletin continues to regularly update staff on new policies, procedures and processes.

- **Governance Executive Committee**
  - The Governance Executive Committee has continued to meet and monitor the Program and endorse operational policies and procedures as they are finalised.

Recommendation

That the Board:

1. Notes the information in this report
2. Provides advice on the revised Guideline for providing information to the LDA Board
3. Indicates the level of engagement it would like have in the planning for phase two of the Governance Program.

Neil Bulless
A/Chief Executive Officer

18 May 2017

Attachments: A – Governance Program Actions Progress
B – Valuations Policy
C – Valuations Standard Operating Procedure
D – Draft Guidelines on Providing Information to the Board

PHASE 1 - ACTIONS PROGRESS - *as at 10 May 2017*

Item	Recommendation	November	December	January				Februrary				March				April				May					June			
				9	16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26
1	**GR-02 -** Establish a governance function/resource																											
2	**AR-01** - Purpose of Land Acquisitions																											
	AR-02/BPR-19(d) - Valuations for Land Acquisitions																											
	AR-03 - Information for the Land Development Board																											
	AR-04 - Compulsory Land Acquisitions																											
	AR-05 - Documentation of Acquisitions																											
	AR-06 - Clarification of the Application of the Land Acquisition Policy Framework																											
3	**AR-07** - Procurement and Contracting (Ex-employees)																											
4	**BPR-01** - Establish Governance Committee																											
5	**BPR-02 + GR-04** - Legal advice protocols and practices																											
6	**BPR-03** - Instrument of Delegation under the *Planning and Development Act 2007*																											
7	**BPR-17** - Review and update the Direct Sales charging/costing policy																											
8	**BPR-19(a) and (b)** - Establish valuations policy and procedures																											
	BPR-19(c) - Integration of valuation data into Pipeline																											
9	**BRP -04** - Develop guidelines to clarify staff responsibilities and commitments to the LDA Board																											
10	**BPR - 20** - Sales and Marketing - Promote the LDA's market position and reputation																											

AR	ACT Audit-General's Report *Certain Land Development Agency Acquisitions, No 7 of 2016*
GR	Ian McPhee Report, *Economic Development Governance Framework Review*
BPR	Land Development Division, *Business Process Review Report*

KEY			
CMTEDD Initial Project Work		Awaiting Commencement	
Completed		Project Active	

Stages	Program Development	Implementation Plans Developed	Research/Analysis	Consultation	Preparation of Policies, Procedures and Instructions	Consultation	Finalise Action/Policies/Procedures/Instructions	Update Program Tracking Calendars	Documents to Governance Committee for Decision	Development of Training Material/Staff Training	LDA Board Notification	Publication of Policy, Procedures and Instrument	Handover to Custodian and Plan Closed
Overview stages	Project scoping and design		Drafting and consultations				Finalisation and approval			Implementation and notification			

LDA 0--/2017 – SMPM

Version: 1:00

VALUATIONS

POLICY

Version Approved By:

Neil Bulless
Chair Governance Executive Committee
May 2017

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

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1.0 Purpose

The purpose of this Policy is to outline the requirements for obtaining valuations related to land transactions.

2.0 Scope

This policy applies to Land Development Division (LDD) and Land Development Agency (LDA) staff seeking valuations for land transactions on behalf of the LDD and LDA.

Out of scope of this policy are:

a. Valuations conducted by the Public Housing Renewal Taskforce under the *Public Housing Renewal – Strategic Purchases Valuations Policy* endorsed by the PHRT Steering Committee.

3.0 Roles and Responsibilities

The roles and responsibilities for this policy apply as follows:

Position/Section/Branch	*Role*	*Responsibility*
Governance Executive Committee	Document Approver	Approving authority
Executive Director, Sales Marketing and Property Management	Document Sponsor	Responsible for authorising policy position and intent
Manager Governance Section	Document Custodian	Responsible for drafting, amending policy and training
Manager Governance Section	Register Custodian	Responsible for issuing reference number, registering, and publishing policy
All teams (except PHRT):	Stakeholders	Responsible for complying with this Policy

4.0 Applicable Legislation

This policy is consistent with the provisions of the following legislation:

a. *Financial Management Act 1996*;

b. *Government Procurement Act 2001*;

c. *Government Procurement Regulation 2007*;

d. *Lands Acquisition Act 1994*;

e. *Planning and Development Act 2007*;

f. *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*; and

g. *Territory Records Act 2002*.

5.0 Associated Policies and Procedures

a. Standard Operating Procedure – Valuations;

b. CMTEDD Procurement of Goods and Services and Works;

c. CMTEDD Records Management Policy;

d. Memorandum of Understanding Land Development Agency Pty Limited and Transport Canberra and City Services Directorate (previously Territory and Municipal Services Directorate);

e. Australian and New Zealand Valuation and Property Standards; and

f. International Valuation Standards (IVS).

6.0 Policy and Principles

Valuations conducted by the LDD and LDA will be procured through the New Business, Valuations and Land Management (NBVLM) Team.

All valuations used to inform land transactions (including those procured by a third party) will be:

a. based on considered and appropriate written instructions;

b. obtained through a professionally accredited valuer;

c. consistent with current *Australian and New Zealand Valuation and Property Standards;*

d. filed in accordance with the *Territory Records Act 2002;* and

e. be current at the time they are used to inform pricing recommendations.

Valuation reports are valid for a period not exceeding 90 days or three (3) calendar months, unless a lesser period is specified in the report. This time commences from the date the report is signed, not when received.

6.1 Number of valuations required

The type of land transaction undertaken determines the number of valuations required. The minimum requirements are:

Transaction Type	*Minimum Requirement*
Land acquisitions	1
Land transfers between Commonwealth Government and Land Development Agency	1
Feasibility and due diligence expenditure	1
Establishing a reserve price for land sales	2
Land transfers within ACT Government	As required by MOUs

The LDA Board and LDA and LDD management reserve the right to seek additional valuations if deemed necessary.

7.0 Date for Review

A preliminary review is to be completed six (6) months following implementation. Subsequent reviews are to be conducted annually

8.0 Version and Amendment History Table

Version	Date Approved	Approved By	Amendments
1.00	01/05/2017	Governance Executive Committee	Initial Policy

LDA 00-/2017 – SMPM

Version: 1:00

STANDARD OPERATING PROCEDURE (SOP) – VALUATIONS

Version Approved By:

Neil Bulless
Chair Governance Executive Committee
May 2017

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

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Attachment A – Flow Chart

Attachment B – *Request for Valuation* Form

1.0 Purpose

This Procedure provides the process and templates for requesting valuations from the New Business, Valuations and Land Management (NBVLM) Team in accordance with the LDA Valuations Policy.

2.0 Scope

This Procedure applies to Land Development Division (LDD) and Land Development Agency (LDA) staff seeking valuations for land transactions on behalf of LDD and LDA.

Public Housing Renewal Taskforce (PHRT), Economic Development is out of scope of this procedure.

3.0 Roles and Responsibilities

Position/Section/Branch	Role	Responsibility
Governance Executive Committee	Document Approver	Approving authority
Executive Director, Sales Marketing and Property Management (SMPM)	Document Sponsor	Responsible for managing the New Business, Valuations and Land Management Team and authorising procedure process and intent
Manager Governance Section	Document Custodian	Responsible for drafting, amending procedure and training
Manager Governance Section	Register Custodian	Responsible for issuing reference number, registering, and publishing procedure
All LDD and LDA teams (except PHRT)	Stakeholders	Responsible for complying with this Procedure

4.0 Applicable Legislation

This policy is consistent with the following legislation:

- *Financial Management Act 1996;*
- *Government Procurement Act 2001;*
- *Government Procurement Regulation 2007;*
- *Lands Acquisition Act 1994;*
- *Planning and Development Act 2007;*
- *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1);* and
- *Territory Records Act 2002*.

5.0 Associated Policies and Procedures

The following apply to this SOP:

- Australian and New Zealand Valuation and Property Standards;
- Land Development Agency Valuations Policy;
- CMTEDD Records Management Policy;

- CMTEDD Procurement of Goods Services and Works; and
- Staff Instruction 003/2017 Documentation for all Acquisitions – Requirement to Comply.

6.0 Procedure Description and Tasks

The tasks associated with each stage of the valuation process are described below:

6.1 Request for Valuation by Business area

Business area will:

- define requirements – purpose and type of valuation required
- liaise with New Business, Valuations and Land Management (NBVLM) team for guidance on valuation requirements
- complete the *Request for Valuation* form (Attachment B), detailing:
    - all requirements, including information relevant to the valuation, such as environmental or heritage assessment reports; any known problem that might affect sale; or planning reports; and
    - key terms and conditions of a transaction (and any variations that may need to be considered).
- ensure *Request for Valuation* form is signed by the responsible Senior Executive
- send signed *Request for Valuation* form with all supporting documents to NBVLM team via email, with cc to responsible Senior Executive.

Note: The New Business, Valuations and Land Management team require **at least 4 weeks' notice** to procure a valuation. If the work is urgent, highlight timeframe within request.

6.2 New Business, Valuations and Land Management Team Processing Valuation Requests and Procurement

NBVLM Team will:

- acknowledge receipt of request for valuation within 24 hours
- review request and work with the business area if further information required
- order an official file for the transaction and attach the appropriate checklist
- issue a request for quotation through the Territory Valuation Service Scheme (VSS)
- issue identical instructions if more than one supplier
- correspond with suppliers through the Panel Management Portal (PMP)
- ensure equitable opportunity for providers to tender for services.

6.3 Engage Valuers

NBVLM Team will:

- work with requesting business area to evaluate quotations
- engage selected valuers
- organise valuation briefing meeting (if required) with selected valuers, business area and valuations team to clarify instructions
- monitor distribution of work to valuers to ensure procedural fairness.

Note: If the contract exceeds $25,000, complete a Contracts Register Notification template.

6.4 Review and Communication of Valuation Report(s)

When valuation report(s) received, NBVLM Team will:

- quality assure against instructions for consistency and accuracy
- confirm it meets current Australian and New Zealand Valuation and Property Standards.

If more than one valuation report received, NBVLM will compare amounts proposed to identify if a variance over 10%.

- To assess variance - divide the dollar difference between the two figures supplied by the lower of the two figures.

If variance is over 10%, NBVLM Team will:

- liaise with valuers (as required) to determine and resolve reasons for the variance
- if unable to resolve variance, seek a third valuation or appoint an Associate of the Australian Property Institute with five or more years of experience in the relevant field to complete a peer review or determine a recommended value
- if seeking a third valuation, provide the same instructions as those supplied to initial valuers.

Where NBVLM has procured valuations for land sales, they will:

- assess report(s) to determine recommended price
- complete required Minute template to seek approval from LDA CEO.

Where NBVLM has procured a valuation for other land transactions, they will:

- email quality assured valuation report(s) with recommendation to business area
- send valuation reports to Finance Team.

6.5 Closure

To close a valuation request:

- complete file checklist to make sure all documents related to the valuation request are recorded in the registered file
- ensure relevant documentation has been sent to requesting business area
- close file.

7.0 Record Keeping

Evidence of the process and decision making must be evident for all valuations undertaken. The following documents must be kept by NBVLM Team in an official file in accordance with *Territory Records Act 2002*:

- signed Request for Valuation form
- requests for quotation
- quotations received for valuation service
- signed Evaluation Plan, as appropriate
- valuation report(s)
- emails, correspondence, meeting minutes or documentation of discussions with valuers regarding quotations or valuation report(s)

- completed Recommendation for Acquisition Price
- signed Minutes and documents supporting pricing recommendations
- invoices received.

Official files maintained by the requesting business area must comply with Staff Instruction 003/2017 Documentation for all Acquisitions – Requirement to Comply.

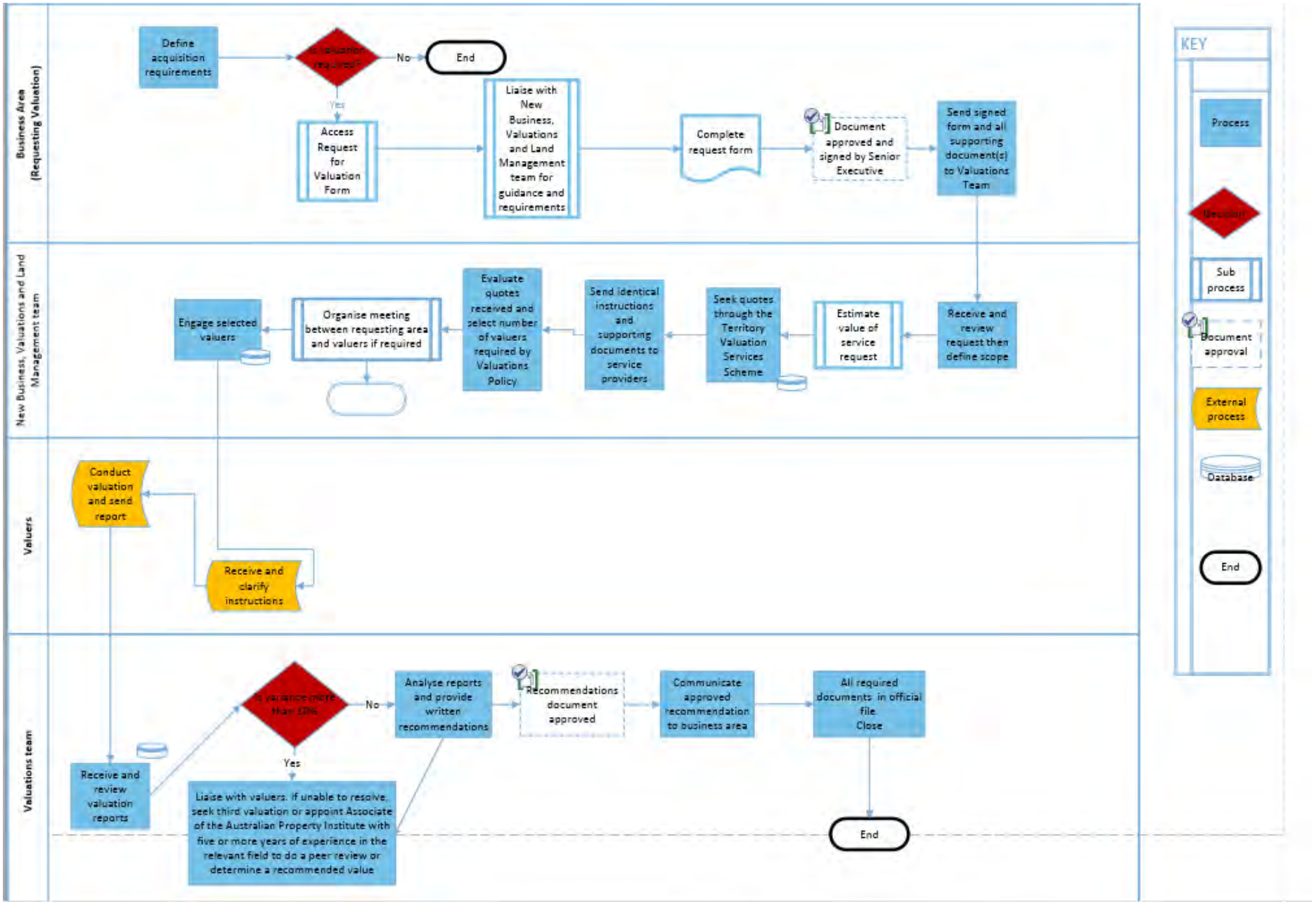
8.0 Date for Review

A preliminary review is to be completed six (6) months following implementation. Subsequent reviews are to be conducted annually.

9.0 Version and Amendment History Table

Version	Date Approved	Approved By	Amendments
1.00		Governance Executive Committee	Initial Procedure

Attachment A – Centralised Valuations Process



Request for Valuation

This form must be completed by the requesting business area and sent to the LDA New Business, Valuations and Land Management team for all requests.

Requesting Business Unit Details		
Requesting Business area		
Contact person/s	Name:	
	Position:	
	Email:	
	Telephone:	
	Property inspection contact:	
Property Information		
Address, Block, Section:		
Basis of valuation:		
Current use of property:		
Proposed use for property (for example – community facility, land banking, development of units, etc.):		
Proposed means of acquisition, market based/negotiation/acquisition under *Lands Acquisition Act, 1994*:		
Current Ownership details:		
Current Zoning information:		
Copy of Crown Lease:		
Survey plan attached Y/N:		
Timing of proposed acquisition (if known):		
Other matters which are relevant to the valuation including due diligence report, feasibility studies, or matters that may affect purchase price, etc. (Attach copies of relevant documents and reports.)		
Date valuation required by:		
Authorisation		
Authorising officer:		
Position : Executive Director/Director		
Date:		

Guideline for providing information to the LDA Governing Board

Purpose

This document assists staff in providing information to the Land Development Agency Governing Board (the Board).

Good governance is achieved when all parties understand the role, function and scope of the Board and the Board receives timely, accurate and reliable information that enables sound and ethical decision-making.

Scope and application

This guideline applies to all permanent or temporary public sector employees, including Chief Executive Officers and senior staff covered by the *Public Sector Management Act 1994* (PSM Act).

Role of the Land Development Agency

The Land Development Agency (LDA) is a Territory Authority operating under the *Planning and Development Act 2007.* Its mission is to contribute positively to the economic and social development of the ACT; deliver land release programs and high quality urban development; and provide agreed returns to the Territory on its investment in the LDA.

Role of the LDA Governing Board

The role of the Board is to provide efficient and effective financial management of the LDA. Under Section 77 of the *Financial Management Act 1996,* the LDA Board's functions are to:

- set the LDA's policies and strategies;
- govern the LDA consistent with the Authority's establishing Act and other relevant legislation;
- ensure, as far as practicable, that the LDA operates in a proper, effective and efficient way; and
- ensure, as far as practicable, that the LDA complies with applicable governmental policies.

For the Board to perform its functions and meet its key objectives, Board members require reliable information that promotes appropriate action. When seeking information, the Board will:

- be clear about the purpose of the information or request;
- ensure that the request sits within the scope of the Board's role;
- consider the request in the context of the ACT Government Public Service Code of Conduct 2012 and any relevant legislation or policies; and
- consider and declare potential or actual conflicts of interests.

Role of Chief Executive Officer

Under Section 84 of the *Financial Management Act 1996,* the CEO of a Territory Authority with a Governing Board has the following functions:

- ensuring, as far as practicable, that the Authority's statement of intent is implemented effectively and efficiently;

- managing the day-to-day operations of the Authority in accordance with—
    - applicable governmental policies (if any); and
    - the policies of the Authority set by the Board; and
    - each legal requirement that applies to the Authority;
- regularly advising the Board about the operation and financial performance of the Authority; and
- immediately advising the Board about significant events.

The CEO is a Board member and ensures that directives or pertinent information from the Board is reported back to relevant staff in an appropriate and timely manner.

Role of LDA staff

LDA staff, under the direction of the CEO, need to provide Board members clear, timely, accurate and relevant information. Decisions on land transactions of a strategic or complex nature are of particular interest to the community and information which influences these decisions needs to be ethical, well considered and transparent.

To facilitate this, LDA staff will:

- work in accordance with the ACT Public Service Code of Conduct 2012 and all relevant legislation and government policies;
- focus on the principles of openness, transparency, integrity, engagement and accountability; and
- consider and declare potential and actual conflicts of interest.

In providing comprehensive information to the Board, staff will:

- consider the role of the Board in relation to their work or project;
- provide all information necessary to support informed, ethical and timely decisions;
- ensure information supplied is reliable and verifiable;
- seek approval from the CEO or responsible Senior Executive prior to submitting; and
- ensure information provided to the Board is supported by thorough records management practices.

Related legislation and policies

Financial Management Act 1996

Lands Acquisition Act 1994

Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1), N12014-264

Planning and Development Act 2007

Public Interest Disclosure Act 2012

Public Sector Management Act 1994

ACT Public Service Code of Conduct 2012

Territory Records Act 2002

167.3.1 ACTING CHIEF EXECUTIVE OFFICER'S REPORT

Land Development Agency
CANBERRA FIRST

1. Matters of note

Board appointments – City Renewal Authority and Suburban Land Agency

On Wednesday 21 June 2017 the Chief Minister announced the membership and chairs of both Boards. Dr Michael Easson AM will chair the City Renewal Authority, while John Fitzgerald will chair the Suburban Land Agency Board. The attached press clipping (Attachment A) provides the detail on other Board appointments, including the deputy chairs.

The Director-General and I will be working closely with the Board Chairs over the coming weeks to ensure that the Boards are supported to enable the continuation of business operations and delivery while we transition to the new arrangements.

Transition to new entities

LDA secured the services of Protiviti earlier this month to assist with the identification, planning and allocation of transition related tasks required to support the new entities. Whilst the management of transition rests with the Directorate, Protiviti's input has been crucial to shoring up the identification of tasks critical to a smooth transition, and the achievement of legislative compliance, on 1 July 2017.

The roles of CEO of both entities were advertised on 19 May 2017, with a closing date of 7 June 2017. *Budget 2017-18*

The ACT Budget 2017-18 was handed down by the Chief Minister and Treasurer on 6 June 2017. Key funding aspects of the new entities for 2017-18 are as follows:

City Renewal Authority

Appropriation	$4.8 mill.
Capital	$9.5 mill.
Staffing	20 FTE

Suburban Land Agency

Income	$592 mill.
Expenses	$250 mill.
Approved dividend	$243 mill.
Equity at 30/6/18	$99 mill.
Staffing:	77 FTE

Budget Estimates are taking place during the period 16 – 30 June 2017, with the land related hearings to occur on 26 June 2017.

Denman Prospect 2 – sale to CED

Further to the Board's decision on 20 June 2017, and having received confirmation from the valuers as to the currency of the valuations, exchange is expected to occur on 23 June 2017.

Finance report for the period ended 31 May 2017

As at 31 May 2017, the LDA achieved $394.8 million in land sales revenue year to date (YTD), which is $81.7 million lower than the $476.4 million YTD Statement of Intent (SOI). This represents 63% of the full year SOI. The full year land sales revenue forecast is $560.1 million which is $69.7 million below the SOI. A detailed explanation is provided in the Finance report at Agenda item 167.3.2.

$41.7 million or 7% of the land revenue forecast (excluding slippage) has been assessed as high risk. This is due to the potential for settlements in *Throsby* scheduled in June being deferred to 2017-18.

Potential legal action

[redacted]

Compliance with the Land Acquisition Policy Framework – action arising

An internal review of the identified acquisitions has confirmed that all rural acquisitions were tested against the framework, and the Board notified appropriately. The three urban land acquisitions in question were found to be outside of the framework, as identified by the Auditor-General in 2016. As the Board is aware, a degree of uncertainty existed at the time about the distinction between capital, project and strategic land acquisitions, and the extent to which the policy framework applied. I am confident that new policy guidelines issued to the newly created entities will deliver certainty around the process for future land acquisitions.

2. Urban update

City to the Lake program update June 2017

The decommissioning of *Westside* is underway, with funding agreed by the Board in May 2017. The site is expected to be clear for car parking use in time for Floriade 2017. The top podium and two containers will be relocated to Stromlo Forest Park. The remaining Territory-owned containers will be reused within government. With the exception of the two containers holding up the vertical structure, all privately owned assets have been removed from site.

The *2017-18 Indicative Land Release Program* includes the release of 350 dwellings in the city in 2019-20 and a further 350 dwellings in 2020-21. Due diligence work is underway to support the releases, although a number of constraints, such as the Parkes Way and Light Rail stage 2 designs, will need to be resolved beforehand. Back-up sites have been identified.

The Parkes Way realignment project has now fully transferred to the Transport Canberra and City Services Directorate. Cabinet agreed to new joint governance arrangements (the Light Rail and Parkes Way Project Board) in mid-June 2017 to oversee the projects to business case stage. The business cases are expected to be presented to Cabinet in December 2017.

Construction of the first 150 metres of the West Basin boardwalk is complete and construction has commenced on the adjoining parkland. Both will be opened to the public in early 2018.

The 2017-18 Budget provided a further $37.4 million over three years to fund construction of the next stage of the waterfront (completion of the boardwalk, lake wall and lake reclamation works). Construction is due to commence in early 2018.

City to the Lake Project dashboard reports are included at Attachment B for the Board's information.

Greenway East

Release 2016-17

Public notification for the EDP DA commenced 10 April 2017 and closed 17 May 2017. The project will release 179 dwellings and potentially a 30 dwelling site to the Public Housing Renewal Taskforce. The project team are addressing the comments received from the DA process.

Settlement – 2017-18 - $10.469m

Greenway East is projected to provide revenue of $10,469,000 that will settle in early 2018 for the 179 dwellings.

Comments

The DA has closed. Public and internal representations have been sent to LDA. Responses have been drafted and a meeting with pedal power has occurred on site to resolve

outstanding issues. To allow the efficient delivery of the estate works the tender for the construction has been advertised, closed and evaluated. The evaluation will be provided to the delegate by end June 2017. Following DA and Detailed design approval the construction is expected to commence early in the 3rd quarter of 2017 and be complete by early 2018.

The area subject to EPBC referral has been excluded from the current DA to expedite the approval process to allow release of the sites as per the Indicative Land Release Program. It is increasingly likely that development of the EPBC block for 76 dwellings will face substantial objection.

Canberra Brickworks Precinct

Release – 2017-18

The site is included in the Indicative Land Release Program for release in 2016-17 and settlement is scheduled in the Statement of Intent (SOI) in 2017-18.

Settlement – 2019-20 - $6.7m (to be revised once sold)

Settlement is scheduled to occur on or before January 2019 after approval of the successful proponent's Estate Development Plan. Current estimated revenue is $6.7 million for financial reporting purposes and until negotiations conclude and a contract for sale is awarded.

Comments

To ensure the project is delivered as per the tender submission, negotiations with the preferred tenderer have continued over April and May 2017 and exchange is currently forecast for June 2017. Settlement is to occur once the proponent obtains approval of their EDP and executes the Deed of Agreement. A delay to EDP approval would delay settlement.

The LDA and ACT Property Group are seeking legal advice to address a potential risk to occupants refusing to vacate the site by 30 October 2017. Currently, Thor's Hammer, the largest of the tenants, is attempting to relocate his business and is exploring a number of options.

Kingston Foreshore – Kingston Arts precinct

The tender to identify a preferred developer for the Kingston Arts Precinct has been completed and a Media Release was issued in early February 2017. The project team has entered post-tender negotiations which are expected to take between 3-6 months to complete.

Geocon has presented a revised proposal including several funding options for LDA consideration.

A decision paper has been prepared for Government consideration, expected on 18 July 2017. Subject to Government approval the land sale will occur through the finalisation of contractual documents.

Site 14 Settlement

Settlement occurred on 14 June for $21,650,000 for site 14 – Block 2 Section 67 Kingston Foreshore.

Urban Release Program

ILRP Updates

Section 149 Belconnen (Former Water Police Site)

Release – 2017-2018

The site was included in the ILRP for release in 2016-17. The release has been delayed following no successful EOI proponents being assessed for the RFT stage. The site is now listed in the ILRP for release in 2017-18.

A reconsidered release strategy includes the delay of the site until the updated Belconnen Master Plan takes interim effect.

Settlement – 2017-18 - $390k

Settlement is forecast for 2017-18 financial year.

Comments

The building has been demolished and the site is largely under consolidation.

Following approval from the Executive Director, Sales, Marketing and Property Management, the site will now be released after the new Belconnen Master Plan takes effect which is likely to occur in 2018.

Narrabundah Aged Care - Block 45 Section 100

Settlement 2016-17 - $10.8m

Forecast to settle on 27 June 2017.

Forrest Block 13 Section 13

Settlement 2016-17 - $20.1m

Settlement has occurred.

Currong Demolition – Section 52 Braddon

All works have been completed and Settlement has been obtained.

3. Greenfield update

North (Gungahlin)

Gungahlin Town Centre

The Gungahlin Town Centre civil works was tendered on 25 May 2017 and closes on 20 June 2017. The contract is expected to be awarded in mid to late July 2017. An Industry briefing was held on 7 June 2017 outlining the scope of works and highlighting the complexity of the project e.g. three design consultancies responsible for the works, coordination with contractors working on adjacent/nearby projects (Light Rail, Capital Works and bus interchange works).

Throsby

A number of purchasers have commenced construction on their dwellings in Throsby. It is possible that people will be moving into Throsby by the end of the year.

Construction on the remaining stage, 2C, is progressing well, as is the landscaping for all stages. ACT Parks and Conservation Service has commenced the construction of the Woodlands Trust Sanctuary Fence along the northern boundary of the estate.

Taylor

Blocks are expected to be settlement ready in Stage 1A by the end of July 2018 and by the end of August in 1B. The next sales event is proposed to be a public ballot of single residential blocks in November 2017.

South (Molonglo)

North Wright

The Estate Development Plan has been endorsed and the Development Application has been lodged. Civil detailed design package has been lodged with TCCS, with Landscaping detailed design to be lodged in mid June 2017. North Wright tender is planned to be advertised August 2017.

North Coombs

The Estate Development Plan has been endorsed and the Development Application (DA) has been lodged. Civil and landscape detailed design packages has been lodged with TCCS. North Coombs tender was advertised on 8 June 2017.

Whitlam

The Whitlam Business Plan was approved by the LDA Board at its May 2017 meeting, subject to some minor amendments which are currently being incorporated.

The consultants, Spacelab and Calibre, continue to progress the master plan. At a workshop on 8 June the consultants presented the initial street layout to a large group of ACT

Government agency stakeholders. The Concept Master plan is programmed for completion in late June 2017.

The timing and funding of major supporting infrastructure work is a critical issue for developing Whitlam. In particular, the construction of Deep Creek ponds, relocation of high voltage powerlines and the treatment of sewer odours coming from the Molonglo Valley Interceptor Sewer all need to be resolved in a timely manner to prevent an impact on Whitlam development. LDA is working closely with Procurement and Capital Works to advance these issues.

Development Ready Estates

Molonglo Valley Stage 3 - other studies

A preliminary Master Plan for Whitlam is complete. This suburb will yield around 2,500 dwelling sites starting with the first release of 500 dwellings in 2018-19. The Published ILRP is showing a further release of 600 dwellings in 2019-20 and 500 dwellings in 2020-21.

EPSDD is preparing the Planning Design Framework (PDF). At the same time, EPSDD is undertaking further traffic modelling for the traffic network which is not expected to provide significant changes to current planning.

EPSDD has decided to complete the PDF for Molonglo 3 in stages. The first stage will be a small portion of the PDF covering only the proposed capital works for John Gorton Drive (first 900m) and the intersection with William Hovell Drive. The remainder of the PDF is unlikely to be completed until mid 2017 when the whole PDF will go to public consultation.

As a requirement of the NES Plan, no work can commence in Molonglo Stage 3 until the PDF is approved.

The LDA is engaging a consultant to produce a streetscape guideline policy document that will use Whitlam as a case study to help in the implementation of infrastructure that does not comply with existing standards and guidelines.

Majura West and Pialligo South

Contamination investigations have been completed to properly understand the extent of leachate from fill sites located near by the Molonglo River.

The Site Auditor has received the report and provided comment. The Office of the Coordinator General is reviewing the report and it is anticipated that further discussions will take place with the Auditor and the EPA, especially in relation to possible land use changes.

Action with the Commonwealth relating to National Land is continuing and the above work is part of the due diligence to aid those discussions.

Williamsdale Blocks 1405, 1470 and 1471

The Contamination consultant has responded to the Auditor's comments on the Phase 2 investigations and Groundwater Management Plan for the Petrol Station Site in Williamsdale. This has been sent back to the Auditor to prepare a Site Audit Report (SAR) for EPA endorsement.

North Weston

A new Auditor has been commissioned to finalise the Section B Audit (interim audit status report) for North Weston, part Block 3 Section 124 (formerly part Block 3, Section 124). A limited Sampling Analysis Quality Plan (SAQP) will be undertaken prior to preparation of a Site Management Plan. Once these are finalised, the Site Audit report can be submitted to EPA allowing for finalisation of the North West Ponds Audit.

