



Australian
Capital Territory
**BUDGET
2018-19**

Growing services
for our growing city

Budget Statements E

Environment, Planning and Sustainable Development Directorate
| City Renewal Authority | Suburban Land Agency



ACT
Government

Australian
Capital Territory

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STRUCTURE AND CONTENT OF THE 2018-19 BUDGET PAPERS

The 2018-19 Budget is presented in three papers and a series of agency Budget Statements.

Budget Paper 1: Budget Speech

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

Budget Paper 2: Budget in Brief

Budget Paper 2 presents a summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

Budget Paper 3: Budget Outlook

Budget Paper 3 summarises the 2018-19 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government.

Details of the projected 2018-19 Budget results are provided, as well as background information on the development of the 2018-19 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of the 2018-19 expense, infrastructure and capital, and revenue initiatives. Full accrual financial statements and notes are provided for all sectors.

Budget Statements

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

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Enquiries about this publication should be directed to the Chief Minister,
Treasury and Economic Development Directorate.

GPO Box 158, Canberra City 2601

<http://www.act.gov.au/budget>

Telephone: Access Canberra - 13 22 81



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ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT DIRECTORATE

Purpose

The Environment, Planning and Sustainable Development Directorate (the Directorate) promotes the orderly growth of our city, strengthens the Territory's response to climate change, provides an integrated planning and land use system that contributes to the sustainable development and future of the ACT and manages the Territory's parks and reserves.

The Directorate's aim is to '*Shape Canberra's Future*' by providing advice for Government consideration and developing and implementing targeted policies and programs that plan for a compact and connected city; promote liveability, prosperity, productivity and sustainability; and address environment protection.

Areas of focus include climate change mitigation and adaptation, nature conservation and enhancement, heritage, efficient and reliable water and energy services, building safety, quality urban design, and sustainable and integrated spatial planning, policy and delivery.

The Directorate provides operational and strategic management of water catchments, the forestry estate, and parks and reserves across the ACT including Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park.

The Directorate is responsible for land strategy, policy and planning, including preparation of the four-year Indicative Land Release Program. The program sets out the Government's intended program for land release and seeks to facilitate housing diversity, provide affordable housing, and stimulate economic activity by meeting the demand for land in the Territory and supporting a competitive land development and construction market.

The Directorate has a strong focus on urban renewal as a mechanism to drive economic activity, improving the liveability of our city, building on the character of our community and delivering sustainable development. This focus is demonstrated in a variety of Government-wide service delivery programs, such as the delivery of the Public Housing Renewal Program, Asset Recycling Initiative and Loose-fill Asbestos Insulation Eradication Scheme.

2018-19 Priorities

Priorities to be pursued by the Environment, Planning and Sustainable Development Directorate in 2018-19 include:

Planning and Building

- refresh the *ACT Planning Strategy* to include a range of strategic planning initiatives related to:
 - addressing housing choice and affordability; infrastructure initiatives; community engagement; planning for future urban areas; celebrating and enhancing the character and structure of our city; changing demographics and household structures; changing retail and employment patterns; integrated planning; and creating a sustainable Canberra.
- continue work on the Housing Choices project to improve the availability of a range of housing options in residential areas;
- support the Government's long-term land release program, with a focus on housing affordability and accessible communities;
- finalise the *Northbourne Avenue City and Gateway Planning Study*;
- finalise the two remaining master plans - Curtin and Kippax;
- participate in, and lead components of, regional planning in partnership with NSW Government agencies;
- continue to deliver city-wide urban land and transport policies that underpin planning for the future urban growth and land supply;
- provide leadership in place making through current projects and policies with a focus on people, climate-wise design, living infrastructure and the public realm as cities become more compact and dense;
- review the existing planning system to deliver greater clarity;
- work with industry to enhance the eDevelopment platform;
- assess development proposals, including lease variations in accordance with the Territory Plan;
- maintain and administer the Territory Plan as the statutory framework for land use and development in the ACT in accordance with the *National Capital Plan*;
- continue to implement the *Improving the ACT Building Regulatory System* reforms, including establishing a risk-based building auditing system for building certifiers approving, inspecting and certifying building work in the Territory;

- finalise the review of the ACT's scheme for disclosing energy efficiency ratings for sale or lease of residential properties; and
- complete work on the regulatory impact assessment of potential minimum energy efficiency standards and other options for improving the energy efficiency of rental properties in the Territory.

Environment

- continue to develop, review and implement legislation, policies and standards to protect the natural and built environment and enhance liveability;
- complete public consultation on a new Biosecurity Bill for the ACT and progress the development of the Bill to an advanced draft;
- improve water quality in the ACT's waterways through improved catchment management and governance arrangements and implementing the Commonwealth/ACT Healthy Waterways project;
- continue to implement the *ACT Nature Conservation Strategy* and the ACT Water Strategy, *Striking the Balance*.
- work with the ACT Natural Resource Management Council, community, governments, landholders, industry, the local Aboriginal community, and scientific and research organisations to improve our natural resources;
- reduce the ACT's vulnerability to bushfire by managing fuel loads through stock grazing, mowing, prescribed burning and other measures in strategic areas, being sure to balance the impact on the environment;
- in the Tidbinbilla Nature Reserve:
 - deliver planning and construction work on a new brush-tailed rock wallaby breeding enclosure;
 - partner with tertiary organisations to better utilise existing research and vet facilities; and
 - explore partnering opportunities with eco-tourism providers to better highlight the area's natural beauty to visitors.
- in the Namadgi National Park and the Murrumbidgee River Corridor:
 - contribute to the 50th anniversary celebrations of the Apollo moon landings, focusing on the role of the Namadgi National Park space observatories;
 - continue to manage the restoration of the Lower Cotter Catchment; and
 - explore options for the development of eco-tourism opportunities.

- in the Canberra Nature Park:
 - continue to support ParkCare and other volunteer groups to deliver rehabilitation works throughout the Canberra Nature Park;
 - work with the Woodlands and Wetlands Trust to complete the extension of the Mulligans Flat Woodland Sanctuary and commence work to eradicate feral animals from inside the extended sanctuary; and
 - continue with work to establish the Molonglo River Park and manage new offset areas.
- support the ACT Heritage Council and the Government to recognise, register, conserve, promote and celebrate the ACT's places and objects of historic, Aboriginal and natural heritage significance; and
- work nationally and across jurisdictional boundaries to achieve better outcomes for the environment and community of the ACT and region.

Climate Change and Sustainability

- deliver a climate change policy and action plan on the city's pathway to zero-net emissions by 2045;
- deliver on the ACT's *Transition to Zero Emissions Vehicles Action Plan 2018–2021*;
- support the deployment of large-scale renewable energy generation to meet the ACT's 100 per cent renewable electricity by 2020 target;
- deliver the Government's Next Generation Battery Storage program to reduce network infrastructure costs and support the transition to a high penetration renewable electricity grid;
- administer the Renewable Energy Innovation Fund and programs to realise the Government's vision for the ACT as an internationally recognised centre for renewable energy innovation and investment, diversifying the economy and creating new export industries;
- administer and assist industry to implement the *Energy Efficiency (Cost of Living) Improvement Scheme* with a focus on reducing energy costs for small business and low-income households;
- provide policy leadership and practical support to directorates in working towards carbon neutrality in the Government's operations and service delivery by 2020;
- develop and implement actions under an *ACT Climate Change Adaptation Strategy and Implementation Plan*;

- help achieve the Government's climate change mitigation, waste reduction and renewable energy targets through Actsmart programs delivered to schools, businesses and households; and
- continue community engagement on climate change through workshops, public events and social media platforms to ensure the Canberra community is included as a key part of Canberra's climate change actions.

Land Strategy and Urban Renewal

- develop the Government's land release program in accordance with the *ACT Planning Strategy Refresh*;
- continue to develop the Government's affordable housing and building policy;
- work with the private sector to support the operation of a competitive land development and construction market;
- plan and deliver a range of initiatives that support urban growth and change in accordance with Government policies and priorities;
- deliver the ACT Government's program of eradicating loose-fill asbestos insulation from Canberra homes under the Loose-fill Asbestos Insulation Eradication Scheme (Scheme) and engage across jurisdictional boundaries, and nationally, to guide Government, industry and community in the safe and effective practices developed under the Scheme;
- deliver the National Partnership Agreement on Asset Recycling;
- oversee the replacement of 1,288 outdated public housing units with properties that meet contemporary building and energy efficiency standards;
- assist the Community Services Directorate to deliver components of Housing ACT's long term asset management program;
- provide support to the City Renewal Authority for the redevelopment of the City and Northbourne Avenue corridor;
- deliver urban renewal programs in areas outside the City Renewal Authority boundary;
- undertake project identification, establishment and preliminary planning for future urban land releases to be undertaken by the Territory through the Suburban Land Agency;
- coordinate appropriate land sales processes to facilitate urban renewal outcomes;
- investigate, trial and promote urban renewal initiatives that provide innovation, sustainability, liveability and design quality, such as the Demonstration Housing project; and
- prepare and undertake due diligence investigations on Territory land identified for future development in urban areas.

Estimated Employment Level

Table 1: Estimated Employment Level

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget
Staffing (FTE) ¹	561	690 ²	648 ³	678 ⁴

Note(s):

1. Includes the Office of the Commissioner for Sustainability and the Environment.
2. The variation between the 2017-18 Budget and the 2016-17 Actual Outcome is due to the transfer of land policy and urban renewal functions on 1 July 2017.
3. The variation between the 2017-18 Estimated Outcome and the 2017-18 Budget is mainly due to recruitment processes still underway, or about to be completed, associated with the new Directorate structure and new programs.
4. The variation between the 2017-18 Budget and the 2018-19 Budget is due to new FTE associated with the 2018-19 Budget initiatives, offset by a reduction in the size of the Asbestos Response Taskforce, settlement of staffing numbers and associated functions with the Suburban Land Agency and the transfer of transport planning staff to Transport Canberra and City Services.

Strategic Objectives and Indicators

Strategic Objective 1

A planning, building and leasehold system that contributes to a sustainable Canberra and economic prosperity by delivering quality spatial, urban design, integrated transport and development outcomes, and that rewards design excellence and innovation.

This objective will be achieved through the implementation of the goals underpinning the *ACT Planning Strategy*, the *Transport for Canberra* and *AP2 Climate Change Strategy* policies.

The Directorate will:

- prepare planning and land use management strategies that integrate with transport planning, shape the growth of the City, enhance the community's lifestyle and balance environmental objectives;
- review the *ACT Planning Strategy* to support the Government's commitments to zero carbon emissions by 2045, urban renewal and light rail concurrent with the transport and climate change strategy reviews;
- manage urban renewal strategies with a focus on integration around commercial centres and transport infrastructure and having regard to evolving community attitudes. Initiatives include:
 - completing the master plan program for centres to provide direction for future change and growth including sustainable design outcomes;
 - finalise the City and Gateway Design Framework;
 - examining community facility planning to establish future policy positions;

- ensuring Territory Plan land uses reflect the broad structure of the ACT Planning Strategy including a review of the locations of medium and higher density residential zones and future urban areas; and
 - reviewing the Territory Plan as necessary to reflect outcomes of strategic land use and transport plans and policies.
- continue to implement the outcomes of the review of the *Building Act 2004*, including the *Improving the ACT Building Regulatory System* reform program;
 - develop and implement policies that improve the sustainability and resilience of the natural and built environment;
 - administer a transparent and accountable leasehold and planning approvals system that underpins the Territory's economy;
 - maintain and enhance an efficient spatial mapping and property description system;
 - increase community and industry education to foster understanding of strategies and policies;
 - continue to work with surrounding local government areas and the NSW Government to develop and deliver regional planning strategies for the Canberra region; and
 - continue to participate in national forums to provide analysis and input to infrastructure policy nationally and in the ACT.

Strategic Indicator 1.1: Develop, engage on and implement city-wide urban land policies, strategies and plans that underpin planning for the future urban growth, land supply, and major infrastructure in a coordinated way across Government.¹

Strategic Indicator 1.2: Implement the *Improving the ACT Building Regulatory System* reforms.²

Note(s):

1. Revised Strategic Indicator. The word 'transport' has been taken out of the indicator as the transport planning function was transferred from the Directorate to Transport Canberra and City Services on 1 July 2017.
2. New Strategic Indicator.

Strategic Objective 2

Together with community protect and enhance Canberra's built, natural and cultural environment providing nature based experiences and solutions to improve Canberra's liveability.

The Directorate will continue to enhance and protect the built, natural and cultural environment through strategies, plans, research, programs and management of our parks, reserves and waterways, including through strong collaboration and partnerships with community, volunteers, business and other land managers and research institutions.

This will include exploring and supporting cost-effective ways to enhance Canberra's liveability through:

- sustainable water use through demand management and water sensitive urban design;
- nature-based experiences (tourism, health, education, recreation);
- private public partnerships; and
- community activation.

The Directorate will continue to promote knowledge sharing and implementation of contemporary, best practice environmental standards.

The Directorate will:

- partner with Traditional Custodians to proactively manage ACT's natural and cultural environment, to enhance our global reputation as the bush capital;
- support the development of State of the Environment reporting;
- increase community awareness and involvement in protecting and conserving the ACT's natural resources including by supporting ParkCare and other volunteer groups;
- work with our partners, such as the Woodlands and Wetlands Trust, to deliver innovative conservation outcomes for endangered species;
- administer a multi-agency governance model for water management in the ACT and region;
- build knowledge and implement practices that protect and manage the ACT's biodiversity;
- enhance the policy framework to protect the quality of the ACT's environment;
- implement the ACT's environment strategies and plans – *Nature Conservation Strategy 2013-2023*, *Water Strategy 'Striking the Balance' 2014-44*, *ACT and Region Catchment Strategy 2016-46* and Action Plans;

- work with the Commonwealth and other states/territory to develop and implement national environmental and water reforms;
- implement innovative water sensitive urban design systems;
- continue to provide administrative support to the ACT Heritage Council to ensure the continued recognition, registration and conservation of the ACT's heritage places and objects; and
- continue to administer the annual funding and delivery of the ACT Heritage Grants Program, the Canberra and Region Heritage Festival and Capital Works projects as they relate to the conservation of the ACT's heritage places and objects.

Strategic Indicator 2.1: Submit two Water Resource Plans (one surface and one groundwater) for accreditation by the Commonwealth Minister for Agriculture and Water in early 2019 under the Murray Darling Basin Plan.¹

Strategic Indicator 2.2: Deliver the ACT Healthy Waterways infrastructure; research; monitoring and behaviour change projects by 30 June 2019 as agreed with the Commonwealth.

Strategic Indicator 2.3: Monitor implementation of the *Nature Conservation Strategy* and Action Plans.²

Note(s):

1. New Strategic Indicator. Supports the implementation of the Murray Darling Basin Plan.
2. New Strategic Indicator. Supports development and implementation of sustainability policies including biodiversity conservation.

Strategic Objective 3

Deliver balanced and effective legislation and policies for optimal land use outcomes, healthy, safe, diverse and affordable development, and effective and sustainable environmental management.

This objective will be achieved through continuous review and enhancement of the legislation and policy administered by the Directorate and associated regulations to deliver an effective regulatory and policy framework.

The Directorate will:

- continually improve policies and supporting systems for consistent and timely decisions;
- enhance regulatory frameworks to deliver high standards and safe outcomes for the community and business;
- work with industry and business to develop and implement policies and guidelines to protect the quality of our environment and enhance liveability;
- develop innovative legislation, policies, systems and processes to streamline the way we provide high quality outcomes for the community;

- complete public consultation on a new Biosecurity Bill for the ACT and progress the development of the Bill to an advanced draft; and
- complete amendments to the *Stock Act 2005* and the *Animal Diseases Act 2005*.