Land Management

The development of a management plan is underway in conjunction with Parks and Conservation to increase potential offset values for the Bonshaw offset site.

The Land Management Agreement has begun for Huntly and Lands End. Round Hill and Milapuru will follow.

Molonglo Valley Stage 3 Relocation of 132kV Zone Sub Station

Currently the LDA in conjunction with ActewAGL and Integrated Capital Works are examining the possibility of relocation of the existing 132kV lines through Molonglo 3. As part of that investigation ActewAGL identified issues relating to the cost of tunnelling under the Molonglo River and supported the relocation of the proposed Zone sub station at the western edge of the Arboretum to north of William Hovell Drive. This location would facilitate easier and less costly servicing of Molonglo 3 and Denman Prospect by utilising the proposed John Gorton Drive and its bridge to cross the river.

Three options for the sub-station location are being investigated, all on land leased by the LDA to facilitate infrastructure servicing of Molonglo 3 and other opportunities such as district playing fields. Those investigations are continuing and the new SLA Board will be kept informed on the likely outcome.

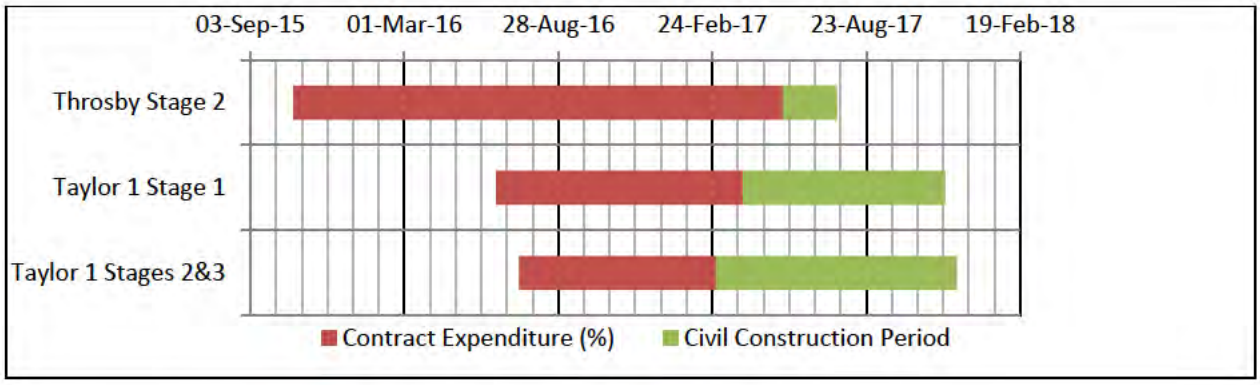
Construction

Issues

The total value of contracts valued at $5 million or more, currently in progress, is $82.4M. Current expenditure to date on these projects is $50.5M. The expenditure for May period was $5.6M. The current status of these contracts is as follows:

Project	Contractor Superintendent Letter of Acceptance	Contract Value $M	Est. Final Contract Value $M	Exp. To Date $M	Contract Comp'n Date at the Award	App'd EoTs Days	*Current Contract Comp'n Date	Works Status
Throsby Stage 2	Canberra Contractors (LDA/Calibre) (23 October 2015)	24.2	24.2	21.5	23 February 2017	104	20 July 2017	90%
Taylor 1 Stage 1	Group One (LDA / Indesco) 16 June 2016 Possession 22 June 2016	28.7	28.7	15.6	11 August 2017	70	23 November 2017	55%
Taylor 1 Stage 2	BMD Construction (LDA/Indesco) 13 July 2016 Possession of Site 9 August 2016	29.5	29.5	13.4	4 September 17	44.5	7 December 2017	45%

*Note: Current contract completion date incorporates approved EOTs.



Key approval Dates (SLA Board)

The key approval dates for next three months are detailed below:

Project	Approval / Value	Timing	Procurement Method
North Wright Residential Estate	$17M	September 17	Civil Panel

Key approval Dates (SLA Executive)

The key approval dates for next three months are detailed below:

Project	Approval / Value	Timing	Procurement Method
Gungahlin Town Centre East	$4.0M	July 17	Civil Panel
Greenway East Infrastructure	$4.3M	June 17	Civil Panel
North Coombs Residential Estate	$13.0M	August 17	Civil Panel
Hume Industrial Estate	$4.5M	August 17	Civil Panel

4. Corporate update

The Corporate update can be found at Attachment C.

5. Sales and Marketing

Recent Sales Results

Site	Use/Dwellings/GFA	Result	Purchaser
Throsby 9 OTC Single Residential Blocks	Zoned RZ3 - Urban Residential zone, single residential blocks ranging from 315m² to 752m²	$3,780,000	Various Purchasers
Throsby 25 Single Residential Blocks	Zoned RZ3 - Urban Residential zone, single residential blocks ranging from 315m² to 450m²	$9,809,000	Defence Housing Australia
Throsby 39 Single Residential Blocks	Zoned RZ3 - Urban Residential zone, single residential blocks ranging from 198m² to 360m²	$9,115,000	Community Housing Canberra Limited
Throsby Block 1 Section 61	Zoned RZ3 - Urban Residential zone, multi-unit site 2,853m², max 9 dwellings	$1,800,000	Community Housing Canberra Limited
Throsby Block 18 Section 61	Zoned RZ3 - Urban Residential zone, multi-unit site 2,878m², max 9 dwellings	$1,800,000	Community Housing Canberra Limited

Residential Sales

Throsby

- Settlements have begun in Throsby with 222 blocks (320 dwellings) settled at $91 million as at 13 June 2017.
- An increasing number of extension and rescission requests are being received now settlement is upon purchasers. These are being responded to in accordance with the LDA relevant polices.
- 54 single residential blocks are available for sale Over The Counter (OTC) currently available through Civium Property, Colliers and Luton Properties. The current digital

marketing campaign is working well and targeted Sydney investors have reportedly enquired and are being followed up by the sales agents.

Taylor

- Taylor purchasers in stages 1B and 2A will be notified of pending settlement in August and July 2017 respectively. With settlement to occur 30 working days later as per the terms of the Contracts.
- 400 dwellings are to be released in Taylor across the 2017-18 financial year with work having now commenced on the initial release for the financial year via public ballot prior to Christmas.

Coombs

- 190 dwellings are to be released in Coombs across the 2017-18 financial year. These dwellings will comprise a mix of Coombs and North Coombs blocks and be sold via a variety of methods, including a public ballot combined with North Wright scheduled for early 2018 following approval of the North Coombs Estate Development Plan.

Wright

- 365 dwellings are to be released in Wright across the 2017-18 financial year. These dwellings will comprise a Mixed Use site in Wright as well as single residential blocks from North Wright. A variety of sales methods will be employed including a public ballot combined with North Coombs scheduled for early 2018 following approval of the North Wright Estate Development Plan.

Suburban Residential

- 308 blocks have sold of the 411 released to date since the sales program commenced in April 2016. (218 at auction 90 over the counter)
- The auction clearance rate is 51% while the overall sales rate is 75%.
- The next auction campaigns are proposed to commence in August 2017.
- 101 blocks are available for sale over-the-counter.
- 32 block buyback offers have been accepted and contracts exchanged by former owners exercising their First Right of Refusal.

Commercial Sales

City 7 (Bega Flats)

- Marketed as City 7, Bega Flats are located on Block 1 Section 7 Reid, a CZ5 Mixed use zoned site of 11,712m^2 and were identified for sale under the Asset Recycling Initiative.
- This high profile site is located at one of the major gateways to Canberra's CBD, directly opposite Canberra's major shopping centre and Glebe Park, with unrivalled connections to transport hubs, educational institutions, city landmarks and recreational facilities.

- LJ Hooker Commercial are the appointed sales agents with advertising commenced 17 June 2017 for a 9 August 2017 auction.

Industrial Sales

New West Hume

- Four IZ1 zoned block ranging from 5,032m^2 to 9,617m^2 are being prepared for release in the New West estate in Hume.
- The release of these blocks is currently scheduled for Monday 26 June 2017, however is subject to approval of the EPD and receipt of stamped drawings by Thursday 22 June 2017 to allow finalisation of the sales package.

Performance against the Indicative Land Release Program 16/17

	Residential Dwellings	Mixed Use Area	Commercial Site Area	Industrial Site Area	Community Site Area
Released as at 14 June 2017	4,869#	125,340m^2	3,800m^2	0	126,315m^2
ILRP 2016-17 Target	4,550	86,219m^2	12,811m^2	30,000m^2	131,404m^2
YTD Variance	319	39,121m^2	-9,011m^2	30,000m^2	-5,089m^2
Scheduled for release between 14 June 2017 - 30 June 2017	38	0m^2	0m^2	29,935m^{2*}	0m^2
Forecast Variance	357	39,121m^2	-9,011m^2	-65m^2	-5,089m^2

includes Denman 2 Englobo release.
*Subject to EDP / DA endorsement being received by 22 June 2017.

Digital Marketing

May 2017

- The LDA website received 12,672 unique users across a total of 62,440 page views in the month of May, which is slightly down from April.
- The LDA maintains 7 social media channels which all (except Westside Village and Bonner) have increased in followers this month. The LDA is developing options for the transition to the new entities.
    - LDA page – 2,832 likes (up 101 this month)
    - Kingston Foreshore - 3,881 likes (up 7 this month)
    - Molonglo Valley Mingle – 1,001 likes (up 7 this month)

- Bonner Mingle – 621 likes (no change this month and no promotion of page due to exit strategy)
- Moncrieff Mingle – 231 likes (up 16 this month)
- Westside Village – 6,463 likes (down 14 this month and will be made inactive in June)
- LDA Twitter – 563 followers (up 1 this month)

Community Development (Mingle)

Wright and Coombs

The LDA is meeting with the Molonglo Valley Community Group on 20 July 2017 to discuss the program of activities for the next 12 months, and an update on the Stromlo Cottage. In other news, the LDA is:

- Assisting a group of residents to deliver a second community Book Box, to be installed in Wright. The residents are developing a proposal to canvas designs and possible locations.
- Partnering with ACT Government Parks and Conservation to deliver tree planting day in August 2017.
- Planning to host an event for volunteers in spring 2017 to celebrate the contribution from so many local residents.
- Conducting partnership discussions to assist in the development of a Molonglo Park Run initiative, Eid Fest and Christmas Carols event.

Bonner

The LDA continues to work with the Bonner Resident Group and Communities@Work in the final transition stage of the program which is scheduled for completion by June 2017.

Moncrieff

The LDA partnered with the Canberra Astronomical Society to deliver an Astronomy Night on 24 May 2017. Approximately 80 residents attended.

Lawson

The LDA has commenced discussions with the University of Canberra to include opportunities for students to assist in the strategy and implementation of the Mingle program in Lawson. All Lawson activities have been postponed until 2017-18.

Throsby

No current actions.

6. Community Engagement

Public Housing Renewal Taskforce

Last month the Public Housing Renewal Taskforce (the Taskforce) convened a series of stakeholder meetings attended by Weston Creek and Woden community representatives, Woden Community Services and relevant community councils to progress plans for public housing developments on Community Facility-zoned sites in Chapman, Holder, Wright and

Mawson. An independent engagement practitioner facilitated the meetings, which sought to address all reasonable concerns the community raised about the planning, layout, configuration, design and appearance of the proposed developments.

During May and early June, the Taskforce held stakeholder meetings for Wright (two meetings), Holder (two meetings), Chapman (three meetings) and Mawson (four meetings). Meeting summaries were uploaded to the public housing renewal website and emailed to those registered for project updates.

After productive engagement with Mawson and Wright stakeholder groups, the Taskforce is updating final design concepts that respond to individual group discussions and community feedback. Each group will present the revised designs at a community event in late June, to be supported and attended by the Taskforce.

The Taskforce is continuing to work with the Chapman and Holder stakeholder groups on revised concepts that respond to their feedback.

Following this process, the Taskforce will provide more information and feedback to the broader community before lodging Development Applications for the sites.

7. Standing reports

Legal referrals

On 1 June 2017, I emailed all staff advising them of a new staff instruction to use the Environment, Planning and Sustainable Development Directorate's legislation team as the central point of contact for making requests for legal advice. The team will facilitate requests for legal advice from LDA and Land Development Division. From 1 July 2017 they will also provide services to the CRA and SLA.

Referrals to GSO during the reporting period included:

- [redacted]

Sponsorships/partnerships/industry memberships

The LDA is currently preparing a brief to renew LDA Industry Memberships under the new Suburban Land Agency. This covers the Housing Industry Association (HIA, Master Builders ACT (MBA), Property Council of Australia (PCA), Urban Development Institute of Australia (UDIA), Green Building Council of Australia (GBCA) and the Real Estate Institute ACT (REIACT). These will be renewed in preparation for 1 July 2017.

A sponsorship brief is currently being prepared for recent requests received from the following:

- Rotary Club of Canberra – to sponsor the Circus Quirkus event in July 2017; and
- Leukaemia Foundation – to sponsor the Light the Night event at Kingston Foreshore in October 2017.

Single source procurements

As previously reported the LDA has had a number of interactions with the Head of the Procurement Board in relation to 6 procurements which had not been referred to the Board as required. On 2 June 2017 I wrote to the Head of the Procurement Board (Ms Karen Doran) providing details of each procurement. Ms Doran advised that she would action consideration of the procurements directly with the Procurement Board members.

There have been no single source procurements during the reporting period.

Cabinet and Assembly

Assembly

Following the *2015-16 Annual Report Hearings* on 10 March 2017, several Questions on Notice and Questions Taken on Notice were responded to in relation to the LDA. In relation to Questions Taken on Notice, the Committee has identified further questions and requested responses to the following:

- LDA Purchases
- Financial interests of Board Members
- Reporting in Payments Register

The following Questions on Notice were placed on the Notice Paper of 9 June 2017 following the June Assembly sitting, relating to land:

- Rural Leases purchased by the LDA
- Westside Village Containers
- Valuers used for LDA land purchases of Lands End, Milapuru, Fairvale and Huntly.

Responses to the above are in the process of being finalised.

Cabinet

Cabinet has not considered any matters relating to the LDA since 25 May 2017.

Recommendation

That the Board **notes** the CEO's Report and attachments.

Neil Bulless
A/g Chief Executive Officer
22 June 2017

Attachment A: Canberra Times article re Board appointments 21 June 2017
Attachment B: *City to the Lake* project dashboards
Attachment C: Corporate update
Attachment D: Land available for sale

21 Jun 2017
Canberra Times, Canberra

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Development Barr appoints chairman

New boss named at Renewal Authority

Kirsten Lawson
Chief Assembly Reporter

A former chairman of Icon Water and ActewAGL, Michael Easson, will chair the powerful new agency charged with developing Northbourne Avenue, the city centre and the lake, Chief Minister Andrew Barr will announce on Tuesday.

Mr Easson heads the board of the City Renewal Authority, which begins work on July 1, replacing the troubled Land Development Agency.

The Suburban Land Agency, which will take over the job of developing new suburbs, will be chaired by the chairman of the light rail project board, John Fitzgerald.

Mr Barr has appointed five members to the Suburban Land Agency and six to the City Renewal Authority board, with a woman in the deputy chair's role for both. A seventh spot on the City Renewal Authority will be filled by a National Capital Authority appointment made by the federal territories minister.

Mr Barr has not provided specific detail on where the new board members are based, but it appears from their online profiles that perhaps only one, Suburban Land Agency board member Peter Bowman, lives in Canberra.

Michael Easson.

The appointment of outsiders could well allay ongoing concerns about the close relationship between the Land Development Agency and the city's development community.

Mr Barr has yet to announce the chief executives of the two new agencies.

Mr Easson was chairman of ActewAGL and Icon Water until March this year and remains on the ActewAGL board. He is executive chairman of EG, a Sydney-based real estate fund manager whose website says it manages $2.4 billion of property assets. He is chairman of the Association of Superannuation Funds of Australia, and Mr Barr said he had also served on the boards of businesses including rail, rail, roads, property, construction, infrastructure.

Mr Fitzgerald moved to Canberra in 2013 to chair the light rail project board, but appears to be now based in Melbourne, where since January he has headed the Evolution Rail consortium, which won a bid last year to deliver 65 new trains to the Victorian government in a $2 billion project.

Mr Fitzgerald's deputy on the Suburban Land Agency will be Suzanne Jones, who chairs the NSW National Parks and Wildlife Council and is a director of Urban Growth NSW, a state-owned corporation in charge of urban transformation.

Sydney lawyer Christine Covington becomes deputy chairwoman of the City Renewal Authority. Ms Covington is a solicitor of the NSW Supreme Court and a specialist in environmental and planning law at Corrs Chambers Westgarth. She is also a member of the Central Sydney planning committee and on the boards of the NSW Environment Protection Authority and the Barangaroo Delivery Authority.

- The other members of the City Renewal Authority board are: Kate Brennan, Nigel Chamier, Ken Maher and Gabrielle Trainor.
- The other members of the Suburban Land Agency board are: Angus Dawson, Peter Bowman and Julie Garland McLellan.

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

Westside Village

Westside Village forms the early activation for West Basin. It is a vertical container village with incubation retail and dining, and an events space.

Project phase: Decommissioning

Project objectives / outcomes

- To create local awareness about potential future developments.
- To enliven the shore of West Basin.
- To trial different approaches to urban play spaces

Major milestones to date

- Possession of Westside transferred to the LDA in August 2015. There is an MOU between the LDA and ACT Property Group to manage and maintain the venue.
- In August 2016 a works approval application was submitted to the NCA to extend the term of Westside by 2.5 years. This was rejected, with the NCA extending approval to 19 November 2017, by which time the village must be removed.
- Westside ceased operating on 30 April 2017.

Progress since last report – 12 May 2017

- The Chief Minister has agreed to the relocation of the top structure to Stromlo Forest Park. The LDA Board has agreed to a funding request of up to $813,000 to fund the decommissioning of the site and construction at Stromlo.
- Various planning applications and procurement processes are under-way in order that the site is reinstated by mid August 2017.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding	2.779				
Appropriation					
TOTAL	**2.779**				
Expenditure					
LDA	1.966				
Capital					
Commitments					
TOTAL	**1.966**				

- Westside Village is fully funded by the LDA.

Community and stakeholder engagement

- Ongoing engagement with the NCA is required, particularly concerning works approval for the demobilisation of the village.

Issues and risks

Progress	Risk

- Decommissioning and make-good of site is required by mid August 2017 in order that the hard stand is available for Floriade bus parking. A Works Approval application for demolition and reinstatement is currently being considered by the NCA and a cost plan for the work is currently being agreed with a managing contractor.

Forward work program

- Implementation of the decommissioning strategy.

	2016				2017				2018				2019				2020			
Engage venue manager																				
Extend works approval																				
Decommissioning strategy																				
Decommission village																				

SENSITIVE

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

West Basin precinct

A mixed use urban precinct adjacent to the West Basin Waterfront, comprising residential, cultural, commercial, hotel and retail development.

Project phase: Preliminary planning

Project objectives / outcomes

- Create a new diverse city precinct adjacent to the West Basin Waterfront.
- Connect the city to the lake through residential and commercial development.

Major milestones to date

- The Strategic Urban Design Framework (Aug 2015) has been endorsed by the Government and National Capital Authority (NCA).
- An illustrative master plan has been submitted in support of the NCA Works Approval application for the West Basin Waterfront.
- The NCA Design Review Panel has endorsed the grid, block structure and fine grain network of streets, lanes and subdivision, and the diversity of building types and architecture however these will be reviewed when the Parkes Way design is determined

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding	0.500				
Appropriation					
TOTAL	**0.500**				
Expenditure					
LDA	0.405				
Capital					
Commitments					
TOTAL	**0.405**				

- $5.0 million LDA funding envelope has been partially allocated to preliminary estate development planning.
- LDA funding of $0.5 million has been approved to enable preparation of inputs to a business plan, including service master plan, yield analysis and valuations.

Issues and risks

Progress	Risk

- There has been opposition from the Lake Burley Griffin Guardians, National Trust Griffin Society and individual residents of New Acton and Capital Apartments.
- The NCA may limit building heights in the precinct beyond the provisions of the National Capital Plan.
- NCA and ACT Government support still required for a preferred Parkes Way concept design.
- Current design options for Parkes Way will require a new master plan for West Basin and may reduce developable land and revenue.

Progress since last report – 12 May 2017

- Planning to coordinate West Basin Foreshore works with estate works underway
- Sewer and Stormwater master Plan for West Basin nearing completion
- Ongoing liaison with Light Rail Stage 2 and Parkes Way design

Community and stakeholder engagement

- Preliminary engagement has involved informing and consulting with nearby neighbours, peak organisations, NCA, TCCS and EPSD.
- Ongoing community engagement regarding the urban design of the precinct required.

Forward work program

- Complete sewer master plan.
- Complete WSUD master plan.
- Develop a master plan for West Basin (following selection of Parkes Way design).
- Seek approval of business plan (end 2019).
- Prepare estate development plan (2020).

	2016				2017				2018				2019				2020			
Sewer and WSUD master plans		■	■	■	■															
Parkes Way design decision					■	■	■	■	■	■	■	■								
Yield analysis and new Master Plan													■	■						
LDA Business Plan approval															■	■				
Estate Development Plan – preparation and approval																	■	■	■	■

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

West Basin Waterfront

The West Basin Waterfront is the first stage, and a key component of City to the Lake

Project phase: Planning

Project objectives / outcomes

- Create approximately 600 metres of waterfront promenade (55 metres wide), that includes a series of parks (such as Point Park), plazas, playgrounds, water play elements and restaurant/cafe pavilions. The promenade will also include a boardwalk segregated cycle paths and frontage street.
- Provide a major waterfront event space for the city.

Major milestones to date

- Works Approval application submitted to National Capital Authority (NCA) in October 2015, further work is required to address NCA comments.
- Construction of waterfront commenced on 14 November 2016.

Progress since last report – 12 May 2017

- Construction of first stage of boardwalk is complete and was unveiled by the Chief Minister and Minister for Urban Renewal on 23 May 2017.
- $37.74 million for stage 2 of the Waterfront will be funded through the 2017-18 Budget.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation	3.120				
TOTAL	**3.120**				
Expenditure					
LDA	1.030				
Capital	3.088				
Commitments					
TOTAL	**4.118**				

- Capital funding of $3.12 million in 2013-14 for design.
- Business case for $1.5 million capital funding prepared for 2016-17 was deferred for consideration in 2017-18.

Community and stakeholder engagement

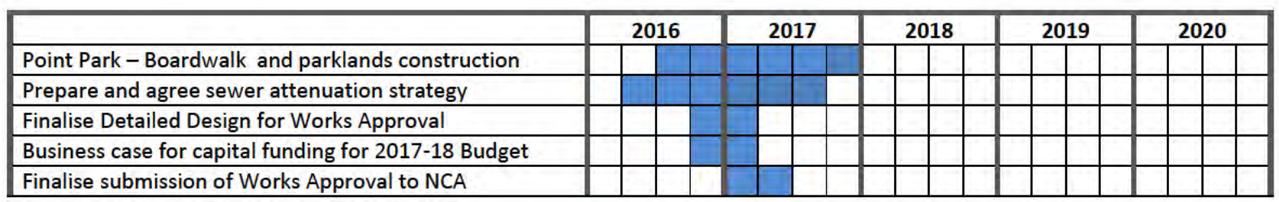
- Works Approval application exhibited for public comment Sept/Oct 2015.
- Preliminary engagement has included contact with nearby businesses and neighbours such as the Archbishop's residence, New Acton residents and National Capital Exhibition.
- During works we will proactively inform the community about implementation and outline the short term impacts such as tree removal, road works, path diversions, event impacts, car parking and working hours.

Issues and risks

	Progress	Risk
Need to agree compensation/land swap for lake reclamation with NCA.		
Need to agree sewer attenuation strategy and tank location with ICON Water and NCA.		
Timely NCA Works Approval (risk to project timeframes)		
Business Plan for West Basin land development and agreed funding for the waterfront development.		
Agreed Parkes Way concept design and resolution of interface with West Basin.		
Budget required for communications and community engagement		

Forward work program

- Commence construction of Stage 1B works (June 2017).
- Prepare design documentation for lake reclamation and waterfront promenade, as required by NCA.
- Agree with ICON Water and NCA process for preparing and agreeing sewer attenuation strategy.
- WSUD master plan and foreshore detailing at outfalls to the lake.
- Finalisation of an intergovernmental agreement dealing with future adjustment of land boundary.



SENSITIVE

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

West Basin aquatic facility

An aquatic/leisure facility at West Basin on the shore of Lake Burley Griffin.

Project phase: Preliminary planning / Feasibility studies

Project objectives / outcomes

- To provide an aquatic/leisure facility in the city precinct.

Major milestones to date

- Preliminary planning and scoping has been undertaken to determine the built form and scope of the facility.

Progress since last report 12 May 2017

- Nil.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation			0.400		
TOTAL			**0.400**		
Expenditure					
LDA	0.037				
Capital					
Commitments					
TOTAL	**0.037**				

- Expenditure to date has come from within current City to the Lake funding limits.
- $0.4 million appropriated for feasibility studies as part of the 2016-17 Budget has been rolled-over to EPSD in 2017-18.

Community and stakeholder engagement

- The community has a keen interest in aquatic facilities in the city. The Canberra Olympic Pool is used by a large number of the community.
- Any announcement on replacing the existing facility will require careful stakeholder management, and be made in close consultation with Active Canberra.
- Community and stakeholder engagement on the aquatic facility options and possible locations will be required.

Issues and risks

	Progress	Risk
• It was initially envisaged the aquatic centre would replace lap swimming, dive and water polo facilities currently provided at Civic Pool. More recent work included the development of a concept that included more 'leisure and play water' in lieu of the formal lap swimming and diving facilities.		
• The community has an interest in the aquatic centre, as the Civic pool (the reserved site for the future city stadium) is a local landmark for many Canberrans.		
• Any move to close the Civic Pool will need to be announced in conjunction with plans to provide replacement facilities.		
• A possible partnership with the ANU to provide a 50 metre lap pool will not progress due to the disproportionate cost being directed to the Territory. The ANU is likely to deliver a 25 metre pool that does not involve Territory co-funding. Diving facilities are being considered at the Stromlo Leisure Centre.		

Forward work program

- $0.4 million was provided for West Basin feasibility studies in 2016-17. This funding has been rolled over to the Environment, Planning and Sustainable Development Directorate (EPSD) in 2017-18.

SENSITIVE

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

Australia Forum

A proposed new national convention and exhibition centre within the heart of the city.

Project phase: Business case

Project objectives / outcomes

- To replace the existing convention facilities.
- To enhance visitation and tourism in the ACT.

Major milestones to date

- The reference design for the Australia Forum on the City Hill site was publicly released in June 2015.
- Treasury completed a Strategic and Delivery Options Analysis in 2015-16.
- The Parliamentary Agreement for the 9th Legislative Assembly (Oct 2016) includes the commitment to progress feasibility and business case development for the Australia Forum proposal.

Progress since last report – 12 May 2017

- The City to the Lake Project Control Board meeting of 13 June 2017, agreed EPSD and Treasury would take carriage of representing the Territory in respect of the Standing Committee on Economic Development and Tourism's Inquiry into a new convention centre for Canberra, once the City Renewal Authority is established.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation					
TOTAL	**1.300**				
Expenditure					
LDA	0.188				
Capital	1..349				
Commitments					
TOTAL	**1.537**				

- $1.3 million was appropriated in 2014-15 to bring Australia Forum to investment ready status.
- Treasury was funded $0.2 million to complete a single assessment framework business case under The Capital Framework.

Community and stakeholder engagement

- The release of the reference design was well received by industry experts and stakeholders, and the National Capital Authority.
- Community supports a new convention centre, however in contrast to other key projects in the CttL program, support is not as strong. No upcoming community or stakeholder engagement is proposed at this time.

Issues and risks

Progress	Risk

- The estimated $680 - $860 million cost of the current reference design (in 2015 dollars) requires Commonwealth or private investment.
- The City Hill site necessitates a number of ancillary works, at an additional cost, including:
  - Enabling roadworks or realignments of London Cct, C'wealth Ave, Constitution Ave and Vernon Circle
  - Basement access via arrangements via Theatre Lane/Knowles Place (basement access may not be possible depending on the design of the Government Office Block)
- Additional hotel accommodation will be required to support Australia Forum. Suitable blocks have been identified.

Forward work program

- Currently no further work is funded, and the project is effectively in suspension until the Government directs a future work program.

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

City Estate Works

Land release in the City Hill precinct.

Project phase: Preliminary planning

Project objectives / outcomes

- City land release will commence within the City Hill precinct and associated city blocks to ensure development is staged from the city towards the lake.

Major milestones to date

- Cabinet agreed the Section 100 Blocks 3 and 4 intended design and development outcomes in September 2014.

Progress since last report – 12 May 2017

- Due Diligence work is progressing
- Briefs for market analysis and strategy development underway.
- Sustainability Manager appointed to develop Sustainability Strategy.
- Public art strategy brief prepared.
- Ongoing liaison with TCCS and Light Rail Stage 2

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation					
TOTAL					
Expenditure					
LDA					
Capital					
Commitments					
TOTAL					

- Funding to facilitate land release in City Hill has been approved in the 2017-18 Budget for the City Renewal Authority (amount TBD).
- Preliminary studies and updates to existing analysis and design work required to inform the development of the business plan for land release will be funded utilising the remaining uncommitted City to the Lake funds provided by the LDA Board.

Community and stakeholder engagement

- Careful stakeholder management and community engagement with nearby residents will be required as the city estate works progress.
- Identifying what the community can and cannot influence in the city estate works will be required.

Issues and risks

Progress	Risk

- The Chief Minister has indicated a preference for releasing sites around City Hill first, ensuring development occurs from the city towards the lake. The first land release in the City Hill precinct is programmed for 2019-20.
- Development of the LDA Business Plan for the West Basin and City Hill estates is reliant on Parkes Way design being resolved and a new master plan prepared. Business plans will be developed to address smaller precincts for land release.
- Edinburgh Avenue extension completion by CWPH Pty Ltd and Light Rail Stage 2 impact on planned land release in Section 63 and around City Hill.
- EPBC referral is required for the clover leaf areas to address the Golden Sun Moth habitat and population. This is underway.

Forward work program

- Undertake further due diligence works.
- Undertake market research and analysis and land release planning
- Prepare a sustainability and arts strategy to inform the business plan.
- Continue EPBC referral process.

	2016	2017	2018	2019	2020
Preliminary planning work					

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

City to the Lake – Program Dashboard

SENSITIVE

In 2016-17 delivery of the City to the Lake program has focused on:

1. developing a suitable solution for Parkes Way
2. collaborating with Transport Canberra across the program's interdependencies with light rail
3. development of the West Basin waterfront public realm,
4. identifying suitable city blocks for release as part of the annual Indicative Land Release Program.

Significant outcomes/outputs to date

- Release of Australia Forum reference design, June 2015
- Commencement of West Basin waterfront construction, November 2016
- Initial concept designs for realignment of Parkes Way, December 2016

Investment Logic Mapping (March 2014)

Program drivers:

- Patchy investment in Civic has diluted its identity as a thriving commercial and cultural hub.
- Lack of transport, cultural and social infrastructure diminishes the city precinct's vitality, amenity and connectivity, limiting visitation and investment.
- Constrained land supply and planning conditions had stunted economic development.

Key benefits and associated success factors (KPIs):

A more sustainable urban area	KPI 1 – less dependency on cars
	KPI 2 – substantially increased active transport mode share
A larger, more diverse economy	KPI 3 – more jobs
	KPI 4 – more investment
A more liveable city centre	KPI 5 – increase diversity in land use
	KPI 6 – 24/7 activity

Program constraints

1. The ability to fund enabling infrastructure, in particular the realignment of Parkes Way.
2. The ability to fund social infrastructure.
3. The ability to generate revenue through land sales to assist in offsetting infrastructure costs.