Strategic Indicator 3.1: Continuous review of regulatory policies and systems and supporting the effective application and coordination of planning, environment protection, heritage, and nature conservation.¹

Strategic Indicator 3.2: Report annually on the effectiveness of National Environment Protection Measures made under the *National Environment Protection Council Act 1994*.²

Note(s):

1. Revised Strategic Indicator. The delivery of building and construction policies are captured under the stand-alone Strategic Indicator 1.2.
2. New Strategic Indicator.

Strategic Objective 4

Leading the Community Towards Making Canberra a Net Zero Carbon Emitter

The Government's vision for Canberra is to set the benchmark for world cities in zero emissions and sustainability. The Directorate works across Government, the business sector and the broader community to achieve ambitious greenhouse gas emission reductions.

The Directorate will raise awareness of climate change through engaging with the community and building partnerships in mitigation and adaptation.

The Directorate will:

- secure business and community understanding and endorsement on climate change action with support from the ACT's Climate Change Council;
- support the deployment of large scale renewable energy generation to meet the ACT's 100 per cent renewable electricity and greenhouse gas reduction targets;
- support and facilitate the growth of the renewable energy industry as part of a vibrant clean economy, built around Canberra's existing competitive advantages and knowledge based economy;
- support increased energy efficiency in homes, businesses, schools and other parts of the built environment;
- contribute to the security and affordability of our energy supplies;
- promote an understanding of climate science implications for the ACT within and beyond the ACT Government, and guide adaptation strategies to increase the Territory's resilience in the face of the unavoidable impacts of climate change;
- provide a guiding influence to other parts of Government to deliver carbon neutral Government operations; and

- support the community to understand their own emissions and how to mitigate those emissions through participation in Actsmart programs for businesses, schools and households.

Strategic Indicator 4.1: Implement policies to achieve the ACT Government’s target of net zero carbon emissions in the ACT by 2045, and in Government operations from 2020.¹

Strategic Indicator 4.2: Growth in renewable electricity generation.

Note(s):

1. Revised Strategic Indicator. The target for net zero carbon emissions in the ACT has changed from 2050 to 2045.

Strategic Objective 5

Improve the liveability of our cities and build on the character of our communities through strategic and sustainable land release and urban renewal programs.

Development of a land release program and strategic urban project initiatives that implement actions in the *ACT Planning Strategy Refresh* and that contribute to the Government’s financial, social and environmental objectives.

The Directorate will:

- deliver urban renewal by assessing, planning, activating and releasing land in strategic locations in accordance with *Canberra: a Statement of Ambition*, the ACT Indicative Land Release Program and other applicable Government policy and direction;
- contribute to housing diversity, housing affordability and housing choice;
- facilitate land supply and assist with policies to stimulate economic activity in the residential, commercial/mixed use, industrial and community sectors;
- deliver policies that support a competitive land development and construction market;
- provide information to the development market on Territory land sales and releases through responsible due diligence investigations that identify and reduce risk and improve certainty on land sales and developments;
- achieve responsible returns from the sale of unleased Territory land; and
- continue to engage across jurisdictional boundaries, and nationally, to guide Government, industry and community in the safe and effective practices developed under the Loose-fill Asbestos Insulation Eradication Scheme.

Strategic Indicator 5.1: Delivery of the Government’s urban renewal programs through the ACT Indicative Land Release Program, public housing renewal and Loose-fill Asbestos Insulation Eradication Scheme.¹

Strategic Indicator 5.2: Assets recycled in line with the Commonwealth Government’s Asset Recycling Initiative (ARI) and subsequent public housing renewal in line with the ACT Government’s Public Housing Renewal Program.¹

Strategic Indicator 5.3: Work with the community and industry stakeholders to identify approaches for delivery of housing demonstration projects that promote best practice .¹

Note(s):

1. New Strategic Indicator.

Output Classes

Output Class 1: Planning¹

Table 2 Output Class 1: Planning

	2017-18	2018-19
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost²	29,682	32,308
Controlled Recurrent Payments	25,306	27,319

Note(s):

1. Heritage has moved from Output 1: Planning to Output 2: Environment.
2. Total cost includes depreciation and amortisation of \$0.110 million in 2017-18 and \$0.151 million in 2018-19. Total cost is also supplemented by own source revenue of \$2.703 million in 2017-18 and \$2.704 million in 2018-19.

Output 1.1: Planning Delivery

Facilitate and manage growth and change within the ACT through development assessment and leasehold management, with the overarching objective of promoting and facilitating economically productive, sustainable, attractive, safe and well-designed urban and rural environments in the ACT.

Table 3: Output 1.1: Planning Delivery

	2017-18	2018-19
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost¹	18,289	17,472
Controlled Recurrent Payments	14,353	12,949

Note(s):

1. Total cost is supplemented by own source revenue of \$2.703 million in 2017-18 and \$2.704 million in 2018-19.

Output 1.2: Planning and Building Policy¹

Provision of high quality professional services in strategic land planning; administering the Territory Plan; planning for land release; developing policies for high quality urban design; and policies for buildings, building services, equipment and appliances, and the building and construction industry.

Table 4: Output 1.2: Planning and Building Policy

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	11,393	14,836
Controlled Recurrent Payments	10,953	14,370

Note(s):

1. This output was previously called Planning Policy. The name has been changed to reflect the addition of Building Policy, which was transferred from Output 1.1 Planning Delivery.

Output Class 2: Environment¹

Table 5: Output Class 2: Environment

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost²	59,808	63,430
Controlled Recurrent Payments	47,276	52,562

Note(s):

1. Heritage has moved from Output Class 1: Planning to Output Class 2: Environment. Climate Change and Sustainability has moved from Output Class 2: Environment to Output Class 3: Climate Change and Sustainability.
2. Total cost includes depreciation and amortisation of \$2.788 million in 2017-18 and \$2.844 million in 2018-19. Total cost is also supplemented by revenue from the Commonwealth Government and sales from forestry harvesting.

Output 2.1: Environment

Help protect the ACT's natural environment through:

- the implementation of programs responding to natural resource management;
- manage, review and implement legislation/action and plans to help protect land and species;
- sustainable use of water, including through implementation of *Striking the Balance*, the ACT's Water Strategy;
- establish and support an ACT and region catchment management governance framework;
- administer the annual funding of the ACT Environment Grants Program;
- promotion and involvement of the community in caring for the ACT's natural environment; and

- develop, review and implement legislation, policies and standards to protect the natural and built environment.

Table 6: Output 2.1: Environment

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost¹	15,203	17,028
Controlled Recurrent Payments	11,393	13,508

Note(s):

1. Total cost includes depreciation and amortisation and is supplemented by revenue from the Commonwealth for environmental programs.

Output 2.2: Conservation and Land Management¹

Planning and management of the ACT's parks, reserves, unleased public land and plantations, including associated community infrastructure. The land manager role includes management of land for recreational use; conservation management; including management of national parks, nature reserves; fire management; and pest and weed control as well as the management of the Territory's softwood plantation and oversight of rural production areas.

Table 7: Output 2.2: Conservation and Land Management

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost²	42,478	44,223
Controlled Recurrent Payments	33,908	36,993

Note(s):

1. This output was previously Output 2.3.
2. Total cost includes depreciation and amortisation is also supplemented by sales from forestry harvesting.

Output 2.3: Heritage¹

Administration of the heritage provisions of the *Heritage Act 2004* and assistance in the conservation of the ACT's heritage assets to ensure their recognition, registration and conservation. The area provides administrative and operational support to the ACT Heritage Council and its projects, and administers the annual funding of the ACT Heritage Grants Program, the annual Canberra and Region Heritage Festival and Capital Works projects as they relate to heritage conservation works. A key function is also the promotion and education of the community regarding heritage assets of the ACT.