Strategic risks

1. Failure to achieve the program's objectives.
2. Inability to find a working solution to Parkes Way within available resources.
3. Ineffective working relationship with key stakeholders.
4. Failure of program to be delivered within budget and/or realise predicted revenue targets.
5. Damage to community confidence in LDA and/or ACT Government.
6. Program delivered in unsafe manner.

Risk treatments have been identified in the City to the Lake Strategic Risk Register.

Funding as at 31 May 2017

LDA funding allocations	$ (ex GST)
LDA Board allocation (Aug 2013)	5,000,000
LDA Board allocation (Feb 2016)	500,000
M21 Advisory Services	100,000
Beasley & Harris visit (Apr 2016)	50,000
Westside Village	607,340
West Basin maintenance 2016-17	181,000
Westside decommissioning (May 2017)	813,000
TOTAL	**7,251,340**
Land acquisitions	**6,634,061**
TOTAL LDA funds	**13,885,401**
LDA expenditure	
Westside Village	1,965,634
City to the lake	1,454,069
West Basin waterfront	1,030,144
Due diligence	405,262
West Basin estate	413,864
Contractors	281,193
Australia Forum (planning & design)	187,929
West Basin aquatic facility (planning & design)	37,462
TOTAL	**5,775,557**
Remaining funds	**662,783**

Budget appropriation	$
12-13 New city stadium feasibility studies	300,000
13-14 City to the Lake – feasibility assessments	800,000
14-15 Australia Forum – reference design	1,300,000
14-15 Arterial roads concepts design (Parkes Way)	2,750,000
14-15 West Basin waterfront design	3,120,000
15-16 West Basin infrastructure	10,098,000
16-17 West Basin aquatic facility – feasibility	400,000
TOTAL	**18,768,000**
16-17 West Basin infrastructure transfer	3,500,000
Capital expenditure	
West Basin infrastructure	5,498,127
West Basin waterfront	3,087,733
Parkes Way	1,745,288
Australia Forum	1,349,000
City to the Lake assessment	833,000
City stadium - feasibility	320,210
TOTAL	**12,833,358**
Remaining funds	**5,934,642**

Key issues and risks

- Land release is constrained by the Parkes Way and Light Rail alignments. City land release is not anticipated until 2019-20. West Basin land release is at least a further five years away.
- CttL will need to continue to work closely with Transport Canberra to ensure the Parkes Way solution achieves the desired urban design outcomes.
- Further work on the Australia Forum proposal has been deferred by the Government in the absence of financial support from the Commonwealth.
- National Capital Authority (NCA) works approval is required before further stages of the West Basin waterfront can be constructed.

Recent activity

- The Chief Minister and Minister for Urban Renewal unveiled the first stage of the West Basin boardwalk on 23 May 2017 and announced funding from 2017-18 for stage 2. Construction of the adjoining park has commenced. Both will be opened to the public in early 2018.
- The Economic Development Cabinet Subcommittee considered the City to the Lake Strategic Outlook in early May 2017.
- The Parkes Way project has transferred to Transport Canberra. New governance arrangements were considered by Cabinet in mid June 2017.. The planning and delivery of these two projects need to be closely aligned given their strong interdependencies.
- A Government submission was lodged with the Legislative Assembly's Standing Committee on Economic Development and Tourism's inquiry into a new convention centre for Canberra on 8 May 2017.

Forward work program

- City to the Lake will transfer to the City Renewal Authority come 1 July 2017.
- Decommission Westside Village by 19 November 2017 (fully LDA funded).
- Construct Point Park and balance of boardwalk, including lake wall and lake reclamation (funded in 2017-18 Budget).
- Agree land compensation with NCA re. lake reclamation.
- Undertake due diligence work ahead of 2019-20 land sales (funded in 2017-18 Budget).
- Develop overarching communication strategy for City Renewal Authority.
- Develop program implementation plans for City Renewal Authority.

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

Parkes Way

The realignment of Parkes Way, and reconfiguration of its major intersections, is a keystone to achieving the vision of City to the Lake.

Project phase: Feasibility and reference design

Project objectives / outcomes

- Achieve an agreed design, staging strategy and P90 cost estimate for the realignment and intersection reconfiguration.
- Deliver a metropolitan transport strategy agreed by the NCA, TCCS EPSD, and ultimately the Government that responds to the urban design criteria

Major milestones to date

- Geotechnical and ground water investigation; and preliminary options and probable order of cost completed Dec 2014.
- Block 24 Section 65 City acquired Sept 2015 to accommodate the relocation of Coranderrk Pond.
- Preliminary traffic modelling completed Nov 2015.
- Design charrette held May 2016.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation	2.750	1.314			
TOTAL	**2.750**	**1.314**			
Expenditure					
LDA					
Capital	1.745				
Commitments					
TOTAL	**1.745**				

- Total capital funding of $2.75 million.
- Remaining budget funding (approx $1 million) will be transferred to TCCS.

Issues and risks

Progress	Risk

- Ensuring that City to the Lake's interests continue to be considered in the development of the Light Rail Stage 2/Parkes Way business case being prepared by TCCS.

Progress since last report – 12 May 2017

- As there are significant interdependencies between Light Rail Stage 2 and Parkes Way, it has been agreed that Transport Canberra & City Services (TCCS) will take carriage of the Parkes Way project moving forward.
- The LDA has effected transfer of the project to TCCS.
- Cabinet has agreed to new joint governance arrangements for the Light Rail and Parkes Way projects. The last Parkes Way Steering Committee meeting took place on 13 June 2017.

Community and stakeholder engagement

- A communications strategy will be developed after a preferred option is determined.
- An engagement strategy will follow, outlining the elements of the project that the community can influence.

Forward work program

- TCCS has issued a draft program of works. The intent is to have the Light Rail Stage 2/Parkes Way business case finalised by December 2017.
- The first meeting of the new Light Rail and Parkes Way Project Board is scheduled for 27 June 2017.
    - Governance arrangements for the two projects will be reviewed post the business case phase.

Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

West Basin Infrastructure - Point Park and Stage 1 Waterfront Boardwalk

Point Park forms part of Stage 1A of the West Basin Waterfront.

Project phase: Detailed design and construction.

Project objectives / outcomes

- Create 150 metres of new waterfront boardwalk that defines the future West Basin Waterfront. Includes kayak cove and sculptural 'Griffin marker'.
- Create one hectare of new parkland (total 4.1 hectares of public space).

Major milestones to date

- Project program in place.
- Design & Construct contract established with Chincivil Nov 2015.
- Works Approval received for Point Park and Intersections, May 2016
- Construction works commenced 14 November 2016

Progress since last report – 12 May 2017

- The National Capital Authority has granted works approval to construct Point Park. Construction has commenced and is due to be complete early in 2018.
- The first stage of the West Basin boardwalk is complete and was unveiled by the Chief Minister and Minister for Urban Renewal on 23 May 2017. The Chief Minister used the occasion to announce $37.74 million will be provided in the 2017-18 Budget to fund construction of the second stage of the boardwalk.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation	10.098	9.243	7.500	15.000	14.888
TOTAL	**10.098**	**9.243**	**7.500**	**15.000**	**14.888**
Expenditure					
LDA					
Capital	5.498				
Commitments					
TOTAL	**5.498**				

- Capital funding of $10.098 million appropriated in 2015-16 Budget.
- $5.778 million rolled over from 2015-16 in 2016-17 Budget.
- $4.000 million rolled over from 2016-17 in 2017-18 Budget..
- Capital funding of $37.388 million appropriated in 2017-18 Budget.
- $7.5 million for construction Point Park has been mistakenly allocated to EPSD in 2017-19 Budget and will need to be transferred to City Renewal Authority.

Community and stakeholder engagement

- Community and stakeholders being continually informed about implementation during the works, outlining the short term impacts such as tree removal, road works, path diversions, event impacts, car parking and working hours.
- The Lake Burley Griffin Guardians, opponents to changes at West Basin, have raised concerns via local media. Project team continues to respond to their enquiries.

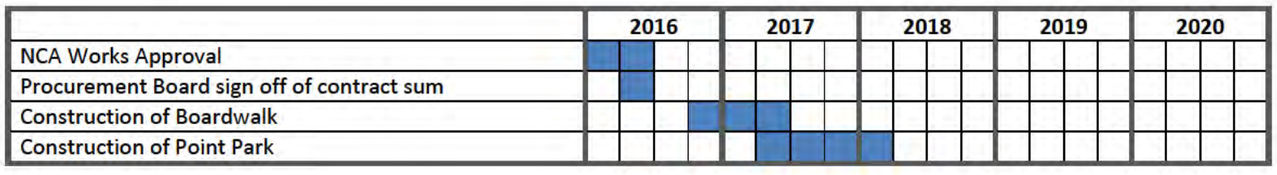
Issues and risks

Progress	Risk

- Staging works to allow for Barrine Drive to be opened for Floriade may lead to a possible delay in meeting programmed completion for the Point Park parkland.

Forward work program

- Construction of Point Park parklands is underway.
- A public engagement process is proposed to officially name the park.
- Review Commonwealth Avenue intersection requirements as part of overall West Basin waterfront and EDP works, and light rail stage 2.



Progress	On track	Delays	Stalled
Risk	Low Risk	Minor Risk	Major Risk

SENSITIVE

City Stadium

A 25,000 seat, rectangular pitch, and potentially indoor, stadium/entertainment centre in the heart of the city.

Project phase: Preliminary planning

Project objectives / outcomes

- To enliven the city and upgrade current sporting facilities through the development of a city stadium.

Major milestones to date

- High level block and stacking has occurred to determine potential block sizes required to accommodate various stadium options.
- In September 2014 the Government announced the construction of a city stadium was a medium term priority.

Progress since last report – 12 May 2017

- The project is not currently identified as a priority in the near term, and further work to progress the project has been suspended.

Financial

	TOTAL as at 31 May 17 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m
LDA funding					
Appropriation	0.300				
TOTAL	**0.300**				
Expenditure					
LDA					
Capital	0.320				
Commitments					
TOTAL	**0.320**				

- $0.3 million capital funding allocated to project. Additional funding from current City to the Lake funding envelope.
- $0.097 million rolled over from 2015-16 in 2016-17 Budget.

Issues and risks

Progress	Risk

- Current infrastructure, such as GIO Stadium, is aging and does not meet the needs of users and spectators.
- Approaches have previously been made by private sector entities with an interest in developing a city stadium. This could potentially deliver a facility with no upfront costs to the Government.
- The realignment of Parkes Way impacts on the size of the site.
- Relocation of civic pool/aquatic facilities affects timing for site.
- Future feasibility studies for the stadium will need to account for Canberra's ongoing representation in national sporting competitions.

Community and stakeholder engagement

- While the plan for a City Stadium has broad levels of community support, the longer term plan for construction has meant that communications have not been a factor of planning to date.
- Preliminary discussions have occurred with the three major rectangular codes (football, rugby league and rugby union) to gain input into preliminary planning.
- No community engagement activities proposed at this time.

Forward work program

- Include the city stadium project element in the broader City Renewal Authority forward planning.

Attachment C

167.3.1 CEO Report Corporate Update

Land Development Agency
CANBERRA FIRST

Purpose

The following information provides the Board with an update of LDA Corporate matters.

1. **Freedom of Information**

Freedom of Information

Description	Applicant	New*	Active	Completed	Withdrawn	On Hold	Total
FOI Requests	Constituent	3	1	3	-	-	4
	Legal Firm		1	-	2	-	3
	MLA		1	4	-	2	7
	Media		1	2	-	-	3
	Assn/Org		-	2	-	-	2
Total FOI Requests			**4**	**11**	**2**	**2**	**19**
Internal Reviews	MLA		-	1	-	-	1
	Media		-	1	-	-	1
Total Internal Reviews			**-**	**2**	-	-	**2**
Ombudsman	MLA		-	2	-	-	2
Total Ombudsman Reviews			**-**	**2**	-	-	**2**
Total matters		3	**4**	**15**	**2**	**2**	**23**

The following table provides a summary of LDA Freedom of Information (FOI) Requests handled from 1 July 2016 to 9 15 June 2017.

* Represents new requests since last report

For further information please refer to Appendix 1.

1. **Contractors**

Agency	Hours per week	Contract start date	Contract end date	Duties	2016-17 YTD $ Excl GST	Total Contract $ Amount	Method of Appointment
[redacted]	30	Jul 16	Feb 17	Reception / Sales and Marketing	[redacted]	[redacted]	Contractor had previous experience with LDA reception work.
[redacted]	38	Sept 16	Mar 17	Business Improvement and Systems	[redacted]	[redacted]	Employment agency - Specialist TM1 experience. Contract Completed

Consultants

Consultant	Hours per week	Contract start date	Contract end date	Duties	2016-17 YTD $ Excl GST	Total Contract $ Amount	Amount paid since Contract start	Method of Appointment
[redacted]	24	Apr 13	Apr 17	Engineering and project manangement services	[redacted]	[redacted]	[redacted]	Quotations
[redacted]	22	Jan 16	Jan 17	Deliver urban policy strategy advice	[redacted]	[redacted]	[redacted] 2	Single Select (Contract has ceased)
[redacted]	25	Jan 16	Jun 17	GST	[redacted]	[redacted]	[redacted]	Single Select
[redacted]	Casual	Mar 16	Jun 17	Consultancy Services Majura & Pialligo NSW & ACT Land	[redacted]	[redacted]	[redacted]	Single Select

2. Training / Information Session Attendance Schedule

The following table provides the Learning and Development activities offered to staff from 1 May 2017 to 31 May 2017:

Training Course – LDA	LDA Attendees
Budgeting and Forecasting	9
Red Training (General)	7
Intro to Risk Management (ACTIA)	12
Egagement Design IAP2	5

The following table provides further detail of LDA Freedom of Information (FOI) Requests handled (excluding Ombudsman matters).

FOI Requests handled to date in 2016-17:

Status	Applicant	Subject	Due date	Comments/ expected completion date
Active	Constituent	All documents from Sep 2014, when Block 1 Section 45 Chapman was deemed to be inconsistent with the Strategic Bushfire Management Plan, to Jan 2016 when it was reported that the Government had decided to withdraw the site from the Indicative Land Release Program.	07.07.17	Being processed.
Active	MLA	Information held by the LDA relating to information provided to the Minister for Housing and Suburban Development, the Minister for Urban Renewal, the Director-General of CMTEDD and the Chief Executive Officer of the LDA for the purposes of briefing for the 2015-16 Annual and Financial Report hearings held by the Legislative Assembly Standing Committee on Planning and Urban Renewal.	06.07.17	Being processed. Similar request received by CMTEDD.
Active	Legal Firm	In relation to RFT and direct land grant application for B6 S11 Higgins: 1. RFT; 2. assessment of responses including communications with all parties; 3. failure to consider particular response. *(Note points 4-8 re land grant are being responded to by CMTEDD).*	19.06.17 (18.06.17)	Being processed. Third party consultation expected.
Active	Media	Documents in relation to communication with owners of paddle boat business on Lake Burley-Griffin and details of any payments made to specified individuals	09.09.16 (10.08.16)	With decision maker for supplementary release. Initial release completed 09.09.16.
Completed	Media	Documents relating to decision to set up Westside Container Village in 2014 - all communications from consultants/ companies to ACT government and to ministers' offices about the project from 2013 to May 2014; all studies, feasibility and other work assessing the project in 2014.	21.04.17	Completed 01.06.17.
Completed	Media	All documents relating to the decision to purchase the 425 ha block "Burraburoo" at Williamsdale	15.05.17	Completed 17.05.17.
Completed	MLA	Documents relating to the preparation of the answer to Legislative Assembly question 78 on the establishment and maintenance of the Molonglo Valley from Notice Paper No. 2 of 17 February 2017.	04.05.17	Completed 04.05.17.
Completed	MLA	LDA Board meeting agenda and minutes for meetings that have taken place since last request for these documents (27 Nov 2015). All valuations for properties purchased by the LDA since 2012.	10.04.17	Completed 11.04.17.

Status	Applicant	Subject	Due date	Comments/ expected completion date
Completed	Association/ Organisation (SA)	Further information about Rage Cage sports court concrete slab including any changes to design specifications	13.04.17 (01.03.17)	Completed 13.04.17.
Completed	Constituent	All documents held by LDA or Asbestos Response Taskforce, from 22 Mar 2014, regarding Mr Fluffy affected property/block in Lyons ACT	30.12.16 (30.11.16)	Completed 07.12.16. Partial transfer to EPSDD.
Completed	Constituent	"Joint Venture Deed" between the Mortgagor (LDA) and Woden East Pty Ltd ACN 119 653 093 dated 24.11.2006	20.10.16	Completed 19.10.16.
Completed (Withdrawn)	Legal Firm	All documentation relating to conveyancing services quote for residential blocks in Throsby and Taylor since Jul 15	07.12.16 (14.11.16) (13.10.16)	Completed 07.11.16. Charges applied - deposit paid. Withdrawn.
Completed	MLA	All documents generated within Chief Minister's portfolio relating to Legislative Assembly QON 776 10 Aug 16 regarding block of land adjacent to Glebe Park (City Block 24, Section 65)	23.09.16	Completed 23.09.16.
Completed	Association/ Organisation (SA)	Concrete slab for the Rage Cage sports court at the Franklin CRIP	08.07.16	Completed 15.09.16. Carried over from 2015-16.
Completed	MLA	All land, lease and business valuations for blocks 13 and 16, Section 33 Acton since 1 Jan 2015	07.09.16	Completed 29.08.16. Internal Review completed 29.09.16.
Completed	Constituent	All information maintained by Land Development Agency (LDA) on the applicant and his block in Wright ACT	22.08.16	Completed 25.08.16.
Completed	MLA	**Internal review** of the decision made by the Internal regency to not release information to me about Valuations of Blocks 13 and 16, Section 33	12.09.16	Completed 29.09.2016.
Completed	Media	**Internal review** of decision not to release valuations of paddle boat business at Section 33 Acton	25.07.16	Completed 23.08.16.
Completed (Withdrawn)	Legal Firm	Documents relating to car parking requirements Block 2 Section 200 Belconnen	08.06.16	Completed 20.07.16. Withdrawn. Carried over from 2015-16.
On hold	MLA	Documents relating to Kingston Arts Precinct and changes to Kingston Master Plan	06.01.17	On hold pending further advice from applicant on scope of request.
On hold	MLA	All documents held by the LDA in relation to plans to redevelop the Canberra Brickworks and Environs since 1 Apr 15	09.10.15	Charges letter sent. On hold as deposit not paid. Carried over from 2015-16.

CEO's report

1. Land Available for Sale

Releases Currently with an Agent and in the Market		
Site	**Use/Dwellings/GFA**	**Status / Sale method / Agent**
Dickson Blocks 19 & 20 Section 32 (DPMH)	Zoned CZ2 – Business Zone total area of 3,517m² with a NLA of 6,909m². Sale includes three plus one plus one year leaseback agreement with ACT Government.	**Tender closed:** 23 March 2017 Negotiations underway with preferred tenderer **Agent:** JLL
Reid Block 1 Section 42 (Bega Flats)	Zoned CZ5 – Mixed Use. Total area of 11,712 m²	**Auction:** 9 August 2017 **Agent:** LJ Hooker
Throsby 54 Single Residential Blocks	Remaining Single Residential Blocks from Ballot released Over the Counter.	**Available Over the Counter** **Agent:** Civium, Colliers, Luton
Throsby 6 Single Residential Blocks	Zoned RZ3 - Urban Residential zone, single residential blocks remaining from the April 2017 Auction	**Available Over the Counter** **Agent:** Exclusively with Luton until 30 June 2017
Hume Blocks a, b, c & d Section A	Zoned IZ1 – General Industrial Zone. Four blocks with a total area of 29,935m².Block a has an area of 5,032m², Block b has an area of 6,974 m², Block c has an area of 9,617m² and Block d has an area of 8,312m². The blocks will be offered with the full range of permitted general industrial uses excluding community use.	**Subject to EDP approval** **Tender released :** 26 June 2017 **Tender closes:** 14 August 2017 **Agent:** MMJ

2. Suburban Residential Sales (Mr Fluffy blocks)

Land Available Over the Counter			
SUBURB	**ADDRESS**		
AINSLIE	71	Ebden	Street
CAMPBELL	35	Godfrey	Street
CURTIN	87	Dunstan	Street
DUFFY	71	Dixon	Drive
DUFFY	21	Dixon	Drive
DUFFY	51	Mirrool	Street
DUFFY	9	Tullaroop	Street
DUFFY	42	Jemalong	Street
DUFFY	3	Mokoan	Place
EVATT	49	Badenoch	Crescent
FARRER	9	Gluyas	Street
FARRER	11	Gatton	Street
FARRER	11	Marshall	Street
FARRER	37	Lambrigg	Street
FARRER	30	Dookie	Street
FLYNN	20	Wilkinson	Street
FLYNN	17	Willyama	Place
FLYNN	18	Willyama	Place
FLYNN	7	Spalding	Street
FLYNN	7	Newland	Street
FLYNN	10	Hedland	Circuit
FLYNN	25	Huelin	Circuit
FLYNN	49	Spalding	Street
FLYNN	43	Crawford	Crescent
FRASER	32	Kerrigan	Street
GARRAN	4	Maurice	Place
GARRAN	13	Rusden	Place
GIRALANG	7	Kinalung	Place
HACKETT	31	Hedley	Street
HALL	6	Loftus	Street
HOLDER	31	Williamson	Street
HOLDER	29	Williamson	Street
HOLDER	56	Sheaffe	Street
HOLT	96	Spofforth	Street
HOLT	353	Southern Cross	Drive
HOLT	28	Laycock	Place
HOLT	26	Cazaly	Close
HOLT	50	Griffiths	Street
HOLT	10	Lindrum	Crescent

HOLT	18	Cavill	Close
KAMBAH	1	Feltus	Place
KAMBAH	2	Headdy	Place
KAMBAH	9	Barritt	Street
KAMBAH	32	Dinnison	Street
KAMBAH	18	Dinnison	Circuit
KAMBAH	5	McRae	Place
KAMBAH	4	Masters	Place
KAMBAH	6	Crafer	Place
KAMBAH	4	Miles	Place
KAMBAH	4	Grote	Place
KAMBAH	17	Malcolm	Place
KAMBAH	37	Jamieson	Crescent
LATHAM	10	Want	Place
LATHAM	91	Macrossan	Crescent
LYONS	19	Olympus	Way
LYONS	4	Ossa	Place
LYONS	9	Breona	Place
MACGREGOR	70	Osburn	Drive
MACGREGOR	41	Handcock	Crescent
MACGREGOR	3	Bowden	Crescent
MACGREGOR	20	Bowden	Crescent
MACGREGOR	29	Cumpston	Place
MACGREGOR	6	Hayward	Street
MACGREGOR	21	Osburn	Drive
MACGREGOR	55	Brownless	Street
MACGREGOR	15	Sewell	Place
MACGREGOR	7	Hone	Place
REID	72	Coranderrk	Street
RIVETT	25	Darwinia	Terrace
RIVETT	12	Epacris	Place
RIVETT	32	Carbeen	Street
RIVETT	9	Gungurra	Crescent
RIVETT	76	Streeton	Drive
RIVETT	84	Streeton	Drive
RIVETT	6	Rapanea	Street
RIVETT	92	Streeton	Drive
RIVETT	11	Salsola	Street
RIVETT	3	Yate	Gardens
RIVETT	28	Kanooka	Street
RIVETT	30	Kanooka	Street
STIRLING	51	Bunbury	Street
STIRLING	9	Wittennoom	Crescent
WARAMANGA	14	Badimara	Street

WARAMANGA	40	Badimara	Street
WARAMANGA	50	Badimara	Street
WESTON	7	Rivers	Street
WESTON	58	Heysen	Street
WESTON	75	Hilder	Street
WESTON	35	Meldrum	Street
WESTON	44	Lycett	Street
WESTON	14	Lycett	Street
WESTON	5	Lycett	Street
WESTON	39	Buvelot	Street
WESTON	68	Buvelot	Street
WESTON	69	Buvelot	Street
WESTON	67	Buvelot	Street
WESTON	65	Buvelot	Street
WESTON	59	Buvelot	Street
WESTON	57	Buvelot	Street
WESTON	24	Rubbo	Crescent

3. Current Inventory (As at 13 June2017- includes all rescinded blocks).

Blocks that are Settlement Ready, have been Released and Remain Unsold				
	Block	**Dwelling # or Site area**	**Forecast $**	**Status**
Residential	Moncrieff	6	$0.9m	Re release programmed for 2017.
	Throsby	60	$26.5	Over the Counter (54) and remaining Auction blocks (6)
	Totals (rounded)	**66**	**$27.4m**	
Industrial	Block 10 Section 21 Hume	32,211m²	$3.80m	Available through MMJ
	Totals (rounded)	**32,211m²**	**$3.80m**	
Commercial	**Totals (rounded)**	-	-	

Blocks that are Under Construction, have been Released and Remain Unsold				
	Block	**Dwelling # or Site area**	**Forecast $**	**Status**
	Totals (rounded)			

Blocks that have not been Released and are Settlement Ready (built inventory not yet released)				
	Block	**Dwelling # or Site area**	**Forecast $**	**Forecast release timing**
Residential	Block 4 Section 2 Coombs (Mixed Use)	120	[redacted]	ILRP 18/19
	Block 5 Section 2 Coombs (Mixed Use)	100	[redacted]	ILRP 20/21
	Block 2 Section 3 Coombs (Multi Unit)	30	[redacted]	ILRP 19/20

	Block 3 Section 3 Coombs (Multi Unit)	30	[redacted]	ILRP 19/20
	Block 4 Section 3 Coombs (Multi Unit)	31	[redacted]	ILRP 19/20
	Block 1 Section 11 Coombs (Multi Unit)	98	[redacted]	ILRP 20/21
	Block 3 Section 12 Coombs (Multi Unit)	80	[redacted]	ILRP 17/18
	Block 1 Section 21 Coombs (Mixed Use)	101	[redacted]	ILRP 20/21
	Block 2 Section 36 Coombs (Mixed Use)	112	[redacted]	ILRP 20/21
	Block 2 Section 22 Moncrieff	90	[redacted]	ILRP 17/18
	Block 1 Section 29 Moncrieff	36	[redacted]	ILRP 19/20
	THROSBY - Blocks 6, 10, 16 & 20 Section 49, Stage 2A; 27 blocks in Stage 3A	31	[redacted]	ILRP 17/18
	THROSBY – 84 Blocks in Stage 3A	84	[redacted]	ILRP 18/19
	THROSBY – 23 Blocks in Stage 2C; 35 blocks in Stage 3A; 9 blocks in Stage 3B	67	[redacted]	ILRP 19/20
	Block 1 Section 38 Wright (Mixed Use)	158	[redacted]	ILRP 17/18
	Block 1 Section 39 Wright (Mixed Use)	123	[redacted]	ILRP 20/21
	Totals (rounded)	**1,291**	[redacted]	
Commercial	Block 29 Section 149 Belconnen	1,169	[redacted]	ILRP 18/19
	Block 1 Section 22 Moncrieff	15,476	[redacted]	ILRP 17/18
	Totals (rounded)	**16,645**	[redacted]	
Community	Block 3 Section 17 Coombs	12,035 m^2	Not available*	ILRP 18/19

	Block 1 Section 125 Franklin	10,395 m^2	Not available*	Beyond ILRP
	Block 3 Section 125 Franklin	5,554 m^2	Not available*	Beyond ILRP
	Block 1 Section 29 Wright	4,500 m^2	[redacted]	Part block ILRP 18/19
	Block 3 Section 114 Amaroo	440 m^2	[redacted]	ILRP 19/20
	Block 1 Section 23 Moncrieff	10,156 m^2	[redacted]	ILRP 18/19
	Totals (rounded)	**43,080 m^2**	[redacted]	
Industrial	Block 76 Section 22 Hume	36,467 m^2	[redacted]	Being subdivided for 2016/17 release
	Block 77 Section 22 Hume	7,718 m^2	[redacted]	Being subdivided for 2016/17 release
	Totals (rounded)	**44,185 m^2**	[redacted]	

* Community Uses Sites – no revenue currently forecast.

In theabove tables the following terminology has been used:

- **Settlement ready** indicates that the LDA has completed any necessary infrastructure works and the block could be settled in a timely manner following exchange;
- **Released** indicates that the block has been released to the market in accordance with the requirements of the *Planning and Development Act 2007*; and
- **Unsold** indicates that a contract has not been exchanged.

ACT Government
Chief Minister, Treasury and Economic Development

Land Development Agency
CANBERRA FIRST

FINANCE REPORT

May 2017

Executive Summary

Financial Statements

- Certification
- Operating Statement
- Balance Sheet
- Cash Flow Statement

Attachments

- **Attachment A:** 2016-17 Settlement Schedule by Month
- **Attachment B:** 2017-18 Settlement Schedule by Month
- **Attachment C:** Cash flow by Project
- **Attachment D:** Rural Land Acquisitions
- **Attachment E:** Overhead Expense Analysis
- **Attachment F:** Project Performance Summary

Graphs

- Land Settlements
- Net Profit
- Return to Government
- Cash Flow Forecast

Land Development Agency

Finance report for the year to date 31 May 2017

Executive Summary

The LDA has achieved $394.8m in land sales revenue for the year to 31 May 2017, which is $81.7m lower than the $476.4m Statement of Intent (SOI) for the same period. This represents 63% of the full year SOI. The full year land sales revenue forecast is $560.1m which is a shortfall of $69.7m compared to the SOI.

Table 1: Financial performance summary for the year to date 31 May 2017

	Year to Date				Full Year			
	Actual	SOI	Variance		Forecast	SOI	Variance	
	$'000	$'000	$'000	%	$'000	$'000	$'000	%
Land Sales Revenue	394,756	476,413	(81,657)	(17)	560,078	629,801	(69,723)	(11)
Other Revenue	9,589	6,302	3,287	52	7,565	6,874	691	10
Total Revenue	**404,346**	**482,715**	**(78,369)**	(16)	**567,643**	**636,675**	**(69,032)**	(11)
Expenses	117,169	199,665	(82,496)	(41)	206,178	334,836	(128,658)	(38)
Operating Profit before tax	**287,176**	**283,050**	**4,126**	1	**361,465**	**301,839**	**59,626**	20
Income Tax Equivalents	86,153	84,915	1,238	1	108,439	90,552	17,887	20
Net Profit /(Loss)	**201,024**	**198,135**	**2,889**	1	**253,025**	**211,287**	**41,738**	20

Numbers may not add due to rounding

Actual versus SOI variances

May year to date (YTD) actual results versus SOI are driven by:

- Land sales revenue is $81.7m lower than the YTD SOI mainly due to (refer to page 6):

    - Throsby - $156.1m: settlements delayed to June 2017 and 2017-18;
    - Greenway 2/28 - $9.2m: settlement has been deferred to 2017-18; and
    - Community – Narrabundah 45/100 - $4.5m: settlement has been deferred to June 2017.

  This is partially offset by:

    - Commerical - City 35/100 - $33.8m: which was not included in 2016-17 SOI;
    - Moncrieff - $21.3m: due to $37.9m settlements delayed from the 2015-16 financial year and higher than forcast auction results which are offset by $16.6m for public housing settlements brought forward from 2016-17 to 2015-16;
    - Coombs - $17.6m: due to settlemens brought forward from June 2017 and higher than forecast auction results for multi unit sites;
    - Forrest 10/13 - $7.0m: due to higher than forecast auction result;
    - Hume West - $6.5m: due to settlements delayed from 2015-16 ($1.9m) and settlements bought forward from 2016-17 ($4.6m); and
    - Deakin 27-28/24 Charity House - $2.8m: not included in 2016-17 SOI.