Table 8: Output 2.3: Heritage

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	2,127	2,179
Controlled Recurrent Payments	1,975	2,061

Note(s):

1. This output was previously in Output Class 1: Planning, as Output 1.3.

Output Class 3: Climate Change and Sustainability¹

Output 3.1: Climate Change and Sustainability

Develop policy and provide advice in relation to:

- the *ACT Climate Change Strategy* and Action Plan – *AP2 Climate Change Strategy*;
- investments in renewable electricity through a feed-in-tariff and delivery of local industry development strategies;
- energy efficiency measures, including administration of the Actsmart and Outreach programs; and
- administration of the Carbon Neutral ACT Government program and *Energy Efficiency (Cost of Living) Improvement Scheme*.

Table 9: Output 3.1: Climate Change and Sustainability

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost²	25,412	28,454
Controlled Recurrent Payments	11,354	12,563

Note(s):

1. This is a new Output Class. Previously Climate Change and Sustainability was within Output Class 2: Environment, as Output 2.2.
2. Total cost is supplemented by revenue from the *Energy Efficiency (Cost of Living) Improvement Scheme* of \$4.633 million in 2017-18 and \$3.950 million in 2018-19. Total cost is also supplemented by revenue from the Renewable Energy Innovation Fund and Next Generation Battery Storage of \$8.369 million in 2017-18 and \$10.180 million in 2018-19.

Output Class 4: Land Strategy and Urban Renewal¹

Table 10: Output Class 4: Land Strategy and Urban Renewal

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	18,664	22,195
Controlled Recurrent Payments	18,052	21,606

Note(s):

1. This output class was previously called Land Policy and Renewal. The Public Housing Renewal Taskforce has been moved to Output Class 6.

Output 4.1: Land Strategy¹

Provide strategic, policy and planning support, including preparation of the four-year Indicative Land Release Program. The program sets out the Government's intended program for land release and seeks to facilitate housing diversity, provide affordable housing, stimulate economic activity, and meet the demand for land in the Territory and support a competitive land development and construction market.

Table 11: Output 4.1: Land Strategy

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	12,247	12,959
Controlled Recurrent Payments	12,021	12,575

Note(s):

1. This output was previously called Land Policy.

Output 4.2: Urban Renewal

Urban renewal delivers projects that involve multiple policy outcomes. This work includes the identification of key precincts and individual projects, prioritisation of projects based on community need, undertaking feasibility studies and due diligence, and project delivery including demolition and minor works. This work seeks to integrate urban renewal opportunities across Government around defined urban renewal precincts, including within town and group centres and within pockets of established suburbs, such as local centres.

Table 12: Output 4.2: Urban Renewal

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	6,417	9,236
Controlled Recurrent Payments	6,031	9,031

Output Class 5: Loose Fill Asbestos Insulation Eradication¹

Output 5.1: Loose-fill Asbestos Insulation Eradication Scheme

The Asbestos Response Taskforce delivers the Loose-fill Asbestos Insulation Eradication Scheme safely, compassionately and efficiently. It provides support and advice to affected homeowners, the Canberra community, industry and Government.

Table 13: Output 5.1: Loose-fill Asbestos Insulation Eradication Scheme

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost²	68,438	36,444
Controlled Recurrent Payments	14,935	10,200

Note(s):

1. This output class was previously Output Class 3.
2. Total cost includes the transfer of the net profit on land sales back to the Government.

Output Class 6: Public Housing Renewal Taskforce¹

Output 6.1: Public Housing Renewal Taskforce

The Public Housing Renewal Taskforce is delivering 1,288 replacement public housing dwellings that will better meet the needs of tenants, now and into the future, as part of the ACT Government's public housing renewal program. This program supports the renewal of Canberra's urban areas as the Public Housing Renewal Taskforce works with Urban Renewal, the City Renewal Authority and Housing ACT, to support the sale of older multi-unit public housing properties that are no longer fit for purpose.

Table 14: Output 6.1: Public Housing Renewal Taskforce

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost²	41,716	26,947
Controlled Recurrent Payments	41,680	8,829

Note(s):

1. This is a new output class. Previously the Public Housing Renewal Taskforce was included in Output Class 4.2.
2. Total cost in 2018-19 includes the cost of land and transfer back to Government of the net profit on sale of land.

Output Class EBT: Office of the Commissioner for Sustainability and the Environment

Output EBT 1: Office of the Commissioner for Sustainability and the Environment

Publication of the State of the Environment Report, investigation of complaints by Ministerial direction, or where a Territory agency's actions may have a substantial impact on the environment.

Table 15: Output EBT 1: Office of the Commissioner for Sustainability and the Environment

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000
Total Cost	1,542	1,670
Payment for Expenses on Behalf of the Territory	1,535	1,668

Accountability Indicators

Output Class 1: Planning

Output 1.1: Planning Delivery

Table 16: Accountability Indicators Output 1.1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Development application processing times:			
- average processing times in working days	45	56 ¹	45
- median processing times in working days	30	42 ¹	30
b. Percentage of development application decisions made within statutory deadlines	75%	68% ¹	75%
c. Percentage of development applications appeals resolved by mediation in relation to development proposals	35%	68%	35%
d. Percentage of ACT Civil and Administrative Tribunal (ACAT) decisions which uphold the Directorate's original decision	85%	85%	85%

Note(s):

1. The variance from the 2017-18 Targets to the 2017-18 Estimated Outcome is mainly due to the substantial increase in the number of development applications received. A large number of the development applications were complex, being in town centres and along Northbourne Avenue, which take longer due to the range of assessment issues and the required resolutions of entity advice relating to infrastructure and utility services.

Output 1.2: Planning and Building Policy

Table 17: Accountability Indicators Output 1.2

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Number of Environment and Planning Forums held during the year to assist in community consultations	6	7	6
b. Prepare policy advice to inform Executive consideration of the requirement to review the ACT Planning Strategy in 2017 ¹	1	1	n/a
c. Report on the status of actions in the Minister for Planning and Land Management's Statement of Planning Intent ¹	4	4	n/a
d. Continue to engage community and stakeholders in the preparation of city-wide urban land and transport policies, strategies and plans ¹	6	12	n/a
e. Completion and publication of master plans ²	n/a	n/a	2
f. Undertake the <i>ACT Planning Strategy Refresh</i> ³	n/a	n/a	1
g. Number of <i>Improving the ACT Building Regulatory System</i> reforms completed in year ⁴	n/a	n/a	15

Note(s):

1. Indicators discontinued.
2. New indicator. The Kippax and Curtin master plans are to be completed in 2018-19.
3. New indicator. This indicator will be considered complete when the *ACT Planning Strategy Refresh* is published on the Directorate's website.
4. New indicator. A reform will be considered complete when the Minister reports its complete status to the Legislative Assembly and a complete status is recorded in a project status update published on the Directorate's website.

Output Class 2: Environment

Output 2.1: Environment

Table 18: Accountability Indicators Output 2.1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Submit twice yearly progress reports to the Commonwealth for the <i>National Landcare Program</i> ¹	2	2	1
b. Prepare and submit National Environment Protection Measure jurisdictional reports to the National Environment Protection Council within agreed timeframe	Sep 2017	Oct 2017	Sep 2018
c. Response from the Conservator of Flora and Fauna on development applications issued within statutory timeframes ²	90%	95%	n/a
d. Prepare a public report on the implementation of the ACT Water Strategy	Dec 2017	Jun 2018	Jun 2019
e. Submit ACT Healthy Waterways project milestone reports to the Commonwealth in accordance with the Commonwealth agreement ³	2	2	4
f. Implementation report on the 2015-17 Biodiversity Research and Monitoring Program finalised by December 2017 ⁴	100%	100%	n/a
g. The conservator of Flora and Fauna to finalise Action Plans for matters listed under the <i>Nature Conservation Act 2014</i> , within 6 months following public consultation	100%	11% ⁵	100%
h. Implementation report on the <i>Nature Conservation Strategy 2013-23</i> to be publicly released by March 2019 ⁶	n/a	n/a	Mar 2019
i. Prepare a public report annually on the Conservators actions to protect ACT flora and fauna ⁶	n/a	n/a	1

Note(s):

1. The 2018-19 Target is one due to the completion of the current Commonwealth program. The final 2017-18 report will be submitted in 2018-19. The new agreement is currently in negotiation.
2. Indicator discontinued as the response times are dependent on information provided by external parties.
3. The 2018-19 Target has increased to four to align with the number of milestone reports required under the Commonwealth agreement.
4. Indicator discontinued as the report was completed in 2017-18.
5. The Grasslands Strategy, which consisted of 8 Action Plans, was completed within 7 months. The Action Plans took longer due to extra time to respond to public consultation feedback prior to finalisation.
6. New indicator.