- Actual expenses are $82.5m lower than the YTD SOI mainly due to:

    - Development expense (Cost of Goods Sold) $47.2m mainly due to delayed settlements of Throsby;
    - Project to date development expenses adjustments of $24.5m due to the October 2016 project Bi-Annual Review (BAR);
    - Other operating expenses - $9.0m: due to timing variances for selling, marketing and consulting expenses; and
    - Employee expenses - $5.1m: mainly due to vacant positions currently being filled.

  This is partially offset by:

    - Inventory write off for land transfers from the Public Housing and ACT Property Group of $15.8m: $14.6m for Braddon 1/52 (Allawah Court), $0.4m for Belconnen 1/149 (Water Police) and $0.8m for Dickson 18/11.

2016-17 Revenue Forecast (refer Attachment A)

Table 2: 2016-17 Forecast revenue by project

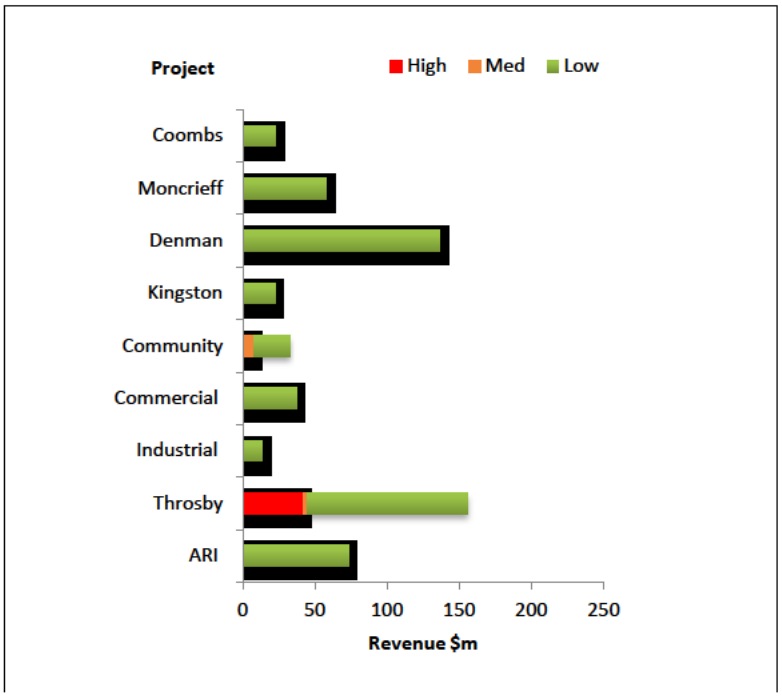
		Completed $'000	Low $'000	Medium $'000	High $'000	Total $'000
Standard	Coombs	14,711	-	-	-	**14,711**
	Deakin	2,800	-	-	-	**2,800**
	Downer 17/61	-	-	7,273	-	**7,273**
	Kambah 10/226	345	-	-	-	**345**
	Kambah 11/226	330	-	-	-	**330**
	Kambah 12/226	335	-	-	-	**335**
	Kambah 25/227	350	-	-	-	**350**
	Kambah 26/227	365	-	-	-	**365**
	Kambah 27/227	375	-	-	-	**375**
	Lawson	429	-	-	-	**429**
	Molonglo Denman Prospect (englobo)	136,150	-	-	-	**136,150**
	Moncrieff	54,521	3,180	-	-	**57,701**
	Throsby	53,202	54,256	3,105	41,716	**152,279**
Public Housing	[redacted]	-	-	400	-	**400**
	Molonglo Denman Prospect (englobo)	825	-	-	-	**825**
	Molonglo Denman Prospect (LDA)	975	-	-	-	**975**
	Throsby	3,804	-	-	-	**3,804**
Asset Recycling Initiative	Braddon 1/52 Currong Flats	43,925	-	-	-	**43,925**
	Dickson 19-20/32 Dame Pattie Menzies	-	12,461	-	-	**12,461**
	Lyneham Owen Flats	-	16,587	-	-	**16,587**
Mixed Use	Amaroo 9/111	634	-	-	-	**634**
	Coombs	8,155	-	-	-	**8,155**
	Forrest part 6/13	18,455	-	-	-	**18,455**
	Kingston Foreshore	636	-	-	-	**636**
	Kingston Foreshore 2/67	-	21,552	-	-	**21,552**
Community	Charnwood 19	2,145	-	-	-	**2,145**
	Dickson 18/11	53	-	-	-	**53**
	Gowrie 7/226	0	-	-	-	**0**
	Higgins 2/11	5,833	-	-	-	**5,833**
	Narrabundah 45/100 - Englobo Sales	-	9,720	-	-	**9,720**
	Rivett 13/28	801	-	-	-	**801**
Commercial	City 12/24	25	-	-	-	**25**
	City 35/100	34,700	-	-	-	**34,700**
	Fyshwick 11/8	-	-	273	-	**273**
	Greenway 3/75	109	-	-	-	**109**
	GTC 1/247	0	-	-	-	**0**
	Mitchell 2/54- Norwood Park	50	-	-	-	**50**
	Torrens 15/22	540	-	-	-	**540**
	Watson 11/64	1,335	-	-	-	**1,335**
Industrial	Hume West	7,845	3,109	2,800	-	**13,754**
Outside LRP	x-Infrastructure-Third Party Transfers	-	-	3,100	-	**3,100**
Total		**394,756**	**120,865**	**16,950**	**41,716**	**574,288**
	Slippage % based on risk			0	0	
	Provision for Slippage			1,695	12,515	**14,210**
TOTAL (Incl. Slippage)		**394,756**	**120,865**	**15,255**	**29,201**	**560,078**

Numbers may not add due to rounding

The LDA is forecasting to achieve $560.1m in land sales revenue for the 2016-17 financial year, a shortfall of $69.7m compared to the 2016-17 SOI. Revenue for 2016-17 is under pressure due to the slow market take-up of blocks in Throsby and the delay in settlement to 2017-18 of the Red Hill Flats and Greenway 2/28. Additionally, as a result of the 2015-16 audit the LDA is required to account for community land sales revenue to the Public Housing Renewal Taskforce (PHRT) at nominal land servicing cost, as opposed to market value which was used for the SOI.

High risk land revenue forecasts for 2016-17 have been assessed at $41.7m or 7% of forecast revenue. Table 2 above and Figure 1 below shows the breakup of forecast settlements by project and categorised by risk.

Figure 1 – 2016-17 Forecast revenue by project



Throsby $41.7m: High risk in Throsby for booked settlements in 2016-17 with the potential of requests for extension or rescission.

The 2016-17 land sales revenue forecast is $563.4m, which is $66.4m lower than the SOI and is comprised of the projects shown in Table 3 on page 6.

The key unfavourable full year forecast variances compared to the 2016-17 SOI have been driven by:

- Throsby ($54.4m) forecast has been reduced for 2016-17 based on the current exchanged sites scheduled for settlement in 2016-17. The reduction is the result of a lower market demand for premium priced land;
- Asset Recycling Initiative due to Red Hill Precinct ($93.3m), Motor Vehicle Registry ($17.9m) and Dame Pattie Menzies building ($14.9m) being delayed to 2017-18. The Red Hill Precinct has been approved to be sold as englobo. The Motor Vehicle Registry site is awaiting the relocation of tenants before it can be settled and the sale of the Dame Pattie Menzies building is still under negotiation; and
- Greenway 2/28 ($9.2m) settlement has been deferred to 2017-18.

These variances are offset by:

- Commercial (City 35/100) was not included in 2016-17 SOI ($33.8m);

- Removal of Price Risk Adjustment for Red Hill Flats due to revised valuations by the Public Housing Renewal Taskforse ($28.0m);
- Kingston foreshore peninsula site and Forrest 10/13 achieving a higher price at auction compared to the SOI ($11.8m and 7.3m above SOI respectively);
- Industrial land sales in Hume West due to increased demand resulting in sites being brought forward into the 2016-17 financial year as well as delayed settlements from 2015-16 ($12.4m); and
- Coombs and Moncrieff multi-unit sites achieved higher than forecast results at auction in February.

Compared to last month's 2016-17 land sales revenue forecast of $563.4m, the current forecast of $560.1m represents a decrease of $6.6m. This is driven by the deferral of the settlement for the Dame Pattie Menzies building which is under negotiation for sale. Table 3 below outlines the changes in land sales forecast from last month's forecast

Table 3: 2016-17 Forecast revenue changes from prior month

Forecast Variance from April to May 2017		May-17 Forecast	April 2017 Forecast	Variance
		$000	$000	$000
Residential	Throsby	152,279	139,528	12,751
Asset Recycling Initiative	Braddon 1/52 Currong Allawah Flats	43,925	47,000	(3,075)
Asset Recycling Initiative	Dickson 19-20/32 Dame Pattie Menzies	-	16,350	(16,350)
Mixed Use	Forrest part 6/13	18,455	18,785	(331)
Community	Narrabundah 45/100 - Englobo Sales	9,720	9,273	447
Total Variance				**(6,557)**

Table 4: Revenue by project

Land Sales Revenue For the month ended 31 May 2017									
Project	**May 2017**			**Year to Date**			**Full Year**		
	Actual $'000	**SOI $'000**	**Variance $'000**	**Actual $'000**	**SOI $'000**	**Variance $'000**	**Forecast $'000**	**SOI $'000**	**Variance $'000**
Amaroo	-	-	-	634	1,077	(444)	634	1,374	(741)
Coombs	17,199	-	17,199	22,865	5,275	17,590	22,865	13,370	9,495
Lawson	-	-	-	429	-	429	429	-	429
Downer 4/61	-	-	-	-	-	-	7,273	7,273	-
Moncrieff	8,105	2,673	5,432	54,522	33,249	21,273	57,701	53,250	4,451
Throsby	57,006	94,764	(37,758)	57,006	210,500	(153,494)	156,083	210,499	(54,417)
Taylor			-	-	-	-	-	-	-
Molonglo Denman Prospect	1,800	-	1,800	127,400	132,137	(4,737)	137,950	132,137	5,813
Greenway 2/28	-		-	-	9,246	(9,246)	-	9,245	(9,245)
Forrest 10/13	18,455	-	18,455	18,454	11,455	6,999	18,455	11,455	7,000
Kambah			-				2,100	-	2,100
Kingston Foreshore	-	-	-	636	-	636	22,188	9,802	12,386
Asset Recycling Initiative	43,925	17,897	26,028	43,925	46,099	(2,174)	72,974	192,495	(119,521)
Deakin 27&28/24		-	-	2,800	-	2,800	2,800	-	2,800
Community	-		-	8,832	14,037	(5,205)	18,952	14,037	4,915
Commercial	1,335	909	426	37,959	1,409	36,550	37,032	3,409	33,623
Hume West	-	-	-	7,845	1,380	6,465	13,754	1,380	12,374
Infrastructure revenue	-	-	-	11,450	10,550	900	3,100	14,550	(11,450)
Gross land sales revenue	**147,825**	**116,243**	**31,582**	**394,756**	**476,414**	**(81,658)**	**574,288**	**674,276**	**(99,989)**
Provision for slippage	-	-	-	-	-	-	(14,210)	(16,498)	2,288
Price risk adjustment	-	-	-	-	-	-	-	(27,977)	27,977
Net land sales revenue	**147,825**	**116,243**	**31,582**	**394,756**	**476,414**	**(81,658)**	**560,078**	**629,801**	**(69,724)**

Numbers may not add due to rounding

2017-18 Land Revenue Forecast (refer Attachment B)

The land revenue forecast for 2017-18 is $581.0m, which is $45.5m higher than the SOI of $535.4m driven by:

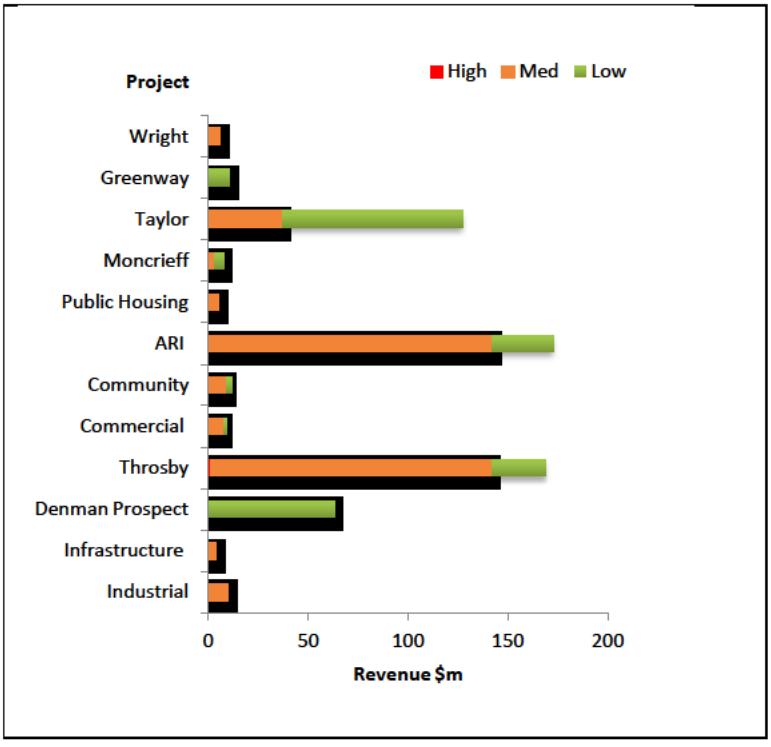
- Denman Prospect Stage 2 [redacted] that has been brought forward from 2018-19; and
- ARI sites, Red Hill Flats [redacted], Dickson Motor Vehicle Registry [redacted] and Dame Pattie Menzies building [redacted] delayed from 2016-17.

These increases are offset by:

- ARI sites, Northbourne Flats - Braddon [redacted], Turner [redacted], Stuart Flats - Griffith [redacted] have been delayed until 2018-19;
- ARI site, Karuah Garden Flats achieved lower than forecast revenue [redacted]; and
- Lawson stage 2 [redacted] has been delayed until 2019-20.

The high risk land revenue forecast for 2017-18 has been assessed at [redacted] (Commercial [redacted] and Throsby [redacted]). Figure 2 below provides details of forecast land settlements for 2017-18 by project and risk.

Figure 2 – 2017-18 Forecast revenue by project



Compared to last month's 2017-18 land sales revenue forecast of $576.3m, the current forecast of $581.0m represents an increase of of $4.7m. This is driven by the deferral of settlement for the Dame Pattie Menzies building from 2016-17.

2016-17 Cash Flow Forecast

The forecast cash flow statement is shown in Table 5 on page 9. Cash reserves were $324.1m at 31 May 2017. The favourable cash balance variance compared to the SOI for the YTD 31 May 2017 is $35.8m. This is driven by a reduction in development expenses for Taylor and Throsby due to construction delays caused by persistent winter rainfall and revised forecasts as part of the Bi-Annual Reviews.

These favourable results are partially offset by the lower land sales than SOI for the period. Additional, the cash balance at 1 July 2016 was $24.6m lower than budgeted and the final 2015-16 Income Tax Equivalent payment was $23.1m higher than budgeted.

The cash balance is forecast to be $306.1m at 30 June 2017, an increase of $106.8m compared to the 2016-17 SOI balance of $199.3m.

The increase of $106.8m in the forecast cash balance at end of June 2017 compared to the 2016-17 SOI is driven by a reduction in development expenses for Taylor and Throsby due to construction delays caused by persistent winter rainfall and revised forecasts as part of the Bi-Annual Reviews. This is partially offset by reduced land sales, increased Income Tax Equivalent payment, lower cash balance at 1 July 2016 and a reduced land sales compared to SOI.

Compared to last month's forecast of the closing cash position for the year of $121.7m the current forecast is an increase of $93.4m. The increase is related to Asset Recycling Initiative revenue and land payments for settlements and deposits taken on exchange during 2016-17 ($80.1m).

The cash flow statement is provided on page 9 which shows a comparison of the actual cash flow versus the SOI cash flows.

Table 5: Cash flow statement

Cash flow Summary For the month ended 31 May 2017						
	Year to Date			Full Year		
	Actual $'000	SOI $'000	Variance $'000	Forecast $'000	SOI $'000	Variance $'000
Opening cash position as at 1 July 2016	**283,887**	**308,501**	**(24,614)**	**283,887**	**308,501**	**(24,614)**
Receipts						**-**
Land sales receipts	396,320	475,863	(79,543)	562,130	631,284	**(69,154)**
Interest received	6,834	5,016	1,818	7,216	5,461	**1,755**
Other receipts	1,351	715	636	1,351	787	**564**
Proceeds from Investments	250	-	250	250	-	**250**
GST collected from customers/Refund from ATO	17,899	24,463	(6,564)	11,977	30,424	**(18,447)**
Total receipts	**422,654**	**506,057**	**(83,403)**	**582,924**	**667,956**	**(85,032)**
Payments						
Employee expenses	13,945	17,610	(3,665)	15,762	19,209	**(3,447)**
Supplies and services	14,958	21,417	(6,459)	17,358	27,346	**(9,988)**
Land acquisitions	34,520	51,312	(16,792)	46,974	51,312	**(4,338)**
Development costs	100,134	234,299	(134,165)	117,783	266,013	**(148,230)**
Stamp duty	-	-	-	1,174	2,304	**(1,130)**
GST paid on purchases remittance to ATO	14,825	25,563	(10,738)	17,467	28,046	**(10,579)**
Interest paid	-	-	-	1,489	2,897	**(1,408)**
Income tax equivalent	94,940	78,005	16,935	152,390	79,358	**73,032**
Other cash movements	1,164	-	1,164	8,844	-	**8,844**
Expense Reimbursement	(6,309)	-	(6,309)	-	-	**-**
Distr butions to Government (for ARI)	-	-	-	28,825	83,702	**(54,877)**
Dividend paid to Government	98,257	98,000	257	145,247	173,376	**(28,129)**
Purchase of investment	11,781	-	11,781	13,290	43,616	**(30,326)**
Purchase of plant and equipment	4,204	-	4,204	4,203	-	**4,203**
GST (remitted) / refund - BAS	-	-	-	(10,121)	-	**(10,121)**
Total payments	**382,419**	**526,206**	**(143,787)**	**560,685**	**777,179**	**(216,494)**
Closing cash position	**324,122**	**288,352**	**35,770**	**306,126**	**199,278**	**106,848**

Numbers may not add due to rounding

2016-17 Return to Government

Table 5 below shows the forecast full year return to Government.

Table 6: Return to Government

Return to Government **For the month ended 31 May 2017**			
	Full Year		
	Forecast	**SOI**	**Variance**
	$'000	**$'000**	**$'000**
Payroll tax	885	1,057	(172)
Payments for land	38,362	51,419	(13,057)
Interest & stamp duty	2,790	5,201	(2,411)
Income tax equivalents	108,439	90,552	17,887
Dividend	253,025	211,287	41,738
Total	**403,501**	**359,516**	**43,985**

Numbers may not add due to rounding

For the financial year ending 30 June 2017 the forecast return to Government is expected to be $403.5m, an increase of $44.0m compared to the SOI amount of $359.5m driven by increased profit by the reduction of the following expenses in 2016-17:

- Inventory write off expense reduced by $33.6m as a result of delayed ARI land settlements, which will not occur in 2016-17 and therefore the capital distribution to Government for ARI land from LDA will not occur in 2016-17;
- Cost of goods sold expense reduction of $54.6m related to lower land sales and $20.6m as a result of the October 2016 and March 2017 Bi-Annual Reviews; and
- Public Housing price reductions of $16.0m as this was incurred in 2015-16.

These favourable variances are partly offset by the reduction in land sales revenue forecast.

Last month, the forecast for the Return to Government for 2016-17 was $383.1m. The increase of $20.4m compared to last month's forecast is driven by an increase in profit as a result of a reduction in inventory write off expense for delayed ARI land settlements.

Subsequent Events

As at reporting date, the 21 June 2017, the forecast for land sales at 30 June 2017 is $534.0m and the RTG forecast is $384.2m. Details of the reduction in land sales forecast can be found in Table 7 below.

Table 7: 2016-17 Forecast revenue changes from May 2017

Forecast Variance from May 2017 to current		Current Forecast	May 2017 Forecast	Variance
		$000	$000	$000
Residential	Moncrieff	57,720,773	57,700,773	20,000
Residential	Throsby	143,022,071	152,279,031	(9,256,960)
Asset Recycling Initiative	Braddon 1/52	44,100,000	43,925,234	174,766
Asset Recycling Initiative	Dickson 40-41/6 Dickson Flats	-	12,461,059	(12,461,059)
Mixed Use	Kingston Foreshore 2/67	20,134,500	21,551,980	(1,417,480)
Community	Kambah 21/277	57,000	-	57,000
Commercial	Fyshwick 11/8	-	272,727	(272,727)
Industrial	Hume West	10,645,000	13,753,500	(3,108,500)
Total Variance				**(26,264,960)**

CERTIFICATION

I certify that the financial report, incorporating the financial statements, accompanying schedules and commentary, is in agreement with the Land Development Agency's accounts and records and fairly reflects the financial performance of the Agency for the month ended 31 May 2017 and its financial position on that date.

I certify that all liabilities of the Land Development Agency in respect to Directors' Insurance, Goods and Services Tax (GST) (subject to ongoing discussions with the Australian Taxation Office), Fringe Benefits Tax (FBT) and Payroll Tax have been met by the respective dates on which they are due and payable. Obligations with regard to Pay as You Go (PAYG) and Superannuation instalments have been met by payment to Shared Services in accordance with the Whole-of-Government arrangements for human resources and payroll functions.

RECOMMENDATION

That the Board:

a) notes the financial report; and
b) notes the certification provided above.

Bruce Fitzgerald
Chief Financial Officer
June 2017

OPERATING STATEMENT
May-17

	Current Month	YTD			Full Year	
	Actual $'000	Actual $'000	SOI $'000	Variance $'000	Forecast $'000	SOI $'000
Land Sales Revenue						
Land Sales Revenue	147,825	394,756	476,413	(81,657)	563,419	629,801
Total Land Sales Revenue	**147,825**	**394,756**	**476,413**	**(81,657)**	**563,419**	**629,801**
Other Revenue						
Share of Profit /(Loss) from Joint Ventures	-	91	-	91	(3,329)	-
Other Income	50	2,975	709	2,266	3,551	773
Interest Income	628	6,523	5,593	930	7,246	6,101
Total Other Revenue	**678**	**9,589**	**6,302**	**3,287**	**7,468**	**6,874**
June 2017						
Total Revenue	**148,503**	**404,346**	**482,715**	**(78,369)**	**570,887**	**636,675**
Operating Expenses						
Employee Expenses	1,255	12,521	17,609	(5,088)	14,699	19,209
Other Operating Expenses	2,064	16,114	25,133	(9,019)	27,320	27,418
Interest Expense	254	1,438	2,688	(1,250)	1,489	2,897
Total Operating Expenses	**3,572**	**30,073**	**45,430**	**(15,357)**	**43,508**	**49,524**
Development Expenses						
Development Expenses	19,059	57,211	104,392	(47,181)	79,797	137,174
Land Payment	15,285	37,482	47,705	(10,223)	38,378	51,419
Stamp Duty	202	1,143	2,138	(995)	1,165	2,304
Total Development Expenses	**34,547**	**95,836**	**154,235**	**(58,399)**	**119,340**	**190,897**
Oct-16 BAR (Project to date) Adjustment	-	(24,490)	-	(24,490)	(20,573)	-
Intra-Government Resources Provided Free of Charge	-	-	-	-	-	16,048
Inventory Written Off for Assets Transferred from Other Agency Free of Charge	-	15,750	-	15,750	87,390	78,367
Total Expenses	**38,119**	**117,169**	**199,665**	**(82,496)**	**229,665**	**334,836**
Operating Profit before Tax	110,384	287,176	283,050	4,126	341,222	301,839
Income Tax Expense	33,115	86,153	84,915	1,238	102,367	90,552
Operating Profit	**77,268**	**201,024**	**198,135**	**2,889**	**238,855**	**211,287**
Key Financial Indicators						
Gross Margin	113,278	298,920	322,178	(23,258)	464,652	438,904
Gross Margin	76.6 %	75.7 %	67.6 %	8.1 %	82.5 %	69.7 %
Operating Profit Margin	52.0 %	49.7 %	41.0 %	8.7 %	59.8 %	33.2 %
Return to Government (Refer to Table 5)					***383,118***	***359,516***

Numbers may not add due to rounding

BALANCE SHEET
May-17

		YTD		Full Year
	Opening Balance $'000	Current Month Movement $'000	Actual $'000	SOI $'000
Current Assets				
Cash at Bank	283,887	125,152	324,122	199,278
Trade and Other Receivables	17,862	1,006	5,918	3,086
Inventories	133,803	146	182,514	204,422
Investment in Joint Ventures	399	3,376	12,022	32,011
Right to Receive Infrastructure	10,875	-	10,794	8,504
Prepayments/Other	-	(42)	42	-
June 2017	**446,826**	**129,638**	**535,411**	**447,301**
Non Current Assets				
Receivables	26	-	26	28
Investment in Joint Ventures	-	-	-	12,245
Inventories	109,468	(486)	95,130	172,073
Property, Plant & Equipment	26,090	(34)	29,914	3,181
Right to Receive Infrastructure	8,209	-	19,659	10,562
Total Non Current Assets	**143,793**	**(521)**	**144,729**	**198,089**
TOTAL ASSETS	**590,619**	**129,117**	**680,140**	**645,390**
Current Liabilities				
Trade and Other Payables	54,532	19,906	71,812	28,288
Employee Benefits	4,311	(450)	4,650	3,890
Provision for Project Completions	72,686	7,547	62,560	57,475
Infrastructure Liabilities	10,875	-	10,794	8,504
Tax Liability	80,297	32,694	71,510	72,441
Land Payable to TCCS	45,780	(3,910)	23,183	27,808
Provision for Dividend	98,257	77,268	201,025	220,251
Revenue Received In Advance/Other	15,978	(8,968)	22,911	14,636
Total Current Liabilities	**382,718**	**124,088**	**468,445**	**433,293**
Non Current Liabilities				
Employee Benefits	210	(2)	195	222
Provision for Project Completions	49,348	5,031	41,707	37,684
Infrastructure Liabilities	8,209	-	19,659	10,562
Deferred Tax Liabilities	27,717	-	27,717	37,848
Total Non Current Liabilities	**85,483**	**5,030**	**89,277**	**86,316**
TOTAL LIABILITIES	**468,201**	**129,117**	**557,722**	**519,609**
NET ASSETS	**122,418**	-	**122,418**	**125,781**
Equity				
Contributed Equity	77,634	-	77,634	77,634
Retained Profits	48,146	-	48,146	48,147
Operating Surplus	173,258	77,268	201,024	211,287
Dividend Approved	(173,258)	(77,268)	(201,024)	(211,287)
Revaluation Reserve - Land	(3,362)	-	(3,362)	-
Asset Contributed by Owner	5,335	-	14,632	-
Capital Distributions	(5,335)	-	(14,632)	-
TOTAL EQUITY	**122,418**	**-**	**122,418**	**125,781**

Numbers may not add due to rounding

CASH FLOW STATEMENT
May-17

	Current Month	YTD	Full Year
	Actual	Actual	SOI
	$'000	$'000	$'000
OPENING CASH POSITION	198,970	283,887	308,501
OPERATING ACTIVITIES			
Receipts			
Land Sales	136,328	396,320	631,284
Interest Received	628	6,834	5,461
Other Cash Receipts	(7)	1,351	787
GST Collected	5,612	17,899	30,424
June 2017	**142,561**	**422,404**	**667,956**
Payments			
Employee Costs	1,818	13,945	19,209
Administrative Costs	1,460	14,958	27,346
Land Purchases	-	34,520	51,312
Stamp Duty	-	-	2,304
Development Costs	9,939	100,134	266,013
Income Tax Equivalent	421	94,940	79,358
Interest Paid	-	-	2,897
Other Cash Payments (Receipts)	(754)	1,164	-
Expense Payments (Reimbursements)	2	(6,309)	-
GST Paid	1,147	14,825	28,046
Total Operating Cash Payments	**14,033**	**268,177**	**476,485**
Net Cash Inflow (outflow) - Operating	**128,528**	**154,227**	**191,471**
INVESTING ACTIVITIES			
Receipts			
Distribution from Joint Venture	-	250	-
Total Investing Cash Receipts	**-**	**250**	**-**
Payments			
Investment in Joint Ventures	3,376	11,781	43,616
Property, Plant & Equipment	-	4,204	-
Total Investing Cash Payments	**3,376**	**15,985**	**43,616**
Net Cash (outflow) - Investing	**(3,376)**	**(15,735)**	**(43,616)**
FINANCING ACTIVITIES			
Payments			
Dividends Paid to Government	-	98,257	173,376
Distributions to Government	-	-	83,702
Total Financing Cash Payments	**-**	**98,257**	**257,078**
Net Cash Inflow (outflow) - Financing	**-**	**(98,257)**	**(257,078)**
NET CASH SURPLUS (DEFICIT)	**125,152**	**40,235**	**(109,223)**
CLOSING CASH POSITION	**324,122**	**324,122**	**199,278**

Note 1 - Land Sales Revenue

	May-17		YTD	
	No. of Blocks Sold	Revenue $'000	No. of Blocks Sold	Revenue $'000
Residential				
Amaroo GST Adjustment	-	-	1	634
Coombs	3	17,199	4	22,865
Kingston Foreshore (Additional Yield)	-	-	-	636
Lawson	-	-	1	428
Moncrieff	2	8,105	157	54,521
Denman Prospect 1B	-	-	1	125,600
Denman Prospect (PHRT)	24	1,800	24	1,800
Throsby	134	57,006	134	57,006
Commercial				
Braddon 1/52	1	43,925	1	43,925
Charnwood 22/97	-	-	1	2,145
City 12/24	-	-	1	25
City 35/100	-	-	1	33,800
Deakin 27-28/24 Charity House	-	-	2	2,800
Forrest 13/13	1	18,455	1	18,455
Greenway 3/75	-	-	1	109
Kambah Six			6	2,100
Rivett 13/28	-	-	1	801
Torrens 15/22	-	-	1	540
Watson 11/62	1	1,335	1	1,335
Industrial				
New West	-	-	9	7,845
Community				
Mitchell 2/54	-	-	1	50
Higgins 4/11	-	-	1	5,833
Dickson 18/11	-	-	1	53
Subtotal	**166**	**147,825**	**353**	**383,306**
Infrastructure				
Denman Prospect 1B	-	-	-	10,550
City 35/100	-	-	-	900
Total Land Sales Revenue	**166**	**147,825**	**353**	**394,756**

Note 2 - Share of Profit / (Loss) from Joint Ventures

	May-17 Actual $'000	YTD Actual $'000
Crace - 50% Share	-	65
Forde - 50% Share	-	26
Total JV profit	**-**	**91**

Note 3 - Other Income

	May-17 Actual $'000	YTD Actual $'000
MOU - CMTEDD & LDA	56	617
Direct Sale Application Fee	(11)	73
Deposit /LR Security retained on termination of sales contracts	-	858
Land Received Free of Charge	-	1,118
Rent - City car park block, Huntly rural block, Optus Licence Gungahlin	5	309
Total Other Income	**50**	**2,975**

Note 4 - Total Operating Expenses
May-17

	Current Month	Year to Date			Full Year
	Actual	Actual	SOI	Variance	SOI
		(A)	(B)	(B-A)	
	$'000	$'000	$'000	$'000	$'000
Expenses					
Wages and salaries	1,116	11,784	14,745	(2,961)	16,085
Salary Costs Capitalised in Inventories	(112)	(1,794)	-	(1,794)	-
Other employee expenses	250	2,531	2,864	(333)	3,124
Total Employee Expenses	**1,255**	**12,521**	**17,609**	**(5,088)**	**19,209**
Selling expenses [1]	712	1,600	6,774	(5,174)	5,822
Marketing and promotion[2]	61	854	2,102	(1,248)	2,293
Consultancies [3]	392	2,983	6,962	(3,979)	8,618
Administrative costs [4]	558	7,047	5,529	1,517	6,577
Purchased Services	305	3,252	3,700	(448)	4,036
Depreciation and amortisation	34	378	66	312	72
Total Other Operating Expenses	**2,064**	**16,114**	**25,133**	**(9,019)**	**27,418**
Interest Costs	254	1,438	2,688	(1,250)	2,897
Total Operating Expenses	**3,572**	**30,073**	**45,430**	**(15,357)**	**49,524**

1. Selling expenses include agents commission, legal conveyancing, rebates for landscaping, solar hot water and air-conditioning and general selling costs including venue hire and auctioneers fees.