Output 2.2: Conservation and Land Management

Table 19: Accountability Indicators Output 2.2

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Customer satisfaction with the Management of protected areas (Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park)	90%	90%	90%
b. Implement fuel management activities – grazing – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
c. Implement fuel management activities – physical removal – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
d. Implement fuel management activities – slashing – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%
e. Implement fuel management activities – burning – as identified under the approved Bushfire Operational Plan (BOP)	100%	100% ¹	100%
f. Implement access activities – as identified under the approved Bushfire Operational Plan (BOP)	100%	100%	100%

Note(s):

1. The Directorate anticipates the 100 per cent target will be met, however burning is subject to appropriate weather conditions.

Output 2.3: Heritage

Table 20: Accountability Indicators Output 2.3

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Notification on the legislation register of Heritage Council decisions within 5 working days of the decision	100%	100%	100%
b. Development application advice issued within 15 working days of referral by the ACT Land and Planning Authority	95%	88%	90% ¹
c. Decisions about heritage registrations by the ACT Heritage Council made within statutory timeframes ²	100%	100%	100%

Note(s):

1. The 2018-19 target is based on actual time to assess development applications including consultation and clarifications.
2. This indicator relates to the timeframe imposed on the ACT Heritage Council to make a decision on final registrations under the *Heritage Act 2004*.

Output Class 3: Climate Change and Sustainability

Output 3.1: Climate Change and Sustainability

Table 21: Accountability Indicators Output 3.1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Oversee the actions of the ACT Climate Change Strategy and Action Plan – AP2:			
- publish an annual inventory ¹	Dec 2017	Nov 2017	n/a
- publish an annual report on emissions targets ¹	Dec 2017	Nov 2017	n/a
b. Increase in the number of businesses or offices assisted to improve energy and water efficiency, reduce waste and increase recycling ²	10%	7%	n/a
c. Estimated total electricity saved from Carbon Neutral Government Fund projects	10,000MWh	9,724MWh	10,000MWh
d. Number of households assisted by the Household Low Income Program	1,000	1,200	1,200
e. Number of businesses supported by energy, water and waste programs ³	n/a	n/a	750
f. Oversee the actions of the ACT's Climate Strategy to a Net Zero Emissions Territory:			
- publish an annual greenhouse gas inventory for the ACT ⁴	n/a	n/a	Dec 2018
- publish an annual report on actions to achieve the ACT Government's target of net zero carbon emissions in the ACT by 2045 and in Government operations by 2020 ⁴	n/a	n/a	Dec 2018

Note(s):

1. Indicator discontinued and replaced with indicator 3.1(f).
2. Indicator discontinued and replaced with indicator 3.1(e).
3. New indicator which replaces 3.1(b).
4. New indicator which replaces 3.1(a). The indicator was changed to reflect new program names.

Output Class 4: Land Strategy and Urban Renewal

Output 4.1: Land Strategy

Table 22: Accountability Indicators Output 4.1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. 4 year Indicative Land Release Program published ¹	1	1	1
b. Publish the annual affordable, community and public housing targets ²	n/a	n/a	1

Note(s):

1. This accountability indicator covers publication of the 2018-19 to 2021-22 Indicative Land Release Program.
2. New indicator. This indicator will be considered complete when the targets are notified on the ACT Legislation website.

Output 4.2: Urban Renewal

Table 23: Accountability Indicators Output 4.2

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Asset Recycling Initiative ¹	100%	100%	n/a
b. Asset Recycling Initiative – number of settlements to be finalised of the eight remaining sites by 2018-19 to enable claim of the 15% Commonwealth Bonus ²	n/a	n/a	100%

Note(s):

1. Indicator discontinued as this measured the percentage of ARI sites for which sales strategies have been established and endorsed, which is now completed.
2. New indicator.

Output Class 5: Loose Fill Asbestos Insulation Eradication

Output 5.1: Loose-fill Asbestos Insulation Eradication Scheme

Table 24: Accountability Indicators Output 5.1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
Community Engagement and Advice:			
a. Undertake a program to provide advice and support to residents of properties affected by loose fill asbestos insulation ¹	1	1	n/a
b. Conduct and/or attend Community Forums/Meetings on loose fill asbestos insulation (e.g. health, management, demolition and personal support) ¹	3	3	n/a
c. Undertake an awareness program to inform the broader community about the demolition and sales activities of the Scheme ¹	1	1	n/a
Buy-Back and Demolition Program:			
d. Continue to facilitate settlement of the surrender of properties under the Buyback program ²	1	1	n/a
e. Purchase affected dwellings ³	n/a	n/a	1
f. Demolish affected dwellings	222	187	21
g. Deregister affected properties post demolition and soil validation	178	255	27
Sales Program:			
h. Sale of remediated and deregistered blocks	395	395	221

Note(s):

1. Indicators discontinued as the Scheme has moved into the final phase of operations.
2. Indicator discontinued and replaced with indicator 5.1(e).
3. New indicator which replaces indicator 5.1(d).

Output Class 6: Public Housing Renewal Taskforce

Output 6.1: Public Housing Renewal Taskforce

Table 25: Accountability Indicators Output 6.1

	2017-18 Amended Targets ¹	2017-18 Estimated Outcome	2018-19 Targets
a. Public Housing Renewal Program Contracts ¹	320	414	78
b. Public Housing Renewal Program Delivery ²	260	314	464

Note(s):

1. The 2017-18 Targets were amended during the year via a Section 19D instrument under the *Financial Management Act 1996*.
2. This accountability indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings covered by new contracts in the target year. This includes dwellings covered by purchasing contracts and dwellings covered by construction contracts.
3. This indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings completed and transferred to Housing ACT in the target year.

Output Class EBT: Office of the Commissioner for Sustainability and the Environment

Output EBT 1: Office of the Commissioner for Sustainability and the Environment

Table 26: Accountability Indicators Output EBT 1

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Report on the uptake of recommendations on the ACT State of the Environment and special reports as part of the annual report	Oct 2017	Oct 2017	Oct 2018
a. Undertake Ministerial initiated investigations in accordance with the Minister's direction	100%	100%	100%
b. Undertake Commissioner initiated investigations in accordance with the Terms of Reference	100%	100%	100%
c. Undertake complaints generated investigations in accordance with the Terms of Reference	100%	100%	100%
d. Report on the complaints about the management of the environment by the Territory or a Territory agency as part of the annual report	Oct 2017	Oct 2017	Oct 2018