2. Marketing expenses include general promotion, market research, displays and public education, advertising and marketing strategy development.

3. Consultancies include financial management and accounting services and advice, legal expenses (excluding conveyancing), valuations and other professional services.

4. Administrative costs include asset management, accommodation, office equipment and consumables, ICT activities, staff development, payments to shared services and other general administrative expenses.

Inventory Written Off	Current Month	Year to Date			Full Year
	Actual	Actual	SOI	Variance	SOI
		(A)	(B)	(B-A)	
	$'000	$'000	$'000	$'000	$'000
Inventory Written Off for Assets Transferred from Other Agency Free of Charge	-	15,750	-	15,750	78,367

Inventories held for sale are valued at the lower of cost and net realisable value. The difference between the cost and net realisable value is recorded as an Inventory Loss. The year to date Inventory Written Off includes the revaluation of Belconnen Block 1 Section 149, Braddon Block 1 Section 52 (Allawah Court) and Dickson Block 18 Section 11 following the transfer from other ACT Government agencies.

Note 5 - Cash and Cash Equivalents

	$'000	Performance	Benchmark[1]
LDA Operating Account	324,121	2.35%	1.87%
Petty Cash	1		
Total Cash and Cash Equivalent	**324,122**		

1. Benchmark is based on the UBS Bank Bill Index per LDA Investment Policy (November 2015).

Note 6 - Trade and Other Receivables

	Current $'000	Non-Current $'000	Total Receivables $'000
Monash 4/52	(2)	26	24
AR Invoices - Rent, Admin & Salary Reimb	390	-	390
PHRT - Sale of Throsby & Denman blocks	5,604	-	5,604
DOF - Kingston Foreshore Remediation	1,540	-	1,540
CMTEDD - Termination Payment Reimb	78	-	78
Belconnen Block 858 - Rent	51	-	51
Accrued Revenue - MOU - CMTEDD & LDA	501	-	501
GST Receivable / (Payable)	(2,243)	-	(2,243)
Total Trade and Other Receivables	**5,918**	**26**	**5,944**

Note 7 - Investment in Joint Ventures

JV Project	Investments $'000
Crace	38
Forde	202
West Belconnen	11,781
Total Investment in Joint Ventures	**12,022**

Note 8 - Trade and Other Payables

Creditors	Payables $'000
Accrued expenses & development costs	6,230
GST payable to ATO (adjustment for LDA estate land sales)	10,224
GST payable to ATO (adjustment for Forde Joint Venture)	2,444
Land accrual to TCCS	15,358
Distribution to Government	28,825
Land rent security payment	64
Kingston 2/67 prepaid Interest	125
Retention money	8,543
Total Trade and Other Payables	**71,812**

Note 9 - Inventories

Project	Land Acquisitions $'000	Development Costs $'000	Total Inventories $'000
Amaroo Local Centre	18	169	187
Asset Recycling Initiative	-	10,654	10,654
Canberra Brickworks	-	84	84
City to the Lake	5,966	4,885	10,851
Commercial	-	10,832	10,832
Coombs	7,243	11,773	19,016
Denman Prospect	57	156	213
Downer Section 61 CHC	-	2,848	2,848
Dickson Section 72	3,819	256	4,074
Direct Sales	-	3,232	3,232
Franklin	561	936	1,497
Glenloch B6&7 Molonglo & B1548-1550 Belconnen	9,250	0	9,250
Gungahlin B766 (The Horse Park Homestead)	1,540	15	1,555
Gungahlin Town Centre	492	1,098	1,590
Industrial	-	711	711
Kambah Six	-	-	-
Kingston Foreshore	1,302	27,388	28,690
Lawson	-	-	-
Majura Road	470	288	758
Molonglo Stage 3	-	2,355	2,355
Moncrieff	6,543	10,975	17,518
New West	3,980	8,245	12,225
North Wright	-	477	477
Phillip 8/9 (was Pt 4)	870	9,491	10,361
Riverview	8,814	21,280	30,093
Taylor	257	29,190	29,447
Throsby	226	56,246	56,472
Whitlam	-	70	70
Wright	3,427	7,348	10,775
Other Residential	-	1,806	1,806
Total Inventories	**54,835**	**222,808**	**277,644**

Note 10 - Property, Plant & Equipment

Project	$'000 16-17 FY Opening Balance	$'000 16-17 FY Additions/ Depreciation	$'000 YTD Closing Balance
Property			
- Belconnen blocks 1597-1597 (Lands End)	3,156	-	3,156
- Belconnen blocks 1491-1492 & 1587 (Wintergarden)	-	4,204	4,204
- Stromlo block 19 (Milapuru)	4,000	-	4,000
- Stromlo blocks 412-413, 426, 487 & 489 (Huntly)	10,517	-	10,517
- Stromlo part block 491 (Fairvale)	3,261	-	3,261
- Tuggeranong blocks 1405, 1470-1471 (Williamsdale)	3,100	-	3,100
Total property	24,033	4,204	28,237
Buildings			
- Westside Containers	895	(308)	587
Leasehold improvements	31	(13)	18
Plant & equipment	19	(4)	15
Heritage assets			
- John Fowler Locomotive	442	-	442
Computer software	97	(55)	42
Other intangibles			
- Externally purchased goodwill	573	-	573
Total Property, Plant & Equipment	**26,090**	**3,824**	**29,914**

Note 11 - Provision for Project Completion

Project	Provision $'000
Amaroo Local Centre	233
Bonner	991
Campbell Section 5	450
Coombs	12,725
Denman Prospect LDA Estate	2,005
Flemington Road Corridor	1,037
Franklin	253
Gungahlin Town Centre	4,049
Harrison 4	678
Kingston Foreshore	14,789
Lawson	32,292
Moncrieff	18,041
New West	(16)
Phillip Section 3	297
Southquay Greenway	1,325
Throsby	12,720
Wright	2,398
Total Provision for Project Completion	**104,267**

Note 12 - Land Payable to TCCS

The “Accrued Land Value ” balance represents the land payment liability for serviced land available for sale and land for which custodianship has been received.

Project	Payables $'000
Amaroo Local Centre	18
Coombs	7,243
Denman Prospect	57
Franklin	561
Moncrieff	6,543
New West	3,980
Phillip Section 3	870
Taylor	257
Throsby	226
Wright	3,427
Total Accrued Land Value	**23,183**

Note 13 - Land Sales

Project	May-17 $'000	YTD $'000
Amaroo	-	633
Commercial	60,771	108,816
Community	134	4,947
Coombs	15,469	22,580
Denman Prospect	-	125,600
Kingston Foreshore	1,083	1,719
Lawson	-	429
Moncrieff	7,290	66,054
New West	-	8,084
Taylor	124	3,558
Throsby	51,458	53,900
Total Land Sales	**136,328**	**396,320**

Note 14 - Other Cash Receipts

Other Receipts	May-17 $'000	YTD $'000
Other receipts	(11)	932
User charges	4	419
Total Other Cash Receipts	**(7)**	**1,351**

Note 15 - Land Purchases

Project	May-17 $'000	YTD $'000
Amaroo	-	23
Commercial	-	121
Coombs	-	4,155
Denman Prospect	-	6,830
Lawson	-	10
Moncrieff	-	17,991
New West	-	868
Riverview	-	4,521
Total Land Purchases	**-**	**34,520**

Note 16 - Distribution from Joint Venture

Joint Venture	May-17 $'000	YTD $'000
Crace	-	250
Total	**-**	**250**

Note 17 - Development Costs *

Project	May-17 $'000	YTD $'000
Amaroo Local Centre	-	6
Asset Recycling Initiative	647	8,302
Campbell Section 5	3	75
Canberra Brickworks	-	2
City to the Lake	37	1,507
Commercial	331	3,121
Community	1,021	2,296
Coombs	267	2,207
Denman Prospect	(915)	664
Downer Section 61 CHC	92	1,268
Eastlake	-	49
Gungahlin Town Centre	43	479
Kingston Foreshore	(852)	3,654
Lawson	29	2,501
Molonglo - North Weston	-	21
Molonglo - Stage 2 and 3	-	251
Moncrieff	553	3,155
New West	133	1,182
North Wright	23	354
Parkes 6/3	-	975
Phillip 8/9	-	5
Riverview	112	5,837
Taylor	4,987	26,087
Throsby	3,307	35,143
Southquay Greenway	38	727
Whitlam	70	70
Wright	-	87
Other LDA Estate	11	109
Total Development Costs	**9,939**	**100,134**

* Cash receipts in brackets.

Note: Asset Recycling Initiative is due to timing difference between payments and reimbursement from EDD/ PHRT.

Note 18 - Other Cash Payments (Receipts) *

Other Cash Movements	May-17 $'000	YTD $'000
Other Third Party Monies	-	954
Retention Bonds	(630)	334
Total Other Cash Payments (Receipts)	**(630)**	**1,288**

* Cash receipts in brackets.

Note 19 - Expense Reimbursement

Expense Reimbursement	May-17 $'000	YTD $'000
Payment for/(Reimbursement from) EDD - City to the Lake and Asset Recycling Initiative	3	(6,308)
Total Expense Reimbursement	**3**	**(6,308)**

* Cash receipts in brackets.

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Land Development Agency

Settlement Schedule

2016-2017

				Jul $'000	Aug $'000	Sep $'000	Oct $'000	Nov $'000	Dec $'000	Jan $'000	Feb $'000	Mar $'000	Apr $'000	May $'000	Jun $'000	Year $'000	Actual $'000	Low $'000	Medium $'000	High $'000
+ LDA Project	Residential	Coombs	Revenue Forecast	0	5,666	0	0	0	0	0	0	0	0	9,045	0	14,711	14,711	0	0	0
			Actual Settlements	0	5,666	0	0	0	0	0	0	0	0	9,045	0	14,711				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 10/226	Revenue Forecast	0	0	0	0	0	0	0	0	0	345	0	0	345	345	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	345	0	0	345				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 11/226	Revenue Forecast	0	0	0	0	0	0	0	0	0	330	0	0	330	330	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	330	0	0	330				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 12/226	Revenue Forecast	0	0	0	0	0	0	0	0	0	335	0	0	335	335	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	335	0	0	335				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 25/227	Revenue Forecast	0	0	0	0	0	0	0	0	0	350	0	0	350	350	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	350	0	0	350				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 26/227	Revenue Forecast	0	0	0	0	0	0	0	0	0	365	0	0	365	365	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	365	0	0	365				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kambah 27/227	Revenue Forecast	0	0	0	0	0	0	0	0	0	375	0	0	375	375	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	375	0	0	375				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Lawson	Revenue Forecast	0	0	0	0	0	0	0	0	429	0	0	0	429	429	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	429	0	0	0	429				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Molonglo Denman Prospect	Revenue Forecast	136,150	0	0	0	0	0	0	0	0	0	0	0	136,150	136,150	0	0	0
			Actual Settlements	136,150	0	0	0	0	0	0	0	0	0	0	0	136,150				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Moncrieff	Revenue Forecast	25,215	6,670	3,928	467	1,197	1,600	3,203	3,593	543	0	8,105	3,180	57,701	54,521	3,180	0	0
			Actual Settlements	20,884	4,023	2,953	467	974	1,600	2,967	3,371	239	0	8,105	0	45,581				
			Land Rent Settlements	4,331	2,648	975	0	223	0	237	222	304	0	0	0	8,939				
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	3,180	3,180				
			+ Unexchanged	0	0	0	0	(0)	0	(0)	(0)	(0)	0	0	0	0				
		Throsby	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	52,713	99,566	152,279	53 202	54 256	3 105	41 716
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	52,713	489	53,202				
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	99 077	99 077				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
	Public Housing	[redacted]	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	400	400	0	0	400	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	400	400				
		Molonglo Denman Prospect	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	825	0	825	825	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	825	0	825				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Molonglo Denman Prospect	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	975	0	975	975	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	975	0	975				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Throsby	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	3,804	0	3,804	3,804	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	3,804	0	3,804				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
	Asset Recycling Ini	Braddon 1/52 Allawah Currong Flats	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	43,925	0	43,925	43,925	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	43,925	0	43,925				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Dickson 40-41/6 Dickson Flats	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	12,461	12,461	0	12,461	0	0
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	12,461	12,461				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Lyneham Owen Flats	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	16,587	16,587	0	16,587	0	0
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	16,587	16,587				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
	Mixed Use	Amaroo 9/111	Revenue Forecast	0	0	0	0	0	0	0	634	0	0	0	0	634	634	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	634	0	0	0	0	634				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Coombs	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	8,155	0	8,155	8 155	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	8,155	0	8,155				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Forrest part 6/13	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	18,455	0	18,455	18 455	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	0	0	18,455	0	18,455				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kingston Foreshore	Revenue Forecast	0	0	0	0	0	0	0	0	636	0	0	0	636	636	0	0	0
			Actual Settlements	0	0	0	0	0	0	0	0	636	0	0	0	636				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Kingston Foreshore 2/67	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	21,552	21,552	0	21,552	0	0
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	21,552	21,552				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
LDA Projects - Residential			Revenue Forecast	161,365	12,336	3,928	467	1,197	1,600	3,203	4,227	1,608	2,100	146,001	153,746	491,777				
+ LDA Project	Commercial		Revenue Forecast	0	0	0	0	34,700	0	0	0	0	0	0	0	34,700	34 700	0	0	0
			Actual Settlements	0	0	0	0	34,700	0	0	0	0	0	0	0	34,700				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
	Industrial		Revenue Forecast	0	2,465	0	0	3,060	1,120	0	865	335	0	0	5,909	13,754	7 845	3 109	2 800	0
			Actual Settlements	0	2,465	0	0	3,060	1,120	0	865	335	0	0	0	7,845				
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	5 909	5 909				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
	Community		Revenue Forecast	801	0	5,833	0	53	0	0	0	2,145	0	0	9,720	18,552	8 832	9 720	0	0
			Actual Settlements	801	0	5,833	0	53	0	0	0	2,145	0	0	0	8,832				
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	9,720	9,720				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
Direct Sales			Revenue Forecast	50	0	109	0	540	2,800	0	0	25	0	1,335	7,545	12,405	4,859	0	7,545	0
			Actual Settlements	50	0	109	0	540	2,800	0	0	25	0	1,335	0	4,859				
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	7,273	7,273				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	273	273				
Infrastructure			Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	3,100	3,100	0	0	3,100	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	3,100	3,100				
Other			Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	(14,210)	(14,210)	0	0	0	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	(14,210)	(14,210)				

																Actual	Low	Medium	High
	Monthly Total	Revenue Forecast	162,216	14,801	9,870	467	39,550	5,520	3,203	5,092	4,113	2,100	147,336	165,810	560,078	394,756	120,865	16,950	41,716
	YTD Total	Revenue Forecast	162,216	177,018	186,888	187,354	226,904	232,424	235,627	240,719	244,832	246,932	394,268	560,078	560,078	Total (Excl. Slippage)			574,288
	Monthly Total	SOI Forecast	142,249	28,998	3,755	8,954	27,113	410	0	19,656	891	128,145	116,243	153,388	629,801	Less: LDA Slippage			(14,210)
	YTD Total	SOI Forecast	142,249	171,247	175,002	183,955	211,068	211,478	211,478	231,135	232,026	360,170	476,413	629,801	629,801	Total			560,078
	Monthly Variance - SOI vs Revenue Forecast		19,967	(14,197)	6,115	(8,487)	12,437	5,110	3,203	(14,565)	3,222	(126,045)	31,093	12,422	(69,723)				
	YTD Variance - SOI vs Revenue Forecast		19,967	5,770	11,886	3,399	15,836	20,946	24,149	9,584	12,806	(113,239)	(82,146)	(69,723)	(69,723)				

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Report Versions:	Live Forecast
SOI Version:	2016/17 SOI Forecast

Land Development Agency
CANBERRA TIMES

Settlement Schedule

2017–2018

				Jul $'000	Aug $'000	Sep $'000	Oct $'000	Nov $'000	Dec $'000	Jan $'000	Feb $'000	Mar $'000	Apr $'000	May $'000	Jun $'000	Year $'000	Actual $'000	Low $'000	Medium $'000	High $'000
+ LDA Project	Residential	[redacted]	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	8,182	0	8,182	0	0	8,182	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	8,182	0	8,182				
		Moncrieff	Revenue Forecast	0	0	0	0	899	0	0	0	0	1,129	0	0	2,028	0	1,496	532	0
			Exchanged	0	0	0	0	0	0	0	0	0	597	0	0	597				
			+ Unexchanged	0	0	0	0	899	0	0	0	0	532	0	0	1,431				
		Taylor	Revenue Forecast	40,762	0	0	0	0	6,814	13,934	27,166	29,243	0	8,971	0	126,890	0	88,225	38,665	0
			Exchanged	40,762	0	0	0	0	0	13,934	0	8,506	0	798	0	64,000				
			+ Unexchanged	0	0	0	0	0	6,814	0	27,166	20,737	0	8,173	0	62,890				
		Throsby	Revenue Forecast	1,652	429	32,336	5,783	489	35,611	0	9,338	0	43,118	26,852	0	155,608	0	13,615	141,188	805
			Exchanged	1,652	429	13,395	1,276	489	9,049	0	0	0	0	2,709	0	28,999				
			+ Unexchanged	0	0	18,941	4,507	0	26,562	0	9,338	0	43,118	24,143	0	126,609				
		Wright	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	5,944	5,944	0	0	5,944	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	5,944	5,944				
	Public Housing	Greenway	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	667	0	667	0	667	0	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	667	0	667				
		[redacted]	Revenue Forecast	0	2,614	0	0	0	0	0	0	0	0	0	0	2,614	0	0	2,614	0
			+ Unexchanged	0	2,614	0	0	0	0	0	0	0	0	0	0	2,614				
		[redacted]	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	1,333	1,333	0	0	1,333	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	1,333	1,333				
		Monash	Revenue Forecast	0	0	0	0	0	0	0	0	1,138	0	0	0	1,138	0	0	1,138	0
			+ Unexchanged	0	0	0	0	0	0	0	0	1,138	0	0	0	1,138				
		Throsby	Revenue Forecast	0	0	0	0	0	300	0	0	0	0	0	0	300	0	300	0	0
			+ Unexchanged	0	0	0	0	0	300	0	0	0	0	0	0	300				
	Asset Recycling In	Dickson 1/12 Karuah Garden Flats	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	12,461	12,461	0	12,461	0	0
			Exchanged	0	0	0	0	0	0	0	0	0	0	0	12,461	12,461				
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	0	0				
		Dickson 19-20/32 Dame Pattie Menzies	Revenue Forecast	0	16,350	0	0	0	0	0	0	0	0	0	0	16,350	0	0	16,350	0
			+ Unexchanged	0	16,350	0	0	0	0	0	0	0	0	0	0	16,350				
		Dickson 2/33 Motor Vehicle Registry	Revenue Forecast	0	0	17,897	0	0	0	0	0	0	0	0	0	17,897	0	17,897	0	0
			+ Unexchanged	0	0	17,897	0	0	0	0	0	0	0	0	0	17,897				
		Red Hill 1/25 1/26 49/31	Revenue Forecast	0	0	0	0	0	0	0	0	0	93,060	0	0	93,060	0	0	93,060	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	93,060	0	0	93,060				
		Reid Bega Flats	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	32,676	32,676	0	0	32,676	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	32,676	32,676				
	Mixed Use	Greenway	Revenue Forecast	0	0	0	0	0	0	0	0	0	0	9,802	0	9,802	0	9,802	0	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	9,802	0	9,802				
		Moncrieff	Revenue Forecast	0	0	0	0	2,970	0	0	0	0	0	0	0	2,970	0	0	2,970	0
			+ Unexchanged	0	0	0	0	2,970	0	0	0	0	0	0	0	2,970				
LDA Projects - Residential		Revenue Forecast		42,414	19,393	50,233	5,783	4,358	42,725	13,934	36,505	30,380	137,307	54,474	52,414	489,920				
+ LDA Project	Commercial		Revenue Forecast	0	0	455	0	0	0	0	0	2,909	0	1,364	3,000	7,727	0	0	7,227	500
			+ Unexchanged	0	0	455	0	0	0	0	0	2,909	0	1,364	3,000	7,727				
	Industrial		Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	9,585	9,585	0	0	9,585	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	9,585	9,585				
	Community		Revenue Forecast	0	7,425	455	0	378	0	0	0	0	0	909	0	9,167	0	0	9,167	0
			Exchanged	0	7,425	0	0	0	0	0	0	0	0	0	0	7,425				
			+ Unexchanged	0	0	455	0	378	0	0	0	0	0	909	0	1,742				
Englobo			Revenue Forecast	0	0	0	0	13,000	0	0	0	0	0	0	62,850	75,850	0	75,850	0	0
			+ Unexchanged	0	0	0	0	13,000	0	0	0	0	0	0	62,850	75,850				
Direct Sales			Revenue Forecast	0	0	0	1,903	0	0	0	1,909	0	0	0	0	3,813	0	0	3,813	0
			+ Unexchanged	0	0	0	1,903	0	0	0	1,909	0	0	0	0	3,813				
Infrastructure			Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	4,000	4,000	0	0	4,000	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	4,000	4,000				
Other			Revenue Forecast	0	0	0	0	0	0	0	0	0	0	0	(19,118)	(19,118)	0	0	0	0
			+ Unexchanged	0	0	0	0	0	0	0	0	0	0	0	(19,118)	(19,118)				

			Jul $'000	Aug $'000	Sep $'000	Oct $'000	Nov $'000	Dec $'000	Jan $'000	Feb $'000	Mar $'000	Apr $'000	May $'000	Jun $'000	Year $'000
Monthly Total	Revenue Forecast		42,414	26,818	51,142	7,687	17,736	42,725	13,934	38,414	33,289	137,307	56,747	112,731	580,943
YTD Total	Revenue Forecast		42,414	69,232	120,374	128,060	145,797	188,521	202,456	240,869	274,158	411,465	468,212	580,943	580,943
Monthly Total	SOI Forecast		0	0	10,501	16,498	20,000	55,730	0	126,507	1,265	2,182	92,535	210,187	535,404
YTD Total	SOI Forecast		0	0	10,501	26,999	46,999	102,729	102,729	229,236	230,501	232,683	325,217	535,404	535,404
Monthly Variance - SOI vs Revenue Forecast			42,414	26,818	40,641	(8,811)	(2,264)	(13,005)	13,934	(88,093)	32,024	135,125	(35,788)	(97,456)	45,539
YTD Variance - SOI vs Revenue Forecast			42,414	69,232	109,873	101,061	98,798	85,793	99,727	11,634	43,658	178,782	142,994	45,539	45,539

	Actual	Low	Medium	High
	0	220,313	378,443	1,305

Total (Excl. Slippage)	600,061
Less: LDA Slippage	(19,118)
Total	580,943

Cash Flow - Forecast for Year Ending 30 June 2017

The following table represents a summary of forecast Cash Flows.

	Cash Receipts $'000	Development Payments $'000	Land Purchases $'000	Other $'000	Net Cash Inflow / Outflow $'000
Opening Cash Balance					**283,887**
Amaroo	635	(63)	(144)	0	428
Bonner	0	(7)	0	0	(7)
City to the Lake	0	(2,549)	0	0	(2,549)
Coombs	22,580	(2,960)	(5,335)	0	14,285
Campbell Section 5	0	(76)	0	0	(76)
Denman Prospect	128,700	(706)	(6,830)	0	121,164
East Lake	0	(83)	0	0	(83)
Flemington Road	0	(72)	0	0	(72)
Furzer Street	0	(975)	0	0	(975)
Greenway	0	(1,976)	0	0	(1,976)
Gungahlin Town Centre	0	(1,358)	0	0	(1,358)
Jacka	0	(150)	0	0	(150)
Kingston Foreshore	23,270	(4,847)	(104)	0	18,320
Lawson	429	(2,575)	0	0	(2,146)
Molonglo 3	0	(1,069)	0	0	(1,069)
Moncrieff	64,011	(5,886)	(19,890)	0	38,235
North Wright and Coombs	0	(541)	0	0	(541)
Parkes 6/3	0	(1,146)	0	0	(1,146)
Taylor	3,557	(32,708)	0	0	(29,151)
Throsby	153,467	(38,324)	(123)	0	115,020
Wright	0	(191)	0	0	(191)
Canberra Brickworks	0	(2)	0	0	(2)
Hume West	13,991	(1,442)	(1,891)	0	10,659
ARI and Public Housing	68,674	(10,659)	(80)	0	57,934
Commercial	72,306	(4,781)	(12,577)	0	54,948
Community	24,720	(2,438)	0	0	22,282
JV Investment	0	0	0	(13,290)	(13,290)
Predevelopment costs	0	(201)	0	0	(201)
Strategic Land Acquisitions	0	0	(4,203)	0	(4,203)
Contributions to Directorates	0	0	0	0	0
Commitments to Existing Projects	0	0	0	0	0
Cash distributions from JVs	250	0	0	0	250
GST - Receipts from land sales	11,977	0	0	0	11,977
Dividend and Tax Payments	0	0	0	(326,463)	(326,463)
Employee expensed	0	0	0	(15,762)	(15,762)
Administration expenses	0	0	0	(17,358)	(17,358)
Other expenses	0	0	0	(10,333)	(10,333)
Slippage provision	(14,210)	0	0	0	(14,210)
Other receipts	1,351	0	0	0	1,351
Interest received / (paid)	7,216	0	0	0	7,216
Stamp Duty	0	0	0	(1,174)	(1,174)
GST (Remitted) / Refund - BAS	0	0	0	10,122	10,122
GST - Paid to suppliers	0	0	0	(17,467)	(17,467)
Total	**582,924**	**(117,783)**	**(51,177)**	**(391,725)**	**22,238**
Forecast closing balance at 30 June 2017					**306,125**

Cash Flow - Monthly Movement

The table below highlights the movement in the forecast for 2016-17 since the last report to the Board.

	$'000	$'000
Forecast cash balance as per the previous Board Report		212,719
Change in net cash inflow for Coombs	9,606	
Change in net cash outflow for ARI and Public Housing	(22,280)	
Change in net cash outflow for West Belconnen JV	9,396	
Change in net cash for GST (Remitted) / Refund - BAS	7,264	
Change in net cash for GST - Receipts from land sales	6,930	
Change in net cash for Slippage Provision	3,216	
Change in net cash for dividend & tax payments	80,143	
Net change / inflow - other	(870)	
Total net cash movement from previous months forecast		93,406
Forecast cash balance at 30 June 2017 as per the current Board report		**271,970**

LDA Rural Land Acquisitions

	2016-17				Total	Comments
	Approved Date	Approved By	Approved	Settled/ Paid	Settled to date	
			$000	$000	$000	
Tuggeranong Blocks 1470, 1471 and 1405 (Williamsdale)					3,100	
Jerrabomberra B2060, Pt2061, 2062 &2075 (Bonshaw)					1	
Belconnen 1591, 1592, 1593, 1594, 1595, 1597 (Lands End)					3,155	Incl. $155k stamp duty payment
Stromlo Block 19					7,362	Incl. $362k stamp duty payment
Stromlo Block 491 (Fairvale)					3,261	Incl. $261k stamp duty payment
Stromlo Block 412,413,426,487,489 (Huntly)					10,517	Incl. $517k stamp duty payment
Belconnen Blocks 1491 & 1492 & 1587 (Wintergarden)	19/07/2016	LDA Board	4,000	4,205	4,205	Incl. $204k stamp duty payment, settled 28 August 2016
Stromlo Blocks 435, 439, 440, 441, 456 and 476 (Winsdale)	01/05/2017	Chief Minister	7,500			
Total Rural Land Acquisitions			**11,500**	**4,205**	**31,601**	

Land Development Agency
Overhead expenses
For the YTD 31 May 2017

Attachment E

	Year to date FTE			Year to date salary expenses		
	Actual	SOI	Variance	Actual	SOI	Variance
	FTE	FTE	FTE	$000	$000	$000
Deputy Chief Executive	6 0	4.0	2.0	843	630	213
Greenfield	31.6	35.6	(4.0)	3,462	4,300	-838
Urban Renewal	2 0	2.0	-	364	318	46
Urban Projects	27.1	39.4	(12.3)	3,462	4,821	-1,359
Public Housing Renewal Taskforce	-	-	-	71	93	-22
Sales Marketing & Property Management	24.0	21.8	2.2	2,570	2,612	-42
Corporate	18.8	25.7	(6.9)	2,272	3,169	-897
Total salary and superannuation	**109.5**	**128.4**	**(18.9)**	**13,043**	**15,942**	**(2,899)**

Expense Analysis	$'000	% of Total Expenses
Salary and superannua ion	13,043	
Other employee expenses	-522	
Total employee expenses	**12,521**	9%
Other operating expenses*	**9,554**	8%
Land payments	37,482	
Development costs	57,211	
Other project related expenses	6,560	
Interest costs	1,438	
Stamp duty on land payments	1,143	
Inventory Written Off for Assets Transferred from Other Agency Free of Charge	15,750	
Total project expenses	**119,584**	84%
Total Expenses (excl BAR Adj)	**141,658**	
Oct-16 BAR (Project to date) Adjustment	(24,490)	
Total expenses	**117,168**	

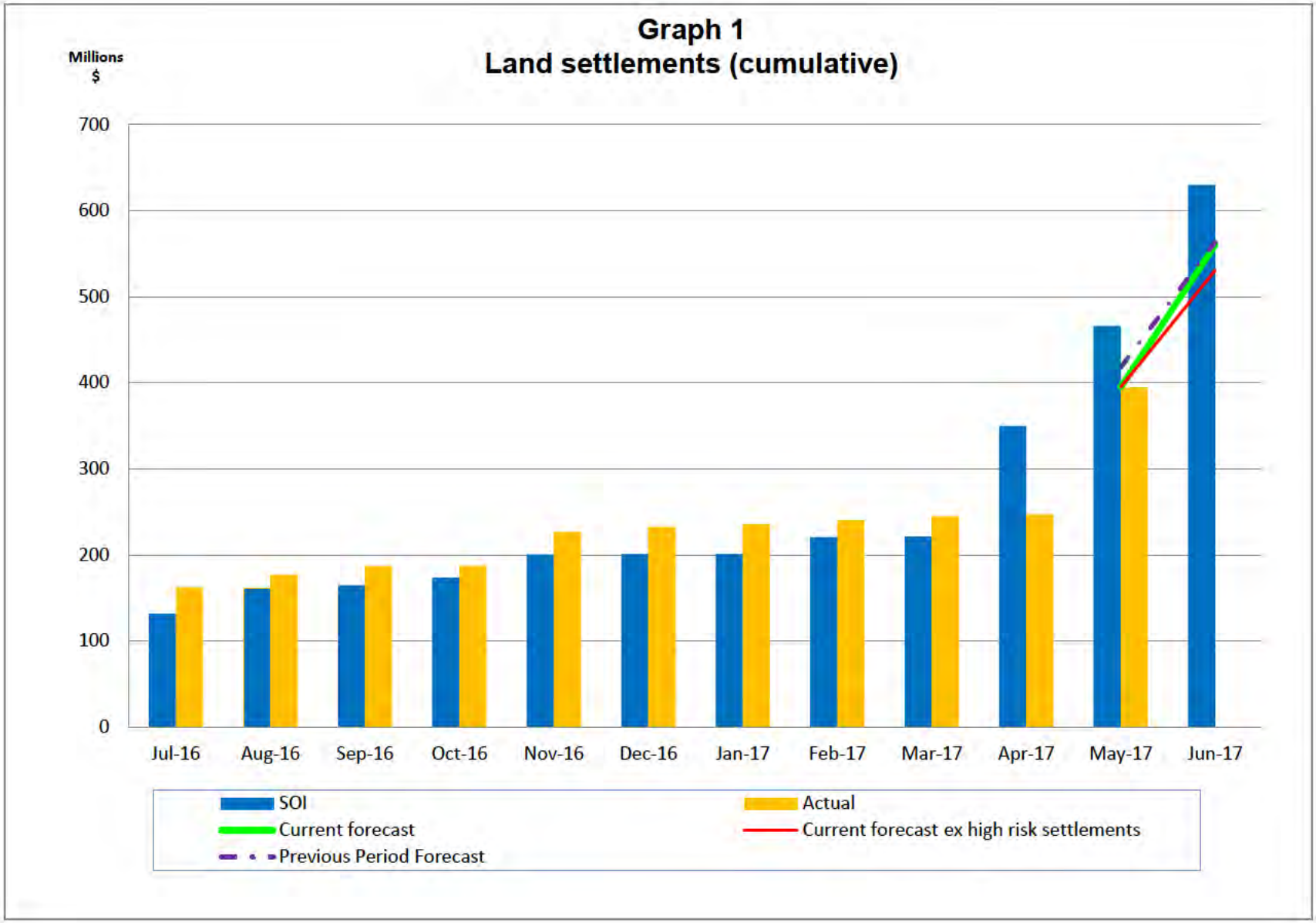
* Operating expenses includes items such as shared services, rent, legal fees, travel, board of directors and insurances
Note: Total Expenses include the Oct-16 BAR (Life to date) Adjustment of (24,490) split between Land payments (1,308) and Development costs (23,182)