Changes to Appropriation

Table 27: Changes to appropriation – Controlled Recurrent Payments

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	157,379	119,020	122,547	118,321	118,996
2nd Appropriation					
Better support when it matters – Housing Innovation Fund	500	0	0	0	0
FMA Section 16B Rollovers from 2016-17					
Actsmart Programs	40	0	0	0	0
Better Public Housing – New public housing properties	353	0	0	0	0
Canberra Urban and Regional Futures	62	0	0	0	0
Caring for our Country Complementary Investment	84	0	0	0	0
Caring for our Environment – Kangaroo population research and control	367	0	0	0	0
Commonwealth Grant – Established Weed and Pest Management	34	0	0	0	0
Digital Canberra – Upgrade of the ACT Government spatial data management system	159	0	0	0	0
Greenfields Planning for Affordable Housing (Early Planning)	58	0	0	0	0
Implementing Water Reform in the Murray-Darling Basin	640	0	0	0	0
Improving Our Suburbs – New Molonglo Valley infrastructure	250	0	0	0	0
Infill Development Infrastructure Studies (Feasibility)	59	0	0	0	0
Loose-fill Asbestos Insulation Eradication Scheme	622	0	0	0	0
Master Planning Program – Group Centres, Transport Corridors and Rural Villages	172	0	0	0	0
Molonglo Valley – Implementation of Commitments in the NES Plan	80	0	0	0	0
Securing Electricity Supply in the ACT – Second supply network	62	0	0	0	0
Supporting Aboriginal and Torres Strait Islander Peoples – Kickstarting careers by connecting to culture	75	0	0	0	0
Upper Murrumbidgee Waterwatch Program	74	0	0	0	0
Urban Renewal Program – Better Public Housing – Allawah Court	25	0	0	0	0
Urban Renewal Program – Better Public Housing – Karuah	24	0	0	0	0
Urban Renewal Program – Better Public Housing – Owen Flats	21	0	0	0	0
Urban Renewal Program – Better Public Housing - Red Hill housing precinct	592	0	0	0	0
2018-19 Budget Policy Decisions					
Better Government:					
Better telecommunication licensing	0	142	0	0	0
Carbon Neutral ACT Government Program improvements	0	814	0	0	0
Engineer Registration Scheme – early planning	0	35	407	0	0
Keeping our growing city moving:					
Antill Street Sewer – design works	0	184	0	0	0
National Capital City Design Review Panel	0	248	250	252	244
More jobs for our growing city:					
Aboriginal and Torres Strait Islander Arts Officer – Contribution to CMTEDD	0	-6	-7	-7	-8
Protecting the Murrumbidgee River Corridor	0	75	0	0	0
Supporting a sustainable community	0	661	0	0	0
Urban renewal in Kenny – early planning	0	300	250	0	0

Table 27: Changes to appropriation – Controlled Recurrent Payments (continued)

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
More services for our suburbs:					
Aerial imagery for better planning	0	410	400	420	56
Better public places	0	100	0	0	0
Cleaning up carp	0	153	156	160	0
Due diligence for urban renewal	0	1,499	0	0	0
Ecotourism Woodlands Learning Centre	0	200	0	0	0
Equestrian infrastructure	0	0	250	0	0
Establishing the Molonglo River Reserve	0	0	19	37	62
Healthier catchments through better water management	0	120	0	0	0
Improved conservation management	0	91	221	260	277
Protecting local catchments	0	352	0	0	0
Protecting Mulligans Flat Woodland Sanctuary from pests	0	255	189	154	0
Protecting native species	0	300	900	950	975
Sullivans Creek Flood Management Plan	0	150	0	0	0
Urban renewal in Dickson	0	1,006	0	0	0
More support for families and the vulnerable:					
Innovation in housing choices	0	300	350	125	0
Innovation to boost affordable housing	0	500	0	0	0
2018-19 Budget Technical Adjustments					
Cessation – University of Canberra – Support for Student Accommodation Projects	0	0	0	-794	-814
Comcare Premium Reduction	-305	0	0	0	0
Commonwealth Grant - Established Pest and Weed Management	-21	-21	0	0	0
General Savings	-424	-3,415	-926	-947	-858
Revised Funding Profile – Better services in your community – Community participation in net zero emissions	-9	9	0	0	0
Revised Funding Profile – Better services in your community – Implementation of ACT Climate Change Adaptation Strategy	-350	100	250	0	0
Revised Funding Profile – Better services in your community – Improving sustainability through innovative financing	-50	50	0	0	0
Revised Funding Profile – Better services in your community – Managing native wildlife	-198	198	0	0	0
Revised Funding Profile – Better services in your community – Reviewing the ACT energy rating disclosure scheme	-200	200	0	0	0
Revised Funding Profile – Better support when it matters – Housing Innovation Fund	-500	500	0	0	0
Revised Funding Profile – Better support when it matters – Public Housing Renewal – New and better properties	-507	-1,288	1,795	0	0
Revised Funding Profile – Building a better city – Building Regulation Reform	-225	225	0	0	0
Revised Funding Profile – Building a better city – Bindubi Street extension – Early planning	-295	195	100	0	0
Revised Funding Profile – Building a better city – Building audits	-1,000	600	400	0	0
Revised Funding Profile – Building a better city – Molonglo East-West arterial road – Early planning	-198	-2	200	0	0
Revised Funding Profile – Building a better city - William Hovell Drive upgrade – Early planning	-100	100	0	0	0
Revised Funding Profile – Caring for our Country Complimentary Investment	-250	250	0	0	0
Revised Funding Profile – Implementing Water Reform in the Murray-Darling Basin	-400	400	0	0	0

Table 27: Changes to appropriation – Controlled Recurrent Payments (continued)

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revised Funding Profile - Loose-fill Asbestos Eradication Scheme	-55	3,843	2,361	-4,974	-13,537
Revised Funding Profile – Molonglo Valley – Implementation of Commitments in the NES Plan	-89	89	0	0	0
Revised Funding Profile – More and better jobs – Ensuring sustainable commercial development	-325	125	200	0	0
Revised Funding Profile – Progressing Actions on Climate Change	-100	100	0	0	0
Revised Funding Profile - Supporting Aboriginal and Torres Strait Islander Peoples – Kickstarting careers by connecting to culture	-55	55	0	0	0
Revised Funding Profile – Threatened Species Conservation	-350	350	0	0	0
Revised Indexation Parameters	0	0	0	0	1,996
Revised Superannuation Guarantee Rate	0	93	191	385	349
Revised Superannuation Parameters	-98	41	199	413	1,095
Revised Wage Parameters	0	707	1,661	2,602	3,377
Transfer – Australian Building Code Board membership contribution from CMTEDD	0	120	120	120	120
Transfer – Better Services – Weston Creek and Stromlo swimming pool and leisure centre to CMTEDD	0	0	-1,050	-1,050	-1,076
Transfer – More and better jobs – New Canberra Theatre (Early Planning) (formerly City to the Lake – New Canberra Theatre (Feasibility)) to CMTEDD	-100	0	0	0	0
Transfer – Strategy and Program Design from CMTEDD	3,075	3,129	3,185	3,240	3,298
Transfer – Transport Planning to TCCS	0	-583	-594	-603	-611
2018-19 Budget	158,603	133,079	134,024	119,064	113,941

Table 28: Changes to appropriation – Expenses on Behalf of the Territory

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	2,367	2,004	2,044	2,083	2,083
FMA Section 16B Rollovers from 2016-17					
Environmental Grants	22	0	0	0	0
Heritage Grants	299	0	0	0	0
Office of the Commissioner for Sustainability and the Environment (Operations)	110	0	0	0	0
2018-19 Budget Technical Adjustments					
Revised Funding Profile – Commissioner for Sustainability and the Environment (Operations)	-410	200	210	0	0
Revised Funding Profile – Environmental Grants	15	2	8	-5	-20
Revised Indexation Parameters	0	0	0	0	-137
Revised Superannuation Guarantee Rate	0	2	4	9	9
Revised Superannuation Parameters	-7	-9	-11	-12	-12
Revised Wage Parameters	0	10	24	38	52
2018-19 Budget	2,396	2,209	2,279	2,113	1,975

Table 29: Changes to appropriation – Capital Injections, Controlled

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	327,040	126,183	14,669	24,361	24,361
FMA Section 16B Rollovers from 2016-17					
Better Infrastructure Fund	471	0	0	0	0
Better Public Housing – New public housing properties	16,183	0	0	0	0
Carbon Neutral Government	2,094	0	0	0	0
Caring for our Environment – Establishing the Molonglo River Reserve Stage 3	142	0	0	0	0
Caring for our Environment – Improving species and habitat protection	141	0	0	0	0
Caring for our Environment – Tharwa fish habitat improvement	63	0	0	0	0
Digital Canberra – New digital radio communication system	30	0	0	0	0
Enhancement of eDevelopment Interface	313	0	0	0	0
Enhancing the Protection of Endangered Species and Habitat	784	0	0	0	0
Environmental Offsets – Gungahlin (EPIC)	120	0	0	0	0
Environmental Offsets – Lawson South	55	0	0	0	0
Loose-fill Asbestos Insulation Eradication Scheme	3,805	0	0	0	0
Molonglo Valley – Implementation of Commitments in the NES Plan – Stage 2	477	0	0	0	0
Strategic Bushfire Management Plan	524	0	0	0	0
Urban Renewal Program – Better Public Housing – Allawah Court	-1,027	0	0	0	0
Urban Renewal Program – Better Public Housing – Karuah	728	0	0	0	0
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	-80	0	0	0	0
Woden Valley Stormwater Retardation Basins (Design)	3	0	0	0	0
2018-19 Budget Policy Decisions					
Better services in your community – Red Hill Nature Reserve – Landfill Remediation	0	305	0	0	0
More jobs for our growing city:					
Commemorating the 50th anniversary of the first moon landing	0	391	0	0	0
More electric vehicle charging ¹	0	0	0	0	0
Protecting the Murrumbidgee River Corridor	0	100	0	0	0
More services for our suburbs:					
Best of Canberra mountain bike experience – Design	0	74	300	0	0
Establishing the Molonglo River Reserve	0	1,044	800	834	504
Improved conservation management	50	232	65	0	0
2018-19 Budget Technical Adjustments					
Better Infrastructure Fund Indexation	0	0	0	0	26
Commonwealth Grant – Sustainable Rural Water Use and Infrastructure Program	-4,000	4,000	0	0	0
Reduction - Better Infrastructure Fund	0	-470	0	0	0
Revised Funding Profile – Better Infrastructure Fund	0	235	0	0	0
Revised Funding Profile – Better Public Housing – New public housing properties	-69,024	1,000	68,024	0	0
Revised Funding Profile – Better services in your community – Improving our capacity to fight bushfires	-800	800	0	0	0

Table 29: Changes to appropriation – Capital Injections, Controlled (continued)

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revised Funding Profile –Better support when it matters – Public Housing Renewal –New and better properties	-4,037	29	4,008	0	0
Revised Funding Profile – Better support when it matters – Public Housing Renewal – Taskforce operations	-395	309	85	0	0
Revised Funding Profile – Caring for our Environment – Establishing the Molonglo River Reserve Stage 3	-150	150	0	0	0
Revised Funding Profile – Caring for our Environment – Water Quality Improvement – Contributions to the ACT Healthy Waterways Project	-1,300	1,300	0	0	0
Revised Funding Profile – Digital Canberra – New digital radio communication system	-270	270	0	0	0
Revised Funding Profile – Enhancing the Protection of Endangered Species and Habitat	-1,200	1,200	0	0	0
Revised Funding Profile – Improving Our City – Woden bus interchange improvements	-150	150	0	0	0
Revised Funding Profile - Loose-fill Asbestos Eradication Scheme	-28,021	11,131	14,235	1,330	-21,651
Revised Funding Profile – Molonglo Valley – Implementation of Commitments in the NES Plan – Stage 2	-200	200	0	0	0
Revised Funding Profile – More and better jobs – Ensuring continuity of the Spatial Data Management System	-600	300	300	0	0
Revised Funding Profile – Red Hill Nature Reserve Remediation (Finalisation and Design)	-90	90	0	0	0
Revised Funding Profile – Support for Building Industry – eDevelopment Renovation Project	-1,600	1,000	600	0	0
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Karuah	-5,000	2,000	3,000	0	0
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Red Hill housing precinct	-1,189	1,189	0	0	0
Revised Wage Parameters	0	303	0	0	0
Savings – Better Infrastructure Fund	0	-97	-97	-97	-97
Savings – Urban Renewal Program – Better Public Housing – Allawah Court	-9,617	0	0	0	0
Transfer – Building a better city – New Civic pool (formerly City to the Lake – New Civic Pool) to CRA	-400	0	0	0	0
Transfer – Building a better city – West Basin infrastructure (formerly Urban Renewal Program – City to the Lake – West Basin infrastructure) to CRA	-7,500	0	0	0	0
Transfer - Carbon Neutral Government - Capital Injection to Controlled Recurrent Payments	0	-507	0	0	0
Transfer – Urban Renewal Program – Civic and Braddon public realm improvements to CRA	-1,050	0	0	0	0
2018-19 Budget	215,323	152,911	105,989	26,428	3,143

Note(s):

1. The initiative 'More jobs for our growing city – More electric vehicle charging' will be funded from existing resources.

Table 30: Changes to appropriation – Capital Injections, Territorial

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	0	0	0	0	0
2018-19 Budget Technical Adjustments					
Revised Wage Parameters	0	4	0	0	0
2018-19 Budget	0	4	0	0	0

Summary of 2018-19 Infrastructure Program

Table 31: 2018-19 Environment, Planning and Sustainable Development Directorate Infrastructure Program

Project	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Four Year Investment \$'000	Physical Completion Date
CAPITAL WORKS PROGRAM						
Work In Progress						
ACT Healthy Waterways Project (Commonwealth funded)	17,171	0	0	0	17,171	Jun-19
Better Public Housing – New public housing properties	81,019	68,024	0	0	149,043	Jun-19
Better services in your community – Improving our capacity to fight bushfires	2,289	430	0	0	2,719	Jun-20
Better services in your community – Jarramlee Nature Reserve – Protecting our nature reserves	200	0	0	0	200	Jun-19
Better support when it matters – Public Housing Renewal – New and better properties	20,153	4,008	0	0	24,161	Jun-19
Better support when it matters – Public Housing Renewal – Taskforce operations	1,623	85	0	0	1,708	Jun-19
Building a better city – Bindubi Street extension – Early planning	195	100	0	0	295	Jun-20
Building a better city – Molonglo East- West arterial road – Early planning	98	200	0	0	298	Jun-20
Building a better city – William Hovell Drive upgrade – Early planning	200	0	0	0	200	Feb-19
Caring for our Environment – Establishing the Molonglo River Reserve Stage 3	408	0	0	0	408	Jun-19
Caring for our Environment – Improving species and habitat protection	857	257	72	72	1,258	Jun-22
Caring for our Environment – Water Quality Improvement – Contributions to the ACT Healthy Waterways Project	2,600	0	0	0	2,600	Jun-19
Digital Canberra - New digital radio communication system	270	0	0	0	270	Aug-18
Enhancing the Protection of Endangered Species and Habitat	1,819	0	0	0	1,819	Jun-19
Environmental Offsets – Lawson South	197	0	0	0	197	Jun-19
Improving Our City – Woden bus interchange improvements	150	0	0	0	150	Jul-18
Molonglo Valley – Implementation of Commitments in the NES Plan	89	0	0	0	89	Jun-19
Molonglo Valley – Implementation of Commitments in the NES Plan – Stage 2	200	0	0	0	200	Jun-19
More and better jobs – Ensuring continuity of the Spatial Data Management System	532	300	0	0	832	Jun-20
Red Hill Nature Reserve Remediation (Finalisation and Design)	90	0	0	0	90	Jun-19

Table 31: 2018-19 Environment, Planning and Sustainable Development Directorate Infrastructure Program (continued)

Project	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Four Year Investment \$'000	Physical Completion Date
Securing Electricity Supply in the ACT – Second supply network	275	0	0	0	275	Jun-19
Support for Building Industry – eDevelopment Renovation Project	1,000	600	0	0	1,600	Sep-19
Urban Renewal Program – Better Public Housing – Karuah	2,000	3,000	0	0	5,000	Mar-17
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	1,189	0	0	0	1,189	Mar-17
Total Work In Progress	134,624	77,004	72	72	211,772	
New Work						
Better services in your community – Red Hill Nature Reserve – Landfill remediation	305	0	0	0	305	Jun-19
More jobs for our growing city: Commemorating the 50th anniversary of the first moon landing	391	0	0	0	391	Jun-19
More electric vehicle charging	456	0	0	0	456	Jun-19
Protecting the Murrumbidgee River Corridor	100	0	0	0	100	Jun-19
Urban renewal in Kenny – early planning	300	250	0	0	550	Jun-20
More services for our suburbs: Best of Canberra mountain bike experience – Design	74	300	0	0	374	Jun-20
Establishing the Molonglo River Reserve	1,044	800	834	504	3,182	Jun-22
Improved conservation management	232	65	0	0	297	Jun-21
Sullivans Creek Flood Management Plan	150	0	0	0	150	Jun-19
Total New Capital	3,052	1,415	834	504	5,805	
Better Infrastructure Fund						
Heritage Conservation	83	158	162	166	569	Jun-19
Land Release Infrastructure	302	310	318	326	1,256	Jun-19
Parks and Conservation	380	557	571	585	2,093	Jun-19
Total Better Infrastructure Fund	765	1,025	1,051	1,077	3,918	