Staff numbers and salary	May-17 FTE	YTD Actual $000
Total staff	**109.5**	**13,043**
Staff working on LDA projects	**107.5**	**12,898**
Less:		
LDA staff working in other directorates funded by that directorate		
Reimbursed from directorate	2.0	0
Total LDA staff working in other directorates funded by directorate	**2.0**	**0**
LDA staff working in other directorates not funded by directorate		
Funded by LDA	1.0	233
Total LDA working in other directorates not funded by directorate	**1.0**	**233**
Plus:		
Other directorate staff working in LDA		
Funded by LDA	1.0	88
Total other directorate staff working in LDA	**1.0**	**88**

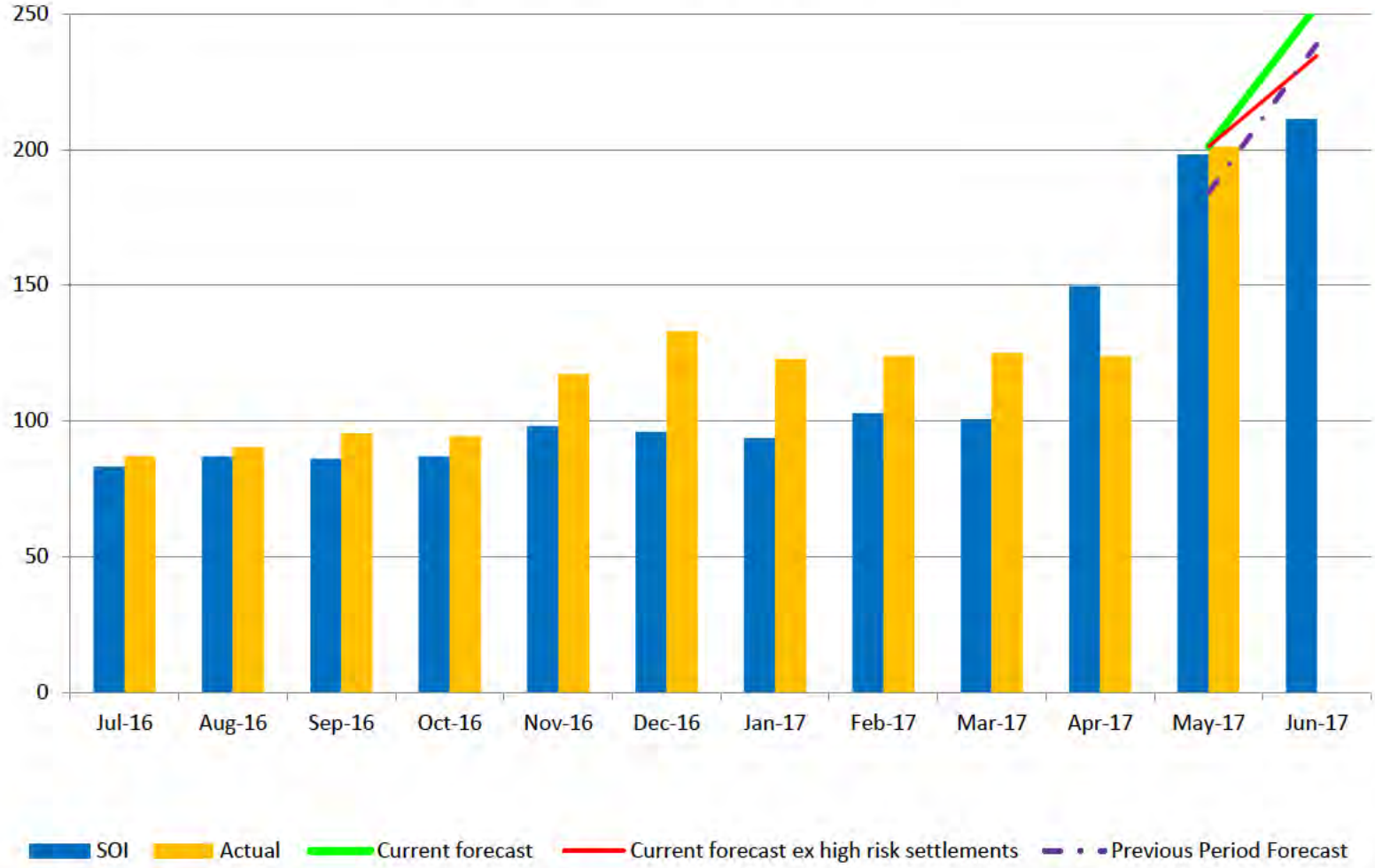
LAND DEVELOPMENT AGENCY **Attachment F**

PROJECT PERFORMANCE SUMMARY (For projects that had sales in 2015-16 or 2016-17)

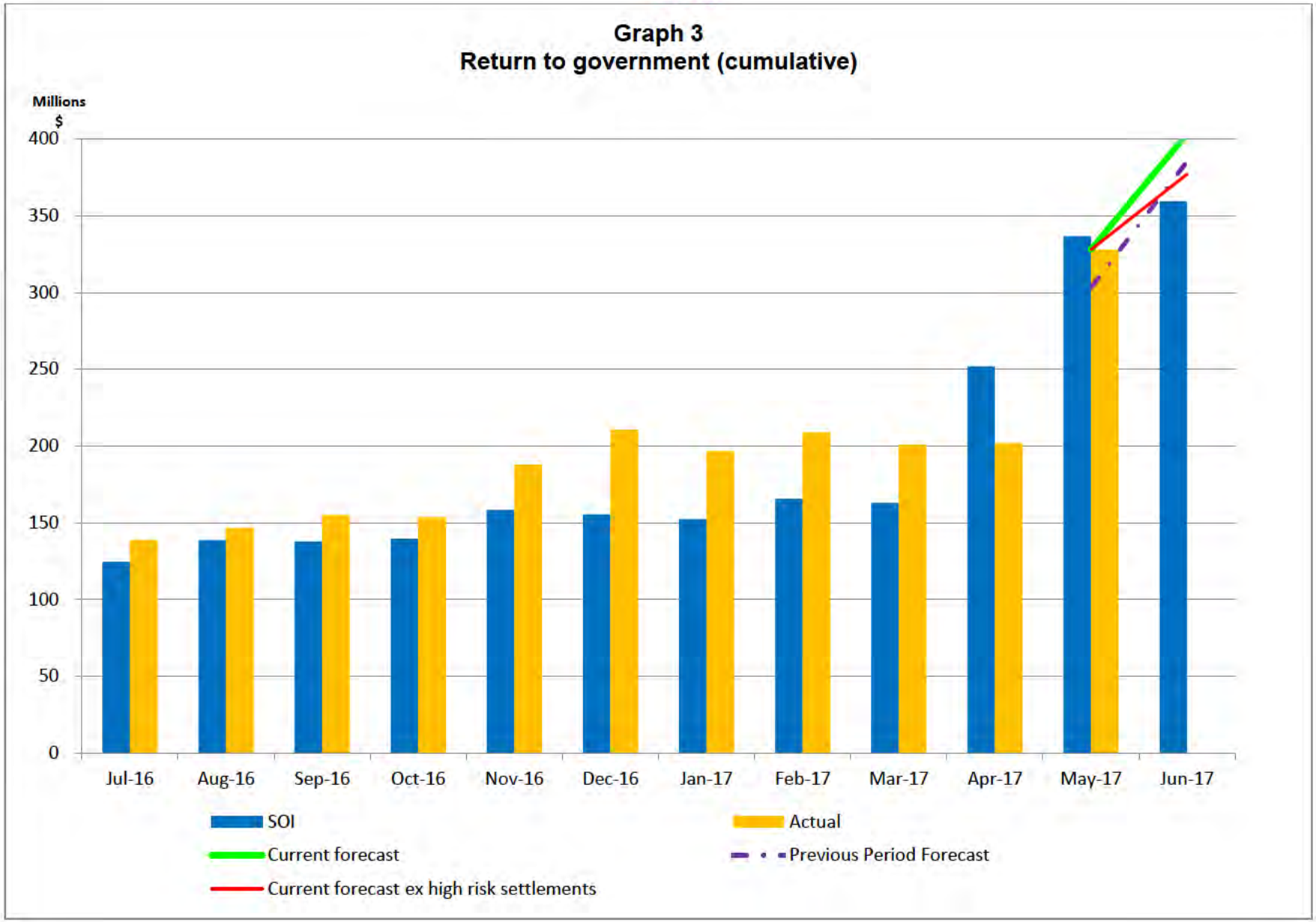
Project Summary report		2008-2009 Actual $	2009-2010 Actual $	2010-2011 Actual $	2011-2012 Actual $	2012-2013 Actual $	2013-2014 Actual $	2014-2015 Actual $	2015-2016 Actual $	Apr 2017 YTD Actual $	Project to Date Actual $	Gross Profit %
Kingston Foreshore	Land Program Sales {821501}		30,066,364	18,718,182			11,583,000	28,783,500	18,181,500	636,364	**107,968,909**	
Kingston Foreshore	Land Program - Infrastructure Revenue {821504}						1,850,000	2,150,000			**4,000,000**	
Kingston Foreshore	Cost of Goods Sold - Stocktake {730104}		1,841,903								**1,841,903**	
Kingston Foreshore	Cost of Goods Sold - Infrastructure {730108}	(9,830,933)	(11,743,230)	(22,835,377)	(147,634)	(9,109,189)	(5,865,901)	(22,393,850)	(9,316,720)	2,136,634	**(89,106,199)**	
Kingston Foreshore	Cost of Goods Sold - Provision for Infrastructure {730111}	3,799,528									**3,799,528**	
Kingston Foreshore	Cost of Goods Sold - Land {730112}		(372,045)	(73,745)			(136,656)	(573,276)	(213,578)		**(1,369,300)**	
Kingston Foreshore	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}						(1,850,000)	(2,150,000)			**(4,000,000)**	
Kingston Foreshore	Cost of Goods Sold - Other {730114}								(161 434)		**(161,434)**	
Gross Profit (Loss)		**(6,031,405)**	**19,792,992**	**(4,190,940)**	**(147,634)**	**(9,109,189)**	**5,580,443**	**5,816,374**	**8,489,768**	**2,772,998**	**22,973,406**	**21%**
GTC - Stage 3	Land Program Sales {821501}				366,585	3,431,818	6,150,000	3,510,000	4,997,273		**18,455,676**	
GTC - Stage 3	Land Program - Infrastructure Revenue {821504}				216,500	260,000	318,000	111,000	856,364		**1,761,864**	
GTC - Stage 3	Cost of Goods Sold - Infrastructure {730108}				(1,066,204)	(822,327)	(3,270,972)	(649,822)	(2,712,004)		**(8,521,329)**	
GTC - Stage 3	Cost of Goods Sold - Provision for Infrastructure {730111}				136,678						**136,678**	
GTC - Stage 3	Cost of Goods Sold - Land {730112}					(140,705)	(214,840)		(561,129)		**(916,675)**	
GTC - Stage 3	Cost of Goods Sold - Other {730114}								(8,712)		**(8,712)**	
GTC - Stage 3	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}				(216,500)	(260,000)	(318,000)	(111,000)	(856,364)		**(1,761,864)**	
Gross Profit (Loss)		**0**	**0**	**0**	**(562,940)**	**2,468,786**	**2,664,188**	**2,860,178**	**1,715,427**	**0**	**9,145,639**	**45%**
Amaroo Local Centre	Land Program Sales {821501}						14,029,200		1,088,000	633,545	**15,750,745**	
Amaroo Local Centre	Land Program - Infrastructure Revenue {821504}						45,000				**45,000**	
Amaroo Local Centre	Cost of Goods Sold - Infrastructure {730108}	0	0	0	0	0	(7,840,686)	300,005	(1,229,385)	323,785	**(8,446,281)**	
Amaroo Local Centre	Cost of Goods Sold - Land {730112}						(738,070)		(120,935)	(23,311)	**(882,316)**	
Amaroo Local Centre	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}						(45,000)				**(45,000)**	
Amaroo Local Centre	Cost of Goods Sold - Other {730114}								(10,205)		**(10,205)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**5,450,444**	**300,005**	**(272,525)**	**934,020**	**6,411,944**	**41%**
Hume West	Land Program Sales {821501}						990,909	6,492,150	3,412,310	7,845,000	**18,740,369**	
Hume West	Cost of Goods Sold - Stocktake {730104}		(676,676)								**(676,676)**	
Hume West	Cost of Goods Sold - Infrastructure {730108}						(891,657)	(5,095,007)	(2,232,741)	(5,483,308)	**(13,702,713)**	
Hume West	Cost of Goods Sold - Other {730114}								(20,784)		**(20,784)**	
Hume West	Cost of Goods Sold - Land {730112}						(146,838)	(916,630)	(440,762)	(1,015,727)	**(2,519,956)**	
Gross Profit (Loss)		**0**	**(676,676)**	**0**	**0**	**0**	**(47,586)**	**480,513**	**718,023**	**1,345,965**	**1,820,240**	**10%**
Greenway Lakeside Sections 57-59 & 66	Land Program Sales {821501}						4,455,000	4,455,000	21,252,909		**30,162,909**	
Greenway Lakeside Sections 57-59 & 66	Cost of Goods Sold - Infrastructure {730108}						(3,040,280)	(3,626,111)	(10,618,385)	31	**(17,284,744)**	
Greenway Lakeside Sections 57-59 & 66	Cost of Goods Sold - Other {730114}								(30,839)		**(30,839)**	
Greenway Lakeside Sections 57-59 & 66	Cost of Goods Sold - Land {730112}						(144,763)	(157,413)	(481,313)		**(783,489)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**1,269,957**	**671,477**	**10,122,372**	**31**	**12,063,837**	**40%**
Franklin	Land Program Sales {821501}	92,195,100	63,830,585	6,300,000		810,909					**163,136,594**	
Franklin	Cost of Goods Sold - Stocktake {730104}		5,876,993								**5,876,993**	
Franklin	Cost of Goods Sold - Infrastructure {730108}	(41,276,033)	(25,252,314)	(1,217,468)	782,418	4,368,169	(172,165)	(1,394,011)	769,072	60,903	**(63,331,429)**	
Franklin	Cost of Goods Sold - Other {730114}								(38,424)		**(38,424)**	
Franklin	Cost of Goods Sold - Provision for Infrastructure {730111}	(9,190,615)									**(9,190,615)**	
Franklin	Cost of Goods Sold - Land {730112}	(23,886,710)	(16,711,926)	(1,706,862)		1,539,212		(1,075,182)			**(41,841,468)**	
Gross Profit (Loss)		**17,841,742**	**27,743,338**	**3,375,670**	**782,418**	**6,718,289**	**(172,165)**	**(2,469,192)**	**730,647**	**60,903**	**54,611,651**	**33%**
Lawson	Land Program Sales {821501}							76,411,955	84,884,831	428,545	**161,725,331**	
Lawson	Cost of Goods Sold - Infrastructure {730108}							(40,106,717)	(40,646,366)	(410,850)	**(81,163,933)**	
Lawson	Cost of Goods Sold - Other {730114}								(122,881)		**(122,881)**	
Lawson	Cost of Goods Sold - Land {730112}							(1,860,421)	(2,090,278)	(10,364)	**(3,961,063)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**0**	**34,444,816**	**42,025,306**	**7,332**	**76,477,454**	**47%**
Molonglo - Coombs	Land Program Sales {821501}						102,621,420	126,280,615	47,226,954	22,865,273	**298,994,262**	
Molonglo - Coombs	Land Program - Infrastructure Revenue {821504}						0	468,300	0		**468,300**	
Molonglo - Coombs	Cost of Goods Sold - Infrastructure {730108}						(31,618,529)	(34,813,294)	(16,916,032)	(3,635,964)	**(86,983,819)**	
Molonglo - Coombs	Cost of Goods Sold - Other {730114}								(93,713)		**(93,713)**	
Molonglo - Coombs	Cost of Goods Sold - Land {730112}						(20,524,456)	(26,289,827)	(14,763,033)	(2,198,290)	**(63,775,606)**	
Molonglo - Coombs	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}						0	(468,300)	0		**(468,300)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**50,478,434**	**65,177,495**	**15,454,175**	**17,031,018**	**148,141,123**	**49%**
Moncrieff	Land Program Sales {821501}								255,629,033	54,520,773	**310,149,806**	
Moncrieff	Cost of Goods Sold - Infrastructure {730108}								(89,289,278)	(9,901,036)	**(99,190,314)**	
Moncrieff	Cost of Goods Sold - Other {730114}								(178,721)		**(178,721)**	
Moncrieff	Cost of Goods Sold - Land {730112}								(54,849,121)	(11,008,306)	**(65,857,427)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**111,311,913**	**33,611,432**	**144,923,345**	**47%**
Denman Prospect	Land Program Sales {821501}								115,600,000	127,400,000	**243,000,000**	
Denman Prospect	Land Program - Infrastructure Revenue {821504}									10,550,000	**10,550,000**	
Denman Prospect	Cost of Goods Sold - Infrastructure {730108}								(41,531,660)	7,488,602	**(34,043,058)**	
Denman Prospect	Cost of Goods Sold - Land {730112}								(1,312,336)	(6,830,692)	**(8,143,028)**	
Denman Prospect	Cost of Goods Sold - Other {730114}								(79,011)		**(79,011)**	
Denman Prospect	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}									(10,550,000)	**(10,550,000)**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**72,676,993**	**128,057,910**	**200,734,903**	**79%**
Throsby	Land Program Sales {821501}									57,005,849	**57,005,849**	
Throsby	Land Program - Infrastructure Revenue {821504}										**0**	
Throsby	Cost of Goods Sold - Infrastructure {730108}									(13,629,975)	**(13,629,975)**	
Throsby	Cost of Goods Sold - Land {730112}									(48,928)	**(48,928)**	
Throsby	Cost of Goods Sold - Other {730114}										**0**	
Throsby	Cost of Goods Sold - Govt Land Dev Asset Transfer {730113}										**0**	
Gross Profit (Loss)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**43,326,946**	**43,326,946**	**76%**

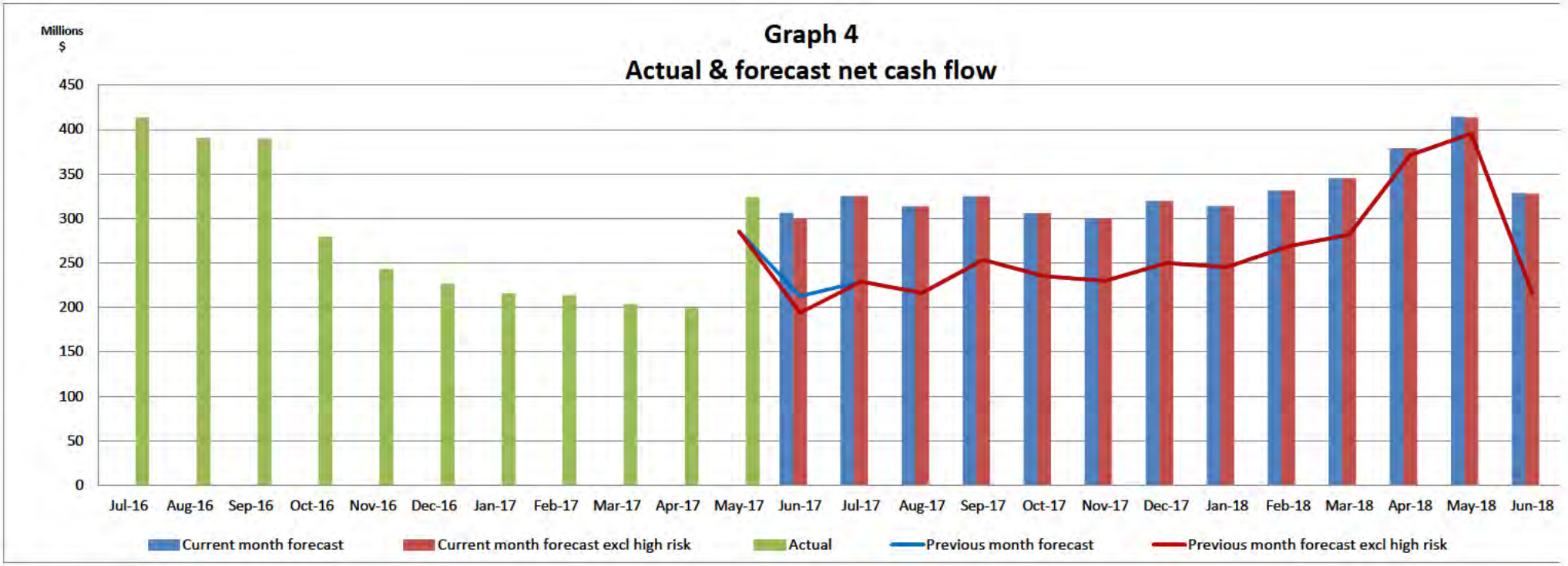

Graph 1
Land settlements (cumulative)
Millions
$
700
600
500
400
300
200
100
0
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16
Dec-16
Jan-17
Feb-17
Mar-17
Apr-17
May-17
Jun-17
SOI
Actual
Current forecast
Current forecast ex high risk settlements
Previous Period Forecast

Graph 2
Net profit after income tax (cumulative)



Graph 3
Return to government (cumulative)





2016-17

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Forecast cash balance before JV payments	413,543	391,307	390,997	280,662	249,249	228,423	218,946	213,563	206,621	201,618	324,234	309,057
Less: West Belconnen JV payments	627	628	870	1,156	5,637	1,314	3,500	-	2,272	2,647	112	2,932
Forecast cash balance after JV payments	**412,916**	**390,679**	**390,126**	**279,506**	**243,612**	**227,109**	**215,446**	**213,563**	**204,349**	**198,971**	**324,122**	**306,125**
As reported in previous month	**412,916**	**399,082**	**399,348**	**289,278**	**253,448**	**239,015**	**227,663**	**225,996**	**217,684**	**215,979**	**236,978**	**228,869**
Variance to current forecast	**-**	**(8,403)**	**(9,222)**	**(9,772)**	**(9,836)**	**(11,906)**	**(12,217)**	**(12,433)**	**(13,335)**	**(17,008)**	**87,144**	**77,257**

2017-18

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
Forecast cash balance before JV payments	327,887	316,244	327,671	308,956	302,733	322,509	316,671	334,085	348,136	382,015	417,264	318,734	318,734
Less: West Belconnen JV payments	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	2,851	(10,017)	**43,039**
Forecast cash balance after JV payments	**325,036**	**313,393**	**324,820**	**306,105**	**299,882**	**319,658**	**313,820**	**331,234**	**345,285**	**379,164**	**414,413**	**328,751**	**328,751**
As reported in previous month	**229,019**	**216,254**	**253,508**	**235,157**	**229,732**	**249,760**	**245,450**	**268,821**	**281,765**	**371,242**	**395,323**	**216,199**	**216,199**
Variance to current forecast	**96,018**	**97,139**	**71,311**	**70,948**	**70,151**	**69,899**	**68,370**	**62,413**	**63,520**	**7,921**	**19,090**	**112,552**	**112,552**

167.3.8 Governance Program Update

Land Development Agency
CANBERRA FIRST

Purpose

To provide the Board with information on the completion of Phase I of the Governance Program and planning for Phase II.

Background

The Governance Program encompasses the actions identified in response to the:

- ACT Auditor-General's Report – *Certain Land Development Agency Acquisitions, No 7 of 2016*, 30 September 2016
- Ian McPhee Report, *Economic Development Governance Framework Review*, 22 September 2016, and
- Land Development Division, *Business Process Review Report*, 30 September 2016.

Issues

Phase I of the Governance program is now complete.

Since the last report to the Board the following actions have been finalised:

Guideline on Compulsory Acquisition of Land under the *Lands Acquisitions Act 1994* (LAA)
The Guideline on Compulsory Acquisition of Land under the *Lands Acquisitions Act 1994* (LAA) (Attachment A) was endorsed by the Governance Executive Committee (GEC) on 15 June 2017. This document was developed in consultation with staff from the Greenfields and Urban Development teams.

The ACT Government Solicitors Office reviewed and provided extensive input into the document, particularly highlighting the importance of exhausting opportunities for commercial negotiation before pursuing an acquisition via the LAA.

Valuations Policy and Standard Operating Procedure
The Valuations Policy and Standard Operating Procedure was formally endorsed at the 15 June 2017 GEC meeting and distributed to staff, following inclusion of feedback from the Board at the May 2017 meeting (Attachment B).

Whole of Government Policy on Commercial Engagements with Former ACT PS Executives'
The Whole of Government Commercial Engagements with Former ACT PS Executives' Policy has now been completed by the Chief Minister Treasury and Economic Development Directorate and made available to staff. This document brings together established procurement and recruitment policies in a whole of government context to address the issue of contracting former executives and staff (Attachment C).

Guideline for providing information to the Board

The final draft of the guideline for providing information to the Board was formally endorsed at the 15 June 2017 GEC meeting and made available to staff. The guideline incorporated feedback from staff and the May Board meeting (Attachment D).

Feasibility of Valuations Data being included in Pipeline

The Business Systems Information team has considered integration of valuations data and advised that it will be considered as part of the scope of the Pipeline Phase 2 Development project, which is scheduled for the latter part of this calendar year. This will enable the production of reports to assess valuations, reserves and sales prices and support improved market intelligence.

LDA website information on market based approach to engagement of agents

Revised messaging for the LDA website on market based approach to engagement of agents and contractors has been approved by the Acting CEO on 10 June 2017 and has been uploaded to the site. It will be carried over to the CRA and SLA sites.

Phase I report and Phase II Plan

A report on Phase I of the Program has been completed (Attachment E & Attachment F). This report documents the results of the Program and lessons learnt that can be applied in Phase II. It included consultation with staff via interviews and a survey. Key lessons include:

- Continued high level leadership is required to drive cultural change
- Planning for the program is phases will make it easier to communicate the program to staff and incorporate the activities that will be required to establish the new entities governance systems
- Continuing to focus on and improve staff engagement and communication is essential
- Providing transition support for all staff to ensure a strong start to the new governance arrangements, and
- Establishing a compliance monitoring system and schedule that engages and supports staff to improve compliance.

A draft plan for Phase II is attached for the information of Board members. The plan aligns the remaining recommendations against five themes and takes into consideration the need establish new governance frameworks and systems as part of the transition to the new entities. It will be finalised in the new financial year.

Recommendations

That the Board:

1. Notes the information provided above, and
2. Is invited to provide any feedback on the Phase I report, and on the Phase II plan.

Jacqui Bear
Senior Manager – Governance and Business Improvement
23 June 2017

Guideline on Compulsory Acquisition of Land under the *Lands Acquisition Act 1994*

Purpose

It is important for the transparency and accountability of Government decision making that when land acquisitions occur, there is a documented rationale for the means of acquisition and the purpose for which the land is being acquired.

Although acquisition of interests in privately owned land in the ACT is generally undertaken through commercial negotiation with a willing seller, this guideline provides staff an understanding of when they may consider use of the *Lands Acquisition Act 1994* (LAA) to acquire land subject to ACT Government Solicitor (ACTGS) advice.

This guideline should be read in conjunction with the LAA and relevant legislation and policies.

Please note:

Once the Territory or Territory Authority takes steps to acquire an interest in land using the LAA, it is generally **not permitted** to seek to acquire that interest under a commercial negotiation. Some care should be taken to determine that **commercial negotiation options have been exhausted** prior to commencing acquisition under LAA.

Scope

This guideline provides an overview of when to pursue land acquisition under the LAA. It does not address the process for acquisitions under a Crown lease, including negotiated surrender and withdrawal of crown lease. The ACTGS can offer advice as to the most suitable options for acquisition available to the Territory or Territory Authority on a case by case basis.

Any officers involved in or considering a land acquisition process under the LAA should ensure they obtain legal and financial advice/clearances (at each step of the process) on behalf of the Territory or Territory authority to ensure proper processes are followed.

Context

The Territory and Territory Authorities routinely acquire interest in land as part of their business. This activity is supported by legislation such as the LAA, which enables the Territory and Territory Authorities to acquire an interest in land from a third party when the land is not available for sale or a price cannot be agreed.

The Territory and Territory Authorities can acquire an interest in land through the following means:

- commercial negotiation with land owner/s through a 'market-based' transaction; and
- acquisition under the LAA.

Where the Territory uses the LAA, it may be by:

- agreement for acquisition (section 32 of LAA); or
- compulsory acquisition (section 33 of LAA).

The reasons for the Territory or Territory Authorities making any decision to seek to acquire an interest in land should be clearly documented in advance of commencing negotiations, bidding for a property at auction, making a pre-acquisition declaration under the LAA or otherwise acting on the decision.

A fully documented business case is required to allow full consideration of the acquisition and the method of acquisition by the approved delegate/s. When documenting the method of acquisition proposed, the business case needs to include:

- reasons the Territory requires the land;
- the value of the land to the Territory;
- potential uses of the land;
- the market value of the land (other than to the Territory);
- other matters such as community, media and political interest.

Prior to pursuing an acquisition process, the business case must be considered and approved in line with the Territory or Territory Authority's requirements for authorisation.

Commercial negotiation with a land owner

The Territory and Territory Authorities generally have the capacity to contract to purchase interest in land like private entities (subject to government procurement and financial management rules). This allows them to acquire land through negotiated purchases. Such opportunities may arise in a number of situations such as:

- the owner advertising the land for public sale;
- approach by the owner to the Territory or a Territory Authority offering the land for sale;
- approach by the Territory or Territory Authority to the owner to purchase the land.

An owner may offer land for sale in a number of ways. They may conduct a public auction, advertise the land for a fixed price, and invite offers for the land or request tenders. They may chose to undertake such processes directly or engage an agent to broker the transaction.

Whatever process is used, the land owner/s may agree to terms offered by the Territory or Territory Authority.

When offering terms for purchase or, in the case of an auction, bidding for the land, the Territory or Territory Authority is not subject to the LAA. However, they are subject to obligations under the *Financial Management Act 1996* and the *Government Procurement Act 2001*. This legislation requires authorities to operate within budgets and to obtain value for money. The business case should support both the acquisition of the interest in the land and the price offered for it.

Acquisition under the LAA

In some circumstances it may not possible for the Territory or Territory Authority to reach agreement with the owner of the interest in land it requires on terms that are commercially acceptable or consistent with the obligations under the *Financial Management Act 1996* and the *Government Procurement Act 2001*.

There are number of circumstances where the owner of the interest may not wish to part with asset for a fair price. These may include unrealistic expectations of the value of the land or personal, sentimental or non economic value placed on the interest in land.

In such circumstances the Territory or Territory Authority may consider obtaining the interest using the LAA when all avenues for negotiation have been exhausted. However, the following requirements must be considered and met as set out in the LAA.

Acquisition for a Public purpose

The LAA may only be engaged where land is required for a 'public purpose'. For more information on what constitutes a "public purpose" please see panel below.

Pre-acquisition Declaration

The Executive (a member of Cabinet) may make a "Pre-acquisition Declaration" (*PA Declaration*), declaring that it is considering the acquisition by the Territory or a Territory Authority of an interest in land (other than a mortgage interest) for a public purpose. This is a principal step for both an acquisition by agreement and acquisition by a compulsory process.

In limited circumstances where the land is required for an urgent purpose, the Executive may be able to dispense with the requirement for the PA Declaration by issuing *a Section 21 Certificate*.

(Refer to Part 4 of LAA for more detailed information)

Following:

(1) the issue of a PA Declaration (and the completion of any reconsideration process); or
(2) the issue of a Section 21 Certificate and compliance with other requirements in section 21 of the LAA,

the Territory or Territory Authority may either acquire the land by agreement or compulsory acquisition.

What is Public Purpose?

The term "public purpose" is defined in the LAA as "*a purpose in respect of which the Legislative Assembly or the Commonwealth Parliament has power to make laws."*

Land is acquired for a "public purpose" if it is needed or it is to be used, applied or preserved for the advancement or achievement of a public purpose. A "public purpose" requirement is likely to be satisfied if the land is acquired for purposes that are connected to the "planned use", application or preservation of the land itself or of any buildings thereon.

Staff should always seek ACTGS advice to ensure that the proposed use meets 'public purpose' definitions.

Acquisition by Agreement

If the owner of the interest and the Territory or Territory Authority can agree on terms of acquisition, they may enter into an agreement setting out those terms. Section 32 of the LAA sets out the process in this instance.

Generally the terms of acquisition are set out in the form of a deed of agreement drafted by the solicitors representing the parties.

Once documented, the Executive must lay before the Legislative Assembly, within 15 sitting days of the Assembly after the agreement is entered into, a statement describing:

- the interest;
- the situation of the land;
- the price at which the interest is being, or has been, acquired; and
- the public purpose for which the interest is being, or has been, acquired.

The interest in the land is then acquired by the Territory or Territory Authority on the terms set out in the agreement.

Acquisition by a compulsory process

Alternatively, usually where the Owner of the interest and the Territory or Territory Authority cannot agree on terms, the Executive may declare that the interest is to be acquired by a compulsory process.

A declaration to that effect is a Notifiable Instrument and must set out:

- the land concerned; and
- the public purpose for which the interest is being acquired.

The interest in land vests in the Territory or Territory Authority (as applicable) free and discharged from all interests on notification of the declaration. The notification process regarding such acquisition is complex and officers should refer to the LAA and seek any necessary advice.

Once an acquisition notice has been notified and given to the land owners, compensation must be determined, offered and paid. Compensation as a result of compulsory acquisition must be determined in accordance with Part 6 of the LAA.

The Minister can make an offer of compensation or the land owner can claim compensation. There still needs to be negotiation and agreement on the final amount of compensation by both parties. When agreement is reached, compensation terms are arranged and made. If the land owner does not agree with the final offer, they can lodge an appeal with the ACT Civil and Administrative Tribunal (ACAT) within 28 days of receiving it.

References

The following legislation and documents should also be considered when undertaking a compulsory acquisition:

- *Lands Acquisition Act 1994;*
- *Financial Management Act 1996;*
- *Government Procurement Act 2001;*
- *Land Titles Act 1925;*
- *City Renewal Authority and Suburban Land Agency Act 2017; and*
- other relevant internal documents.

LDA 0009/2017

Version: 1:00

VALUATIONS

POLICY

Version Approved By:

Neil Bulless
Chair Governance Executive Committee
June 2017

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

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1.0 Purpose

To set out the policy for obtaining valuations related to land transactions.

2.0 Scope

This policy applies to Land Development Division (LDD) and Land Development Agency (LDA) staff seeking valuations for land transactions on behalf of the LDD and LDA.

Out of scope of this policy are:

a. Valuations conducted by the Public Housing Renewal Taskforce under the *Public Housing Renewal – Strategic Purchases Valuations Policy* endorsed by the PHRT Steering Committee.

3.0 Roles and Responsibilities

The roles and responsibilities for this policy apply as follows:

Position/Section/Branch	*Role*	*Responsibility*
Governance Executive Committee	Document Approver	Approving authority
Executive Director, Sales Marketing and Property Management	Document Sponsor	Responsible for authorising policy position and intent
Manager Governance Section	Document Custodian	Responsible for drafting, amending policy and training
Manager Governance Section	Register Custodian	Responsible for issuing reference number, registering, and publishing policy
All teams (except PHRT)	Stakeholders	Responsible for complying with this Policy

4.0 Applicable Legislation

This policy is consistent with the provisions of the following legislation:

a. *Financial Management Act 1996*;

b. *Government Procurement Act 2001*;

c. *Government Procurement Regulation 2007*;

d. *Lands Acquisition Act 1994*;

e. *Planning and Development Act 2007*;

f. *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*; and

g. *Territory Records Act 2002*.

5.0 Associated Policies and Procedures

a. Standard Operating Procedure – Valuations;

b. CMTEDD Procurement of Goods and Services and Works;

c. CMTEDD Records Management Policy;

d. Memorandum of Understanding Land Development Agency Pty Limited and Transport Canberra and City Services Directorate (previously Territory and Municipal Services Directorate);

e. Australian and New Zealand Valuation and Property Standards; and

f. International Valuation Standards (IVS).

6.0 Policy and Principles

All valuations used to inform land transactions (including those procured externally) will be:

a. based on considered and appropriate written instructions;

b. obtained through a professionally accredited valuer;

c. consistent with current *Australian and New Zealand Valuation and Property Standards;*

d. filed in accordance with the *Territory Records Act 2002;* and

e. current at the time they are used to inform pricing recommendations.

Valuations conducted by the LDD and LDA will be procured through the New Business, Valuations and Land Management (NBVLM) Team.

Valuations conducted as part of commercial agreements, such as Joint Ventures, may be procured in accordance with the terms of the agreement.

Valuation reports are valid for a period not exceeding 90 days or three (3) calendar months, unless a lesser period is specified in the report or new information becomes available that would materially affect the valuation. This time commences from the date the report is signed.

6.1 Use of valuations

Minimum requirements for the number of valuations to be sought are outlined below. Additional valuations may be sought at any time when deemed necessary by management or the governing board.

Establishing sale price

Land sales constitute the highest volume of valuations activity. To support consistency in pricing, a minimum of two valuations will be sought and a standard formula applied in determining the price.

Acquisitions

During acquisition processes the seller routinely obtains a valuation. In addition to this, a minimum of one valuation will be sought to inform decision making.

Land Transfers between Commonwealth Government and the LDA

For transfers of land in these circumstances, each party will obtain a minimum of one valuation to inform negotiations and decision making on the transfer.

Feasibility and due diligence expenditure

When approval for expenditure on feasibility and due diligence activities is being sought, a minimum of one valuation of the land in question will be obtained.

Land Transfers within the ACT Government

When land transfers occur between ACT Government agencies, valuations will be obtained in accordance with related Memorandum of Understanding.

7.0 Date for Review

A preliminary review is to be completed six (6) months following implementation. Subsequent reviews are to be conducted annually

8.0 Version and Amendment History Table

Version	Date Approved	Approved By	Amendments
1.00	/06/2017	Governance Executive Committee	Initial Policy

LDA 010/2017

Version: 1:00

STANDARD OPERATING PROCEDURE (SOP) – VALUATIONS

Version Approved By:

Neil Bulless
Chair Governance Executive Committee
June 2017

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

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Attachment A – Flow Chart

Attachment B – *Request for Valuation* Form

1.0 Purpose

This Procedure provides the process and templates for requesting valuations from the New Business, Valuations and Land Management (NBVLM) Team in accordance with the LDA Valuations Policy.

2.0 Scope

This Procedure applies to Land Development Division (LDD) and Land Development Agency (LDA) staff seeking valuations for land transactions on behalf of LDD and LDA.

Public Housing Renewal Taskforce (PHRT), Economic Development is out of scope of this procedure.

3.0 Roles and Responsibilities

Position/Section/Branch	Role	Responsibility
Governance Executive Committee	Document Approver	Approving authority
Executive Director, Sales Marketing and Property Management (SMPM)	Document Sponsor	Responsible for managing the New Business, Valuations and Land Management Team and authorising procedure process and intent
Manager Governance Section	Document Custodian	Responsible for drafting, amending procedure and training
Manager Governance Section	Register Custodian	Responsible for issuing reference number, registering, and publishing procedure
All LDD and LDA teams (except PHRT)	Stakeholders	Responsible for complying with this Procedure

4.0 Applicable Legislation

This policy is consistent with the following legislation:

- *Financial Management Act 1996;*
- *Government Procurement Act 2001;*
- *Government Procurement Regulation 2007;*
- *Lands Acquisition Act 1994;*
- *Planning and Development Act 2007;*
- *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1);* and
- *Territory Records Act 2002*.

5.0 Associated Policies and Procedures

The following apply to this SOP:

- Australian and New Zealand Valuation and Property Standards;
- Land Development Division Valuations Policy;
- CMTEDD Records Management Policy;

- CMTEDD Procurement of Goods Services and Works; and
- Staff Instruction 003/2017 Documentation for all Acquisitions – Requirement to Comply.

6.0 Procedure Description and Tasks

The tasks associated with each stage of the valuation process are described below:

6.1 Request for Valuation by Business area

Business area will:

- define requirements – purpose and type of valuation required
- liaise with New Business, Valuations and Land Management (NBVLM) team for guidance on valuation requirements
- complete the *Request for Valuation* form (Attachment B), detailing:
    - all requirements, including information relevant to the valuation, such as environmental or heritage assessment reports; any known problem that might affect sale; or planning reports; and
    - key terms and conditions of a transaction (and any variations that may need to be considered).
- ensure *Request for Valuation* form is signed by the responsible Senior Executive
- send signed *Request for Valuation* form with all supporting documents to NBVLM team via email, with cc to responsible Senior Executive.

Note: The New Business, Valuations and Land Management team require **at least 4 weeks' notice** to procure a valuation. If the work is urgent, highlight timeframe within request.

6.2 New Business, Valuations and Land Management Team Processing Valuation Requests and Procurement

NBVLM Team will:

- acknowledge receipt of request for valuation within 24 hours
- assess complexity of instructions and allocate to appropriately skilled staff for review
- ensure instructions are accurate, clear and comprehensive
- issue a request for quotation through the Territory Valuation Service Scheme (VSS)
- issue identical instructions if more than one supplier
- correspond with suppliers through the Panel Management Portal (PMP)
- ensure equitable opportunity for providers to tender for services
- order an official file for the transaction and attach the appropriate checklist.

6.3 Engage Valuers

NBVLM Team will:

- work with requesting business area to evaluate quotations
- engage selected valuers
- organise valuation briefing meeting (if required) with selected valuers, business area and valuations team to clarify instructions
- monitor distribution of work to valuers to ensure procedural fairness.

Note: If the contract exceeds $25,000, complete a Contracts Register Notification template.

6.4 Review and Communication of Valuation Report(s)

When valuation report(s) received, NBVLM Team will:

- quality assure against instructions for consistency and accuracy
- confirm it meets current Australian and New Zealand Valuation and Property Standards.

If more than one valuation report received, NBVLM will compare amounts proposed to identify if a variance over 10%.

- To assess variance - divide the dollar difference between the two figures supplied by the lower of the two figures.

If variance is over 10%, NBVLM Team will:

- liaise with valuers (as required) to determine and resolve reasons for the variance
- if unable to resolve variance, seek a third valuation or appoint an Associate of the Australian Property Institute with five or more years of experience in the relevant field to complete a peer review or determine a recommended value
- if seeking a third valuation, provide the same instructions as those supplied to initial valuers.

Where NBVLM has procured valuations for land sales, they will:

- assess report(s) to determine recommended price
- complete required Minute template to seek approval from LDA CEO.

Where NBVLM has procured a valuation for other land transactions, they will:

- email quality assured valuation report(s) with recommendation to business area
- send valuation reports to Finance Team.

6.5 Closure

To close a valuation request:

- complete file checklist to make sure all documents related to the valuation request are recorded in the registered file
- ensure relevant documentation has been sent to requesting business area
- close file.

7.0 Record Keeping

Evidence of the process and decision making must be evident for all valuations undertaken. The following documents must be kept by NBVLM Team in an official file in accordance with *Territory Records Act 2002*:

- signed Request for Valuation form
- requests for quotation
- quotations received for valuation service
- signed Evaluation Plan, as appropriate
- valuation report(s)
- emails, correspondence, meeting minutes or documentation of discussions with valuers regarding quotations or valuation report(s)

- completed Recommendation for Acquisition Price
- signed Minutes and documents supporting pricing recommendations
- invoices received.

Official files maintained by the requesting business area must comply with Staff Instruction 003/2017 Documentation for all Acquisitions – Requirement to Comply.

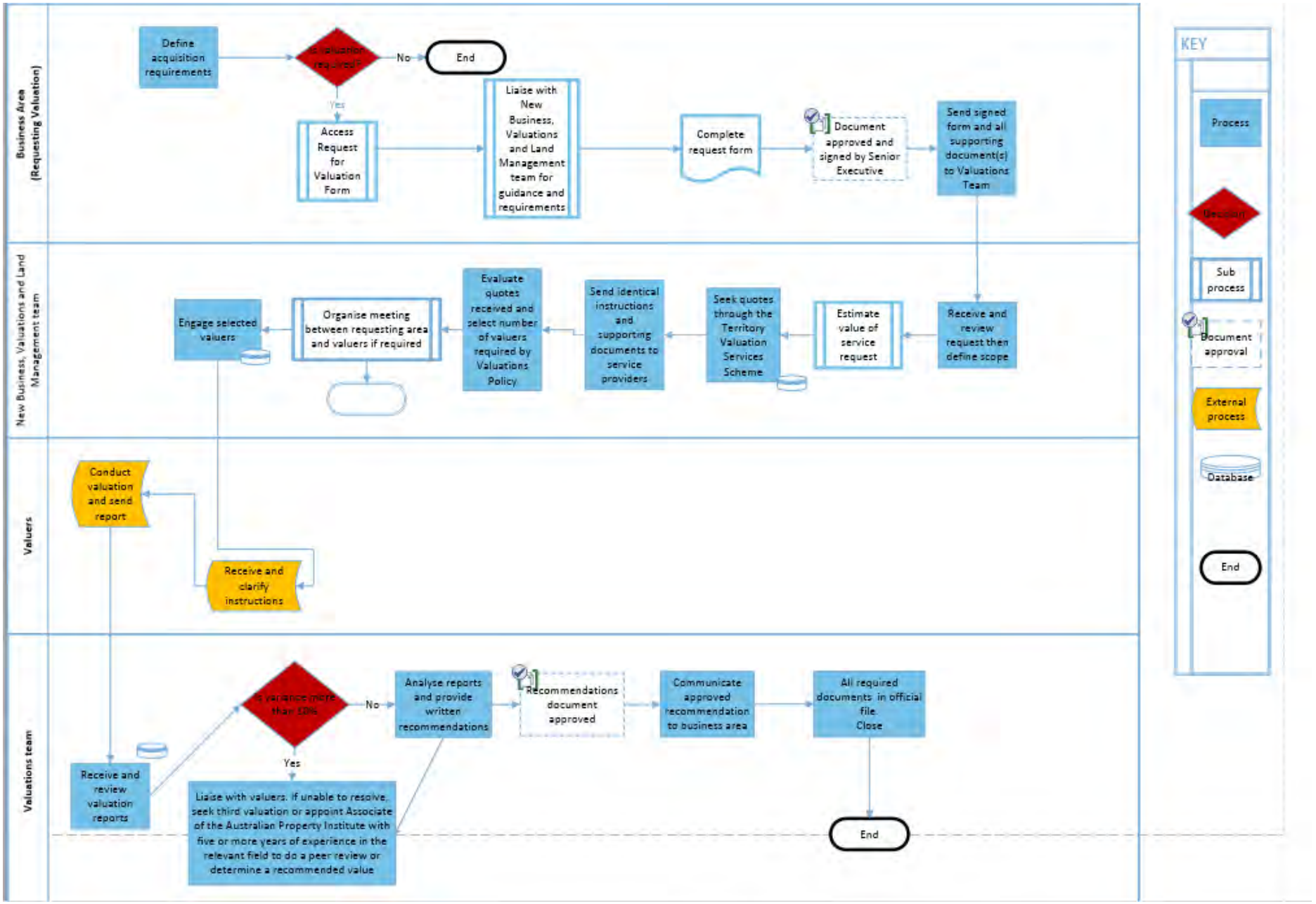
8.0 Date for Review

A preliminary review is to be completed six (6) months following implementation. Subsequent reviews are to be conducted annually.

9.0 Version and Amendment History Table

Version	Date Approved	Approved By	Amendments
1.00	June 2017	Governance Executive Committee	Initial Procedure

Attachment A – Centralised Valuations Process



Request for Valuation

This form must be completed by the requesting business area and sent to the LDA New Business, Valuations and Land Management team for all requests.

Requesting Business Unit Details		
Requesting Business area		
Contact person/s	Name:	
	Position:	
	Email:	
	Telephone:	
	Property inspection contact:	
Property Information		
Address, Block, Section:		
Basis of valuation:		
Current use of property:		
Proposed use for property (for example – community facility, land banking, development of units, etc.):		
Proposed means of acquisition, market based/negotiation/acquisition under *Lands Acquisition Act, 1994*:		
Current Ownership details:		
Current Zoning information:		
Copy of Crown Lease:		
Survey plan attached Y/N:		
Timing of proposed acquisition (if known):		
Other matters which are relevant to the valuation including due diligence report, feasibility studies, or matters that may affect purchase price, etc. (Attach copies of relevant documents and reports.)		
Date valuation required by:		
Authorisation		
Authorising officer:		
Position : Executive Director/Director		
Date:		

ACT PUBLIC SECTOR – Commercial engagements with former ACTPS executives

Purpose

1. To manage all actual and perceived conflicts of interest arising where former ACT Public Service (ACTPS) executives become independent consultants, or are employed by a consulting company, and propose to engage in commercial activity with the Territory within two years of separating as an employee of the Territory.

Application

2. This policy applies to all ACTPS executives who separate from the ACTPS for a period of two years from the date of separation.

Principles

3. The *Government Procurement Act 2001* sets out at section 22A that the primary procurement principle is obtaining value for money.
4. In the pursuit of value for money, a delegate must have regard to a range of considerations including;
    - Probity and ethical behaviour;
    - Management of risk; and
    - Open and effective competition.
5. Engaging former ACTPS executives through a non-competitive process may lead to a perception of patronage and impropriety.
6. There may also be a risk of former executives using sensitive commercial information gained in the course of their employment with the Territory for personal gain or the benefit of a third party.
7. To address these risks, former ACTPS executives should generally not be engaged through a non-competitive process (single select) either directly or indirectly, for a period of two years from the date on which they separate from the ACTPS.
8. There may be legitimate reasons which necessitate the engagement of a former ACTPS executive within the two year period following the date of separation through a single

select process. These reasons must be clearly articulated with sufficient justification provided for not progressing such a procurement through an open, competitive process.

9. In order to avoid deliberate or inadvertent use of information gained in the course of ACTPS employment, the Territory, at its absolute discretion, may decline to enter into commercial arrangements with an entity that employs a person who has been an ACTPS executive within the previous two years.
10. For clarity, there is nothing to prevent a former ACTPS executive, or an entity which employs a former ACTPS executive, from providing commercial services to the Territory, at any time, where they secure such an engagement through an open, fully documented, competitive process. However, conflict of interest considerations continue to apply including:
    - The degree of connection between the former executive's role with the ACTPS and the role they are proposing to perform for the Territory as an independent contractor or through a third party employer;
    - The potential for use of sensitive information gained in the course of the executive's ACTPS employment to the detriment of the Territory; and
    - Public perception of the changed nature of the employment relationship and a former executive gaining an additional advantage by virtue of their former position with the ACTPS.

Responsibilities – Transitional Arrangements

11. Former ACTPS executives who are currently providing services to the Territory on the basis of non-competitive procurement processes may continue to provide those services until the end of the current contract. This policy must be applied to any optional extension or new contract to be entered into.

Further Advice

12. Further enquiries may be directed to the Manager, Legislation, Policy and Executive Contracts, Workforce Capability and Governance, CMTEDD, on 6205 2391.

Legislative Reference

Government Procurement Act 2001 http://www.legislation.act.gov.au/a/2001-28/current/pdf/2001-28.pdf

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Bronwen Overton-Clarke
Deputy Director-General, Workforce Capability and Governance
on behalf of
Kathy Leigh
Head of Service

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May 2017

Guidelines for providing information to the LDA Governing Board

Purpose

This document assists staff in providing information to the Land Development Agency Governing Board (the Board).

Good governance is achieved when all parties understand the role, function and scope of the Board and the Board receives timely, accurate and reliable information that enables sound and ethical decision-making.

Scope and application

This guideline applies to all permanent or temporary public sector employees, including Chief Executive Officers and senior staff covered by the *Public Sector Management Act 1994* (PSM Act).

Role of the Land Development Agency

The Land Development Agency (LDA) is a Territory Authority operating under the *Planning and Development Act 2007.* Its mission is to contribute positively to the economic and social development of the ACT; deliver land release programs and high quality urban development; and provide agreed returns to the Territory on its investment in the LDA.

Role of the LDA Governing Board

The role of the Board is to provide efficient and effective financial management of the LDA. Under Section 77 of the *Financial Management Act 1996,* the LDA Board's functions are to:

- set the LDA's policies and strategies;
- govern the LDA consistent with the Authority's establishing Act and other relevant legislation;
- ensure, as far as practicable, that the LDA operates in a proper, effective and efficient way; and
- ensure, as far as practicable, that the LDA complies with applicable governmental policies.

For the Board to perform its functions and meet its key objectives, Board members require reliable information that promotes appropriate action. When seeking information, the Board will:

- be clear about the purpose of the information or request;
- ensure that the request sits within the scope of the Board's role;
- consider the request in the context of the ACT Government Public Service Code of Conduct 2012 and any relevant legislation or policies; and
- consider and declare potential or actual conflicts of interests.

Role of Chief Executive Officer

Under Section 84 of the *Financial Management Act 1996,* the CEO of a Territory Authority with a Governing Board has the following functions:

- ensuring, as far as practicable, that the Authority's statement of intent is implemented effectively and efficiently;

- managing the day-to-day operations of the Authority in accordance with—
    - applicable governmental policies (if any); and
    - the policies of the Authority set by the Board; and
    - each legal requirement that applies to the Authority;
- regularly advising the Board about the operation and financial performance of the Authority; and
- immediately advising the Board about significant events.

The CEO is a Board member and ensures that directives or pertinent information from the Board is reported back to relevant staff in an appropriate and timely manner.

Role of LDA staff

LDA staff, under the direction of the CEO, need to provide Board members clear, timely, accurate and relevant information. Decisions on land transactions of a strategic or complex nature are of particular interest to the community and information which influences these decisions needs to be ethical, well considered and transparent.

To facilitate this, LDA staff will:

- work in accordance with the ACT Public Service Code of Conduct 2012 and all relevant legislation and government policies;
- focus on the principles of openness, transparency, integrity, engagement and accountability; and
- consider and declare potential and actual conflicts of interest.

In providing comprehensive information to the Board, staff will:

- consider the role of the Board in relation to their work or project;
- provide all information necessary to support informed, ethical and timely decisions;
- ensure information supplied is reliable and verifiable;
- seek approval from the CEO or responsible Senior Executive prior to submitting; and
- ensure information provided to the Board is supported by thorough records management practices.

Related legislation and policies

Financial Management Act 1996

Lands Acquisition Act 1994

Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1), N12014-264

Planning and Development Act 2007

Public Interest Disclosure Act 2012

Public Sector Management Act 1994

ACT Public Service Code of Conduct 2012

Territory Records Act 2002

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

Governance Program

Phase I Report

June 2017

Purpose

To provide the LDA Board and Senior Executive a report on the completion of Phase I of the Governance Program that identifies successful outcomes and key learnings for consideration in developing the next phase of the Program.

Context

In October 2016 the Land Development Agency (LDA) endorsed a program of governance activities in response to the recommendations of the:

- ACT Auditor-General's Report – *Certain Land Development Agency Acquisitions, No 7 of 2016*, (AG) 30 September 2016
- Ian McPhee Report, *Economic Development Governance Framework Review* (GR), 22 September 2016, and
- Land Development Division, *Business Process Review Report*, (BPR) 30 September 2016.

The objectives of the Program agreed by the Board were:

- the timely and effective implementation of agreed recommendations in accordance with the identified priority risk ratings by:
    - facilitating a structured and planned approach to implementation, through the identification of timeframes, action officers and key deliverables, and
    - communicating and providing support to Senior Executives to facilitate change management processes across Economic Development.
- ensuring the organisation's ongoing commitment to implementing governance structures, transparent and robust practices and processes across Economic Development.

On 11 May 2017, the Legislative Assembly passed the *City Renewal Authority and Suburban Land Agency Act 2017*.

This legislation establishes the City Renewal Authority and Suburban Land Agency and provides robust governance arrangements and strong accountability frameworks.

Key actions and deliverables

In October 2016 the Board prioritised the following ten actions for completion by 30 June 2017 through Phase I of the Governance Program:

1. Establish a Governance function and resource (GR rec 2)
2. Governance of Land Acquisition processes (AG rec 1-6)
3. Procurement and Contracting of former staff (AG rec 7)
4. Establishment of a governance committee – completed (BPR rec 1)
5. Legal Advice protocols and practices – in progress (GR rec 4, BPR rec 2)
6. Instruments of Delegation under the Planning and Development Act (BPR rec 3)
7. Review and update the Direct Sales charging and costing policy (BPR rec 17)
8. Sales Valuation policies and processes (AR rec 2, BPR rec 19d)
9. Guidelines on staff responsibilities to the LDA board (BPR rec 4)
10. Sales and marketing – promoting the LDA's market position BPR rec 20)

Resourcing:

To support the implementation of the Program, a Governance and Quality Assurance Team was established with resourcing for four full time equivalent staff.

Monitoring and Oversight:

A range of monitoring and oversight mechanisms were put in place to oversee the Program. These included:

- Ministerial briefing on progress through Senior Executives during routine Minister's meetings, Question Time Briefs, Questions of Notice, and Annual Report Hearing briefs.
- Board reporting through written and verbal reports to the Board at each of its meetings. The Board Audit and Risk Committee also received reports on the Program at each of its meetings.
- Reporting to management through the Governance Executive Committee (GEC), chaired by the Deputy Director-General/Deputy Chief Executive Officer. This committee was established to oversee and monitor the Governance Program. The GEC met fortnightly, received progress reports at each meeting, and endorsed operational policies and procedures developed as part of the Program.

Document Control:

To enable standardisation of document management, a *Records and Document Management Framework and Protocols* was endorsed for use by the GEC in March 2017. This document provided definitions and information on the use of:

- Policies
- Procedures
- Guidelines
- Policy Instructions

- Staff Instructions, and
- Document numbering.

To support staff to access newly endorsed policy documents, a Key Governance Documents Register was established on the LDA SharePoint space.

Communications and engagement:

There were a number of approaches used during Phase I of the Program including:

- Meetings held with Executives in January 2017 to reconfirm engagement in the Program and identify key issues and risks for engagement
- Key stakeholders, internal and external, were engaged in product development through face to face meetings and provided opportunities to comment on documents.
- Governance Bulletins were emailed to staff via the Deputy Director-General's fortnightly emails
- Creation of an intranet site containing information about the Program
- Development of a centralised document register for the policy documents created as part of the Program.
- Regular information sessions were held outlining the purpose of the Program and key activities that were underway
- A policy and procedure consultation page was created on the intranet, and the opportunity to comment on documents advertised to all staff
- Individual and small group meetings were held with key stakeholders on issues during the scoping, consultation, and finalisation phases of each project
- Champions for the Program were engaged from all business areas at the SOGC to Project Director level, and
- External stakeholders and similar organisations in other jurisdictions were consulted at various points for benchmarking purposes.

Results

Deliverables

The following deliverables were completed in relation to the 10 actions prioritised during Phase 1:

1. Establish a Governance function and resource (GR rec 2)
   - A Governance and Quality Assurance Team was established (four FTE).

2. Governance of Land Acquisition processes (AG rec 1-6)
   - Legislation establishing the City Renewal Authority and Suburban Land Agency, and related governance arrangements was passed by the Legislative Assembly
   - A valuations policy and procedure were developed
   - Clear Staff Instructions were provided to staff on:
     - Records management requirements
     - Governance of the Land Acquisition Policy Framework, its interpretation and amendment
     - Requirements for advising the Board on land acquisitions, and
   - A guideline on compulsory acquisition was developed.

3. Procurement and Contracting of former staff (AG rec 7)
   - A whole of government *Commercial engagements with former ACTPS Executives* policy was endorsed and disseminated to staff.

4. Establishment of a governance committee – completed (BPR rec 1)
   - The Governance Executive Committee was established in February 2017 to monitor the Governance Program and endorse operational policy and procedure.

5. Legal Advice protocols and practices – in progress (GR rec 4, BPR rec 2)
   - A legal advice register was created and a centralised process for channelling all approvals through the Deputy Director-General established
   - A Staff Instruction was issues directing all staff to use this process.

6. Instruments of Delegation under the *Planning and Development Act 2007* (BPR rec 3)
   - The instrument of delegation relating to s41 of the *Planning and Development Act 2007* was updated and notified on the ACT Legislation Register.

7. Review and update the Direct Sales charging and costing policy (BPR rec 17)
   - This action was deferred to Phase II, as Cabinet consideration was rescheduled to the second half of 2017.

8. Sales valuation policies and processes (BPR rec 19)
   - The valuations policy developed in response to action 2 was expanded in its scope to address valuations for sales processes, and
   - The Business Improvement Systems team will consider incorporating valuations data in to the Pipeline system into its continuing program of work.

9. Guidelines on staff responsibilities to the LDA board (BPR rec 4)
    - A guideline for staff on providing information to the Governing Board was developed.

10. Sales and marketing – promoting the LDA's market position (BPR rec 20)
    - Information for the LDA website was reviewed and updated to include information about the market based approach taken to engaging agents and contractors.

Communication and engagement with staff

During the Program the following communication and engagement activities occurred with staff:

- 4 Governance Bulletins circulated to all staff via email and made available on the Governance Intranet site
- 5 Governance Program information sessions were held
- 1 module developed for LDA new starter induction
- 21 staff attended Governance Program information sessions
- 3 champions meetings were held
- Governance Team members attended 1 business unit meeting
- 10 all staff messages from the CEO or Deputy CEO, and
- 3 all staff meetings with messages from the CEO and Deputy CEO

Monitoring and oversight

- Implementation plans were developed and endorsed for all 10 actions
- 7 Governance Executive Committee meetings were held
- Reports were provided to 100% of Board meetings
- Updates were provided to 100% Board Audit and Risk Committee meetings
- Updates were provided to 100% of Governance Executive Committee meetings
- 100% of GEC endorsed documents available on centralised Key Governance Documents register
- 2 registered files audited to assess compliance against Staff Instruction 003/2017 Documentation for all Acquisitions – requirement to comply. Both files were compliant.

Additional activities

In addition to the actions identified for Phase I, a number of activities were completed within the organisation by the Governance and Quality Assurance team, the Corporate area and the office of the CEO to support the Program, including:

- Creation of a document management system
- Development of a centralised intranet space to promote governance information
- A regular governance bulletin to inform staff of the Program and governance changes
- Staff information sessions
- Creation of an LDA induction program for new staff
- Implementation of more robust documentation of Board conflicts of interest
- Establishment of systemic monitoring of staff conflicts of interest

- Ongoing availability and promotion of training and education in corporate governance risk areas including; fraud and ethics, FOI management, records management, procurement, project risk management (see attachment X for full list – CMTEDD is providing a list)
- Increased oversight of single select contracts by the Board through monthly reporting by the CEO

Staff feedback

An electronic survey was made available to staff via the intranet to gather feedback on the Program and to seek input on how to improve the approach during Phase II (see Attachments 1 & 2 for further information on the feedback received).

Quantitative feedback from the survey included:

- 29 staff completed the survey
- Highest response rate was from Greenfields at 35%
- 93% of respondents were aware of the Governance Program
- Most effective tool for communication is the Governance Bulletin attached to the Deputy Director-Generals email bulletin
- Those who sought assistance from the Governance Team (10) were very satisfied with the service they received
- 71% found the information supplied by the Governance team to be useful
- 38% now have governance as an agenda item in team meetings
- 65% know how to access governance information, and
- Governance around records and project management was the highest priority for staff.

Qualitative feedback from interviews with executives and governance champions highlighted the following issues:

- High level of support for the Program and recognition that a systematic and resourced approach is required to improve governance
- Phase I worked well in terms of processes and systems and delivery of required products, however while recognising that these have been delivered the development of a culture of governance will take further time and effort
- The scope of work in Phase II will impact on more business areas that Phase I and provide an opportunity to engage more staff in governance activities
- Identified need for work to continue to bed down changes in practice and demonstrate outcomes
- The need for continued high level leadership and support across all entities
- The need for induction for all staff into the new legislative framework to ensure they understand the new requirements
- The need for improved records management and document control was raised by all stakeholders
- General agreement about the need to standardise policy, procedure and templates across the three organisations and utilise whole of government processes wherever possible

- The need for active conflict of interest monitoring and management across the organisations and the need to improve understanding of how this is managed in operational environments

Conclusion and lessons for Phase II

The Program successfully delivered all of the planned actions within its capacity to complete during Phase I. As part of this, new governance frameworks, systems and communication channels were established. Key stakeholders were engaged in the development of the products delivered within the Program. Monitoring of compliance with new policies and procedures commenced. Regular progress reports were provided to key governance committees including the Board and Board Audit and Risk Committee.

Key issues for consideration in Phase II are outlined below.

Leadership

Ongoing high level leadership is required to drive improvements in governance. It will be important for the Boards and management to continue to lead the Program and send clear messages about the importance of this work.

Program planning

Phase II of the Program will be concurrent with the establishment of the CRA and SLA and related governance and oversight arrangements. It is recommended that the Program align work to address the remaining recommendations from the McPhee *Governance Framework Review* and the *Business Process Review* with the establishment activities by grouping them into the following themes:

1. Governance systems and framework documents including:
    - Corporate governance statements
    - Corporate plans
    - Risk management frameworks and plan
    - Compliance monitoring framework and schedule
2. Project management governance including:
    - Project Management Framework and methodologies
    - Standardised documentation and templates
3. Document control and records management including:
    - Records management training and on the ground support for compliance
    - Electronic Document Management system roll out
    - Standardising document control systems and templates
4. Operational policy and procedure review including:
    - Land Transactions
    - Direct Sales
    - Due Diligence
    - Sales and Marketing
    - Procurement
5. Training information and communication including:
    - Induction program
    - Intranet information
    - Staff networks such as the champions' network
    - Training program

These themes also address the feedback provided by stakeholders on Phase I. A program plan that includes a works schedule, risk management plan, and communications and stakeholder engagement plan will be developed.

Transition support

Board induction processes and the induction of staff in the new organisations will be central to effectively implementing the new governance arrangements established through the CRA/SLA Act. These will be included in the initial activities of Phase II.

Communication and engagement with staff

Improving engagement with staff will be a key area of focus in Phase II. Feedback from staff indicated that while mechanisms used in Phase I were useful, more communication and engagement is required to ensure staff are aware of and engaged in the Program.

For the Program Phase II this should include:

- Communication of Board decisions, both to staff and the community
- Continuation of the governance bulletins
- Continuation of a central intranet site space for governance information and policy documents
- Continuation of the Champions forum, and improved clarity of the champions' roles and responsibilities
- Engagement with existing meetings of key staff, e.g. Executive Assistants network, senior managers forums
- Increased attendance by Governance team members at business unit meetings
- Requirement that governance be included as an agenda item on section/business unit meetings
- Continuation of sessions in the induction training for new staff, and
- Clearly articulating the role of the new Governance Team and the services it offers.

Compliance monitoring and embedding new policy and processes

A program of quality assurance through monitoring implementation of new policies and procedures will be a central part of embedding practices in Phase II. To be effective this will require a collaborative quality improvement approach that supports business areas to use best practice processes. This will also enable measurement of how effectively the new processes have been implemented and embedded.

Attachment A – Data survey and staff interview results

To gather qualitative data as per the evaluation strategy for the Governance Program, an all staff survey was created and distributed and individual meetings held with Governance Champions and interested staff.

Quantitative Data (Refer Attachment 1)

- 29 staff completed the survey
- Highest response rate was from Greenfields at 35%
- 93% of respondents were aware of the Governance Program
- Most effective tool for communication is the Governance Bulletin attached to the DDG's email
- Those who sought assistance from the Governance Team (10) were very satisfied with the service they received
- 71% found the information supplied by the Governance team to be useful
- 38% now have governance as an agenda item in team meetings
- 65% know how to access governance information
- Governance around records and project management was the highest priority for staff

Feedback received has been grouped under the following themes:

Theme	Issues raised	Suggestions for improvement
Governance and oversight systems		
Legislative requirements	People require more information and education about the legislation that supports their operational needs as they have limited oversight of the process or understanding of how to access legislation and Notifiable Instruments	Using a prescribed intranet site, establish a library of links to related legislation for each business area
	Need to support those coming from commercial entities to understand the requirements of working under the *Public Sector Management Act 1994* whilst achieving commercial outcomes and government priorities	Increase awareness of requirements under the PSM Act. More visibility of government priorities. More focus on non-commercial outcomes
Conflict of Interest (COI)	More robust central and functional oversight of the COI process required People not aware of expectations and due process in relation to COI as part of	Increase awareness through training. Requirements to form part of operational procedures.

Theme	Issues raised	Suggestions for improvement
	their operational responsibilities	Consideration to having a centralised register at Board and Executive level and possibly team registers
Culture of Compliance	The compliance culture within the organisation is limited and can be improved. People not aware of what is expected of them as part of discharging their duties in terms of governance.	Strong leadership around governance required Tailored induction process, retraining of staff, regular information sessions, manager induction sessions, inclusion of governance on team meeting agendas. Quality assurance processes introduced such as internal file reviews scheduled regularly
Clarification of roles, responsibilities and accountabilities	Staff not sure about where to go for information regarding roles within business areas Governance team/program role not well understood by staff	Improve intranet to assist staff to find required contacts and information Encourage communities of interest Corporate Governance Charter outlining business areas roles would assist Improve communication through reducing reliance on email and increasing face-to-face communications and printed materials Governance Program to develop a role statement and key messages and promote the activities happening as part of Phase II
Probity	Need to ensure equitable distribution of work to suppliers	Introduce regular monitoring of distribution of work across panel and scheme service providers
ICT	Lack of integrated software systems	Consider integrating software systems into whole of government systems to

Theme	Issues raised	Suggestions for improvement
		support efficiency and improve reporting
	Without an effective ICT system, it is difficult for managers to ensure the currency of staff skills or know what skills staff require when promoted or changing roles	Consider implementing an ICT learning management system to assist people to update their skills and refresh their knowledge
Document control and records management compliance		
Procurement	Clarity on the procurement process for LDA functions and difference from other procurement areas	Move to use the WhoG procurement process with addendums to address additional or differing requirements
	Standardised templates	Create standardised templates in consultation with business areas
Records management	Guidance on what is required to be filed in official records	Encourage all staff to attend records management training
	Records and records management (as it affects FOI process).	Develop 'cheat sheet's about what is needed to be stored in official files
Lack of clear information available when ordering files on the records management site	Limited guidance available to staff on what classification of file is required dependent on information to be stored	Training on security classifications or fact sheets Respondent suggested that at induction staff are required to do a sample FOI process so they understand the ramifications of poor record keeping
Contract Management	Clarity and standard on how contracts can be managed and whose responsibility	Clarity on staff roles and responsibilities. Development of a standard process for management
Electronic Records Management	Improve version control and accessibility through implementation of an Electronic Document and Records Management System	Use of Objective in EPSDD. Need to ensure all staff have access.

Theme	Issues raised	Suggestions for improvement
Policy and procedure review		
Access	Policies and procedures scattered across a variety of platforms and difficult to access	Single source of truth through use of a centralised document register with strong metadata to improve accessibility of information
Succession	Over reliance on individuals to transfer their knowledge orally	Documented policies and procedures to ensure best practice processes and for succession planning
Project management and business system improvements		
Program and Project Management	No one-stop shop on how to manage and report on projects.	Requirement for standardised documents and quality control process
Standardisation	Lack of standardised approach to project management	Project Management Office Promote a standard project methodology
Templates	Variety of templates scattered across intranet and file drives	Create an accessible location for approved templates
Information, training and communication processes		
Communication	Board decisions and resolution being cascaded to staff on-time. Clarity on required operational actions to identify interdependencies at project levels. Transparency to ACT community	Establish systematic approach to communicating Board outcomes to staff that balances the need to provide information with confidentiality requirements Development of a register on board decisions. Training on what Commercial-in-Confidence means and what can be distributed to members of the organisation. Occasional scheduled morning tea for staff and Board members to meet Board Charters, COI policy and procedures to be made available on external website

Theme	Issues raised	Suggestions for improvement
	Information from the Governance team not absorbed by staff amidst layers of information	Devise additional communication strategy such as printouts, attendance at staff meetings, fun quizzes for use at team meetings, supportive quality assurance of files
Quality Improvement	Inefficiencies created through lack of standardised templates and difficulty accessing current versions. No updates on intranet as to what is current	Revamp of what is currently sitting on the intranet in terms of templates and locate everything in one space Requirement for a quality control/check contact person.
Delegations	Ambiguity on the different forms of delegations available and how to apply them. Lack of oversight on what is applicable for each circumstance	Staff to be trained and re-trained on delegations and how it applies especially when it applies to their roles. Staff need to be aware of the different delegations and that they are not interchangeable
Role of Governance Champions	More clarity required around purpose and role of the champions	Increase awareness of the role and expectations.

Governance Program

Phase II – Plan

June 2017

Purpose

To outline the activities planned for the program of governance activities to commence from 1 July 2017.

Background and Context

In October 2016 the Land Development Agency Board endorsed a program of governance activities in response to the recommendations of the:

- ACT Auditor-General's Report – *Certain Land Development Agency Acquisitions, No 7 of 2016*, 30 September 2016;
- Ian McPhee Report, *Economic Development Governance Framework Review*, 22 September 2016; and
- Land Development Division, *Business Process Review Report*, 30 September 2016.

The program included 32 actions, nine of which were completed during Phase I. The Phase I program outlines the successes of the project and lessons for Phase II (Attachment X). The learnings from Phase I have been incorporated into this document.

On 11 May 2017, the Legislative Assembly passed the *City Renewal Authority and Suburban Land Agency Act 2017*.

This legislation establishes the City Renewal Authority and Suburban Land Agency and provides robust governance arrangements and strong accountability frameworks.

Objectives

The Governance Program Phase II will:

- Establish sustainable and transparent governance frameworks across EPSDD, the CRA and SLA. These systems will support the high level governance arrangements outlined in the *City Renewal Authority and Suburban Land Agency Act 2017.*
- Engage collaboratively across EPSDD, the SLA and CRA on governance initiatives
- Aim to embed a strong governance and quality improvement culture within the EPSDD portfolio

Scope

The Governance Program will be managed in the Governance Unit of EPSDD and provide services to the CRA and SLA. The Governance Unit staff will work closely with their colleagues to develop products for implementation with the CRA and SLA addressing the following areas of work:

1. Corporate governance systems
2. Project management governance
3. Document control and records management
4. Operational policy and procedure review
5. Training, information and communication

Program Governance

The Governance Team will be located in EPSDD under the Director of Governance working to the Chief Operating Officer.

The program deliverables will be overseen and monitored through the appropriate Governance Committee and the Service Level Agreement between EPSDD, the CRA and the SLA.

Stakeholders

Key stakeholders include:

- Executive - Ministers
- Boards of CRA and SLA
- Director-General EPSDD
- CEO CRA
- CEO SLA
- Staff in EPSDD, CRA and SLA
- Community members
- Business community
- Current and potential developers

Key Deliverables

1. Governance systems and framework documents including:
    - Corporate governance statements
    - Corporate plans
    - Risk management frameworks and plan
    - Compliance monitoring framework and schedule
2. Project management governance including:
    - Project Management Framework and methodologies
    - Standardised documentation and templates
3. Document control and records management including:
    - Records management training and on the ground support for compliance
    - Electronic Document Management system roll out
    - Standardising document control systems and templates

DRAFT

4. Operational policy and procedure review including:
    - Land Transactions
    - Direct Sales
    - Due Diligence
    - Sales and Marketing
5. Training information and communication including:
    - Induction program
    - Intranet information
    - Staff networks such as the champions network
    - Training program

Resources

A team of five staff will be based in EPSDD. The team will work closely with the Business Operations Officers in the CRA and SLA and draw on content expertise across the portfolio in the completion of the program of activities.

Additional Attachments to be added at a later date:

- *Stakeholder engagement plan*
- *Risk management plan*

DRAFT

Key Activities

H = high priority - new systems needed - completed by December 2017 M = medium priority – completed by June 2018

N = normal priority – adequate systems - review to be completed by September 2018

GFR = Governance Framework Review BPR = Business Process Review

Activities	Products	Comment	Priority	Remaining Recs
Governance systems and framework documents	Statement of Expectations Statement of Operational intent Performance and accountability monitoring systems	- Legislative instruments developed and in place - Related performance monitoring systems in place	H	NA
	Board Charters	- Articulate the role of the Boards and how they operate - Framework, processes and timeframes articulated - Role, scope, PIs, sub committees	H	NA
	Directors-General forum terms of reference	- Articulate the role and scope and Performance indicators of the committee	H	NA
	Organisational Governance Charter/Statement(s)	- Articulate Directorate and portfolio responsibilities - Roles of committees and individuals in agencies - Role and scope of business units - Review/consolidation of committees (including across Directorate)	H	GFR1 BPR6 BPR10 BPR11 BPR18 BPR22
	Delegations schedules	- Summary of each entities delegations across legislation - Available in an accessible format for staff	H	BPR6
	Strategic Planning Process/Business Planning Process	- McPhee review recommendation re articulation of process and 'balanced scorecard approach' or similar - Will link to broader review of strategic planning, transport and environment policy - Included tools and templates	M	GFR3 BPR7 BPR14 BPR9
	Quality Management System/Framework	- Articulate systems used to ensure quality in the entity and how they relate to one another e.g. risk, document control, audit, WHS, QI - This could form part of the organisational governance charter	H	NA
	Risk Management and Audit and compliance	- Framework, policy and plans for business areas - Monitor compliance with legislation, delegations, and policy	H	BPR11

Activities	Products	Comment	Priority	Remaining Recs
Project Management/ Business Systems	Endorsed Project Based approach (Project appraisal framework or alternative governance framework) Documented standardised methodology Project management Templates	- Articulate approach to land development projects across program and project lifecyles outlining responsibilities within directorates and agencies and key decision and engagement points	H	GFR5 BPR5 BPR7 BPR10 BPR11 BPR15 BPR16 BPR18
		- Standardise project governance including, project control group governance, decision points for approvals - Standardise PM methodology including risk management	M	
		- Business system alignment and consolidation and continuity assurance – (including transition to PMARS) - Project tracking systems centralised/standardised	M	GFR5 BPR13 BPR9 BPR19
Document Control and Records Management	Document Control	- Document control framework and document control system - Related to, and needs to align with, EPSDD work on consultation processes - Relates to intranet and availability of governance documents	H	BPR9
	Records Management & Information security	- EDRMS roll out - Records management framework, directives, guidance, training - EPSDD has draft documents close to finalisation	M	GFR6,7 BPR8
	Templates	- Standard templates for meetings, policies and procedures etc	M	BPR9
Policy and Procedure Review	Land Transactions	- Policy and related procedures addressing land transactions eg sales acquisitions and tranfers	H	NA
	Direct Sales	- Dependent on Cabinet consideration prior to commencement	M	BPR17
	Due Diligence	- Review and update existing documents	M	BPR11 BPR12 BPR18
	Construction procurement and contract management	- Review and update existing documents	M	BPR11cv BPR18bvi
	Corporate – finance, HR	- Review and update existing documents	N	BPR23
	Site investigation	- Review and update existing documents	N	BPR18bii
	Sales and Marketing	- Review and update existing documents	H	BPR11 BPR18 BPR21
Activities	**Products**	**Comment**		**Rec**

Training, Information and Comms	Induction program	- Board members induction - Staff induction re roles and responsibilities, particularly those working as public servants working in Territory Authorities	H	GFR8
	Intranet/s	- Agreement on where content will sit and creation of intranet spaces for EPSDD/CRA/SLA	H	NA
	Internet/s	- Information available to community and stakeholders	H	BPR20
	Staff networks	- Champions network continued - Engagement with EO/EA and senior managers networks	H	NA
	Training	- Information and training re policy and procedures as required	M	All p/p recs
		- Corporate training program, fraud, ethics, RED, WHS etc	N	NA
Service Agreement/ MOU	Documented deliverables across CRA/SLA/EPSDD	- Outlining the services that will be provided by the Directorate and vv from CRA and SLA e.g. corporate services, governance, valuations, due diligence etc	H	GFR1

Note timeframes will be included in consultation with Directorate, CRA and SLA stakeholders in the new financial year when the plan is endorsed.

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k. Finance will be advised that the deposit has been retained and can be identified as LDA revenue.

7.0 Record Keeping

Evidence of the process and decision making must be evident for all rescission requests received. The following documents must be kept in an official file in accordance with *Territory Records Act 2002*:

a. request for rescission

b. evidence provided

c. requests for additional evidence

d. emails, correspondence, meeting minutes or documentation of decision making in regards to recommendation to delegate

e. final decision and information provided to rescission requestor, and

f. relevant financial documents.

8.0 Date for Review

A preliminary review is to be completed within six months of implementation. Subsequent reviews are to be conducted every two years or earlier if legislation changes necessitate a review.

9.0 Version and Amendment History Table

Version	Date Approved	Approved By	Amendments
1.00	29/05/2017		Original document created

ABN 204 199 255 79

TransACT House
470 Northbourne Avenue
Dickson ACT 2602

GPO Box 158 Canberra ACT 2601

Phone: (02) 6205 0600
Fax: (02) 6207 5101
Email: lda@act.gov.au
Web: lda.act.gov.au

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

26/4/16

LDA Policy: Agreement to extend settlement of a land sales contract

Authorisation	This policy is approved by the Chief Executive Officer, Land Development Agency
Effective Date	1 April 2016
Review Date	This policy will be reviewed after two years unless there is a requirement for earlier review.
File Number	Version 1
Associated Documents	
Contact Officer	Director, Sales, Marketing and Land Management

Context

This Policy establishes the principles to be followed in determining how and when an extension request (in regard to the sale of land) is agreed to by the Land Development Agency (LDA).

Definitions

In these definitions the singular includes the plural, and the plural includes the singular.

Block – Parcel of land that may or may not contain buildings or other improvements.

Buyer - means the person, persons or entity listed as buyer in the Schedule of the Contract.

Completion- means all obligations under the contract for sale, including final payment, are met.

Contract - means the Schedule, terms and conditions and any annexure, additional clauses and attachments forming part of the Contract.

Default Notice - means an advice issued to the Buyer by the LDA's appointed solicitor when the Buyer has not met their obligations under the contract.

Deposit - means the deposit forming part of the Price.

Englobo – A large parcel of greenfield land released for subdivision, servicing and sale.

Land Rent Contract – means a Contract relating to a Land Rent Crown Lease.

Lease - means a Standard Lease or a Land Rent Lease as applicable to the Contract.

Natural Person - means an individual person who is not a company or other trading entity.

Non Single Residential Block - Block types commonly referred to as Commercial, Industrial, Englobo, Multi-unit, Mixed Use and/or Community.

Non Single Residential Contract - Contract relating to a Crown Lease for block types commonly referred to as Commercial, Industrial, Englobo, Multi-unit, Mixed Use and/or Community.

Notice to Complete - means an advice issued to the Buyer by the LDA's appointed solicitor when the Buyer has not settled in accordance with the terms of the contract.

Property ACT – means *Civil Law (Sale of Residential Property) Act 2003*

Rescission - means the contract is cancelled from the beginning and the parties are restored to the positions they were in as if the contract was never made.

Security Payment - means a payment by the Buyer to secure its obligations under a Contract where they have made a Land Rent Lease Election.

Single Residential Contract - Contract relating to a Crown Lease that requires development of a single residential dwelling.

Termination - means the cancellation of a contract where the rights and obligations accrued up to the moment of termination remain in place.

Policy Statement

The LDA is a Territory authority established by Section 31 of the *Planning and Development Act 2007* (PDA). Section 20 of the PDA permits the Planning and Land Authority to delegate the function of granting leases to the LDA. Blocks sold by the LDA are sold under a standard Contract for Sale based primarily on the ACT Law Society's Residential Contract for Sale.

In the event a Buyer advises that they cannot complete on the scheduled settlement date the LDA can elect to either:

- agree to an extension of settlement – this Policy sets out the policy to apply in this instance; or
- agree to a rescission of the Contract (Rescission of Contracts is dealt with under the *LDA Policy on Rescission of Land Sales Contracts*); or
- decide to terminate the Contract (Termination of Contracts is dealt with under the *LDA Policy on Termination of Land Sales Contracts*); or
- not agree to an extension of settlement or rescission and issue a notice to complete, pursuant to the Contract.

<u>Contractual terms</u>

Both Single Residential and Non Single Residential contracts use predominantly the same terms; the two primary differences being:

- penalty interest for delays in completion is only payable if the buyer is at fault in the Non Single Residential Contract (in the Single Residential Contract this also applies to the LDA as seller); and

- the Non Single Residential Contract provides the LDA with the right to rescind if a claim for compensation is made for any amount (in the Single Residential Contract this right is restricted to claims in excess of 5% of the sale price).

The LDA's standard Contract for Sale includes the following clause in relation to delays in Completion:

Damages for Delay in Completion

If Completion does not occur by the Date for Completion, due to the default of the Buyer, then the Buyer must pay the Seller as liquidated damages on Completion:

a. *interest on the Price at the rate of 10% per annum calculated on a daily basis from the Date for Completion to Completion; and*

b. *the amount of $1,100* ($550 for Single Residential Contracts) *(GST inclusive) to be applied towards any legal costs and disbursements incurred by the Seller if Completion occurs later than 5 Working Days after the Date for Completion.*

The Buyer agrees that:

a. *the amount of any damages payable under this clause to the Seller is a genuine and honest pre-estimate of loss to that party for the delay in Completion; and*

b. *the damages must be paid on Completion.*

When receiving a request for extension the following will occur:

- Requests for an extension can only be initiated by the Buyer, or Buyer's solicitor. Requests from any other party will not be considered.
- All requests for an extension from a Buyer must be provided in writing to the LDA's appointed solicitor and detail the reasons for the request, including any extenuating circumstances and/or financial arrangements that impact on timing, supporting evidence and a new proposed date for settlement.
- If sufficient evidence is not provided, the LDA may request further evidence from the Buyer and provide a timeframe for provision of that evidence.
- The request for extension and supporting documentation will be provided to the appropriate Delegate for consideration.

The LDA will agree to a request for extension made by a Buyer where a sale is unable to be completed due to a failure on the LDA's part. For the avoidance of doubt this does not include a failure to endorse plans, or other failures on the LDA's behalf, not related to the servicing of the site.

The LDA will agree to a request for extension made by a Buyer who is a Natural Person in relation to a Single Residential Contract, where that Buyer demonstrates a material change in the Buyer's circumstances due to an "unforeseen major event" which constitutes

sufficient "compassionate grounds" upon which to rescind the Contract where the buyer has requested an extension rather than a rescission (refer to the *LDA Policy on Rescission of Land Sales Contracts* for full details of what does and does not constitute an "unforeseen major event" and "compassionate grounds").

In these instances a recommendation for extension and supporting documentation will be provided to the Delegate for consideration. The relevant project director and finance officer will receive a copy for forecasting purposes.

The decision not to charge penalty interest may be made at the discretion of the Delegate taking into account the individual circumstances of the request.

When the request for extension is made by a Buyer:

- who is not a Natural Person;
- who is a natural person where the reasons for the request are purely "financial reasons" (i.e. are not related to personal reasons or an unforseen major event); or
- is in relation to a Non Single Residential Contract;

a recommendation to charge penalty interest should be the default position.

Prepayment of interest for the period of the extension requested is a condition of agreement to extensions in all Non Single Residential Contracts.

Matters that may be taken into consideration when recommending the waiver of interest include:

- the forecast month of settlement and the financial implications of agreeing to an extension;
- the Buyer's history of completion in relation to other LDA transactions in which the Buyer has, or has had, an interest; and
- the reputational implications for the Territory of the sale if it fails to be completed.

The delegation required to agree to a request for extension is detailed in the following table:

Contract Type	**Contract Value**	**Length of extension**	**Delegate**
Single Residential Contract	Under $1 Million	Up to 1 month	E00816 Director, Sales Marketing and Land Management
Single Residential Contract	Under $1 Million	Over 1 month	E00822 Executive Director, Sales Marketing and Property Management

Single Residential Contract	Over $1 Million	All requests	E00822 Executive Director, Sales Marketing and Property Management
Non Single Residential Contract	Under $5 Million	Up to 1 month	E00816 Director, Sales Marketing and Land Management
Non Single Residential Contract	Under $5 Million	Over 1 month	E00822 Executive Director, Sales Marketing and Property Management
Non Single Residential Contract	Over $5 Million	All requests	E00919 Chief Executive Officer

April 2016

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

MINUTE

Date	26 May 2017	TRIM No: BM17/1406 File No:
To	A/g Chief Executive Officer 31/5/17.	
From	Senior Manager, Governance and Quality Assurance	
Subject	Rescission Policy and Procedure	

Critical date and reason

1. To seek your agreement to endorse the revised Rescission Policy and Standard Operating Procedure (Attachments A and B) for use by Sales, Marketing and Land Management.

Background/Issues

2. The Governance and Quality Assurance Team has assisted Sales, Marketing and Land Management to finalise the LDA Rescission Policy for endorsement.
3. The revised policy and procedure has been reviewed and approved by the Executive Director, Sales, Marketing and Property Management, and the Assistant Director, Sales, Marketing and Community Development.
4. The Policy and Standard Operating Procedure provide criteria and a process for assessing and documenting rescission requests.
5. A copy of the policy can be provided to the Governance Executive Committee for noting at their next meeting.

Recommendations

That you:

- Note the information above; and

NOTED/PLEASE DISCUSS

- Endorse the Rescission Policy and Standard Operating Procedure for use within Sales, Marketing and Land Management; and

AGREED/NOT AGREED/PLEASE DISCUSS

- Sign the approval forms at Attachment C and D to allow these documents to the placed on the Governance Policies and Procedures register.

AGREED/NOT AGREED/PLEASE DISCUSS

31/5/17.
.....

Neil Bulless

Jacqui Bear, Senior Manager, Governance and Quality Assurance
Action Officer: Belinda Yates
Phone: 6205 9414

LDD 007/2017

Version: 1:00

STANDARD OPERATING PROCEDURE (SOP) - RESCISSION

Version Approved By:

Neil Bulless
A/g Chief Executive Officer, LDA
May 2017

ACT Government
Economic Development

Land Development Agency
CANBERRA FIRST

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1.0 Purpose

This Standard Operating Procedure (SOP) provides the procedure to be followed when considering an application for a rescission.

2.0 Scope

This policy applies to all blocks of land sold by the LDA, either through a standard or land rent contract, to individual buyers.

Land purchases by companies or other trading entities are outside of the scope of this procedure.

3.0 Roles and Responsibilities

Position/Section/Branch	*Role*	*Responsibility*
Governance Executive Committee	Document Approver	Approving authority
Executive Director, Sales, Marketing and Property Management	Document Sponsor	Responsible for authorising procedure position and intent
Director, Sales, Marketing and Land Management	Document Custodian	Responsible for drafting, amending and implementing the procedure and training
Manager Governance Section	Register Custodian	Responsible for issuing reference number, registering, and publishing procedure
Sales, Marketing and Land Management (SMLM)	Stakeholders	Responsible for providing input, implementing and complying with the procedure

4.1 Applicable Legislation

a. *Financial Management Act 1996*
b. *Land Rent Act 2008*
c. *Land Titles Act 1925*
d. *Planning and Development Act 2007*, and
e. *Territory Records Act 2002.*

5.0 Associated Policies and Procedures

a. Rescission Policy
b. Release for Sale by the Land Development Agency of Non Single Residential Blocks
c. Release for Sale by the Land Development Agency of Single Residential Blocks
d. LDA Policy Extension of Land Sales Contract Completion, and
e. LDA Policy on Termination of Land Sales Contracts.

6.0 Procedure Description and Tasks

The following procedure will be followed when considering an application for a rescission.

a. Requests for a rescission can only be initiated by the Buyer or Buyer's solicitor. Requests from any other party will not be considered.

b. All requests for rescission from a Buyer must be provided in writing to the LDA's appointed solicitor and detail reasons for the request, including supporting evidence.

c. If sufficient evidence is not provided, the LDA may request further evidence from the Buyer and provide a timeframe for provision of that evidence. All requests for evidence must be in writing.

d. A recommendation on the request for rescission will be provided to the appropriate delegate (refer table below) for consideration and approval. The recommendation will be based on an assessment of the request against the criteria in the Rescission Policy and include supporting documentation. The relevant project director and finance officer will be copied in to the decision for forecasting purposes.

The level of delegation required to approve a request for rescission is detailed below:

Contract Type	**Contract Value**	**Delegate**
Single Residential Contract	Under $1 Million	E00816 Director, Sales Marketing and Land Management
Single Residential Contract	Over $1 Million	E00822 Executive Director, Sales Marketing and Property Management
Non Single Residential Contract	Under $5 Million	E00822 Executive Director, Sales Marketing and Property Management
Non Single Residential Contract	Over $5 Million	E00919 Chief Executive Officer

e. If LDA agrees to rescind a Contract, both parties will be required to execute and exchange a Deed of Rescission.

f. If the rescission is granted as the sale is unable to proceed due to circumstances caused by, or not disclosed by, the LDA, the LDA will refund the full deposit paid and may consider claims for reasonable legal costs from the Buyer.

g. If the rescission is granted under compassionate grounds, it will be a condition of the Deed of Rescission that the LDA's legal costs are deducted from the Deposit to be returned to the Buyer.

h. If the rescission of a Land Rent Contract is granted due to notification that the Buyer is no longer eligible due to unforeseen circumstances, it will be a condition of the Deed of Rescission that the LDA's legal costs are deducted from the Security Payment to be returned to the Buyer.

i. If the rescission of a Land Rent Contract is granted due to notification that the Buyer is no longer eligible due to circumstances that were known at the time of entering into the Contract, please refer to the *LDA Policy on Termination of Land Sales Contracts.*

j. Once the Deed of Rescission has been finalised and any refunds processed, the block will be returned to the LDA for re-sale.