Financial Statements – Controlled

Table 32: Environment, Planning and Sustainable Development Directorate: Operating Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Income							
Revenue							
157,379	Controlled Recurrent Payments	158,603	133,079	-16	134,024	119,064	113,941
53,731	Land Revenue	62,091	31,272	-50	2,956	3,543	0
28	Taxes, Fees and Fines	28	29	4	29	29	30
9,177	User Charges	13,674	31,288	129	10,905	10,352	9,674
329	Interest	882	440	-50	148	91	92
2,267	Resources Received Free of Charge	2,267	2,358	4	2,452	2,550	2,613
21,147	Other Revenue	100,985	2,364	-98	1,753	2,230	571
244,058	Total Revenue	338,530	200,830	-41	152,267	137,859	126,921
Gains							
2	Other Gains	0	0	-	0	0	0
2	Total Gains	0	0	-	0	0	0
244,060	Total Income	338,530	200,830	-41	152,267	137,859	126,921
Expenses							
64,119	Employee Expenses	64,641	65,651	2	65,472	65,032	62,531
9,175	Superannuation Expenses	9,070	9,616	6	9,781	10,093	10,313
101,982	Supplies and Services	97,055	68,180	-30	55,849	51,656	49,194
3,023	Depreciation and Amortisation	3,023	3,123	3	3,492	3,572	3,584
4,395	Grants and Purchased Services	8,253	10,508	27	9,470	8,557	3,088
86	Cost of Goods Sold	206	13,506	#	207	207	208
3,456	Other Expenses	6,226	6,894	11	6,499	7,285	2,519
45,419	Transfer Expenses	55,246	32,300	-42	2,541	3,113	0
231,655	Total Expenses	243,720	209,778	-14	153,311	149,515	131,437
12,405	Operating Result	94,810	-8,948	-109	-1,044	-11,656	-4,516
12,405	Total Comprehensive Income	94,810	-8,948	-109	-1,044	-11,656	-4,516

Table 33: Environment, Planning and Sustainable Development Directorate: Balance Sheet

Budget at 30/6/18 \$'000	2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000	
Current Assets							
39,845	Cash and Cash Equivalents	90,018	103,834	15	104,474	106,640	100,204
3,404	Receivables	5,219	5,139	-2	4,922	5,168	5,269
51	Inventories	75	75	-	75	75	75
81,115	Assets Held for Sale	95,273	7,901	-92	5,112	0	0
329	Other Assets	290	145	-50	145	0	0
124,744	Total Current Assets	190,875	117,094	-39	114,728	111,883	105,548
Non Current Assets							
6,380	Receivables	6,921	5,774	-17	4,975	4,344	3,713
291,243	Property, Plant and Equipment	298,021	286,616	-4	290,887	287,801	285,855
38,196	Intangible Assets	103,984	106,637	3	105,919	105,201	104,483
147,769	Capital Works in Progress	94,721	48,065	-49	102,438	103,347	104,034
26,514	Other Assets	29,917	29,917	-	29,917	29,917	29,917
510,102	Total Non Current Assets	533,564	477,009	-11	534,136	530,610	528,002
634,846	TOTAL ASSETS	724,439	594,103	-18	648,864	642,493	633,550
Current Liabilities							
3,876	Payables	22,923	23,021	..	23,119	23,217	23,315
22,237	Employee Benefits	20,953	21,803	4	23,011	24,271	25,563
29,698	Other Provisions	21,988	31,550	43	10,778	15,428	6,427
847	Other Liabilities	2,767	2,753	-1	2,739	2,725	2,711
56,658	Total Current Liabilities	68,631	79,127	15	59,647	65,641	58,016
Non Current Liabilities							
1,161	Employee Benefits	1,007	1,053	5	1,109	1,166	1,223
15,654	Other Provisions	30,340	17,091	-44	14,756	0	0
16,815	Total Non Current Liabilities	31,347	18,144	-42	15,865	1,166	1,223
73,473	TOTAL LIABILITIES	99,978	97,271	-3	75,512	66,807	59,239
561,373	NET ASSETS	624,461	496,832	-20	573,352	575,686	574,311
REPRESENTED BY FUNDS EMPLOYED							
434,393	Accumulated Funds	492,533	364,904	-26	441,424	443,758	442,383
126,980	Asset Revaluation Surplus	131,928	131,928	-	131,928	131,928	131,928
561,373	TOTAL FUNDS EMPLOYED	624,461	496,832	-20	573,352	575,686	574,311

Table 34: Environment, Planning and Sustainable Development Directorate: Statement of Changes in Equity

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
	Opening Equity						
404,742	Opening Accumulated Funds	446,079	492,533	10	364,904	441,424	443,758
126,980	Opening Asset Revaluation Reserve	131,928	131,928	-	131,928	131,928	131,928
531,722	Balance at the Start of the Reporting Period	578,007	624,461	8	496,832	573,352	575,686
	Comprehensive Income						
12,405	Operating Result - Including Economic Flows	94,810	-8,948	-109	-1,044	-11,656	-4,516
12,405	Total Comprehensive Income	94,810	-8,948	-109	-1,044	-11,656	-4,516
	Transactions Involving Owners Affecting Accumulated Funds						
327,040	Capital Injections	215,323	152,911	-29	105,989	26,428	3,143
-194,659	Capital Distributions to Government	-194,659	-105,388	46	-12,594	-12,436	0
-115,135	Inc/Dec in Net Assets due to Admin Restructure	-69,020	-166,204	-141	-15,831	-2	-2
17,246	Total Transactions Involving Owners Affecting Accumulated Funds	-48,356	-118,681	-145	77,564	13,990	3,141
	Closing Equity						
434,393	Closing Accumulated Funds	492,533	364,904	-26	441,424	443,758	442,383
126,980	Closing Asset Revaluation Reserve	131,928	131,928	-	131,928	131,928	131,928
561,373	Balance at the end of the Reporting Period	624,461	496,832	-20	573,352	575,686	574,311

Table 35: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
157,379	Controlled Recurrent Payments	158,603	133,079	-16	134,024	119,064	113,941
28	Taxes, Fees and Fines	28	29	4	29	29	30
9,539	User Charges	14,036	31,650	125	11,267	10,714	10,036
329	Interest Received	882	440	-50	148	91	92
23,250	Other	24,788	4,467	-82	3,856	4,333	2,674
190,525	Operating Receipts	198,337	169,665	-14	149,324	134,231	126,773
Payments							
63,185	Employee	63,169	64,716	2	64,167	63,920	61,387
9,178	Superannuation	9,032	9,620	7	9,785	10,150	10,370
100,991	Supplies and Services	96,064	67,117	-30	54,717	50,450	47,925
4,420	Grants and Purchased Services	8,278	10,533	27	9,495	8,582	3,113
45,419	Transfer of Territory Receipts to the ACT Government	55,246	32,300	-42	2,541	3,113	0
86	Related to Cost of Goods Sold	206	206	-	207	207	208
4,561	Other	7,331	7,979	9	7,564	8,350	12,254
227,840	Operating Payments	239,326	192,471	-20	148,476	144,772	135,257
-37,315	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-40,989	-22,806	44	848	-10,541	-8,484
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
248,396	Proceeds from Sale of Property, Plant and Equipment	256,750	136,660	-47	15,550	15,979	0
1,550	Repayment of Loan Principal	1,550	1,664	7	1,827	1,478	1,478
249,946	Investing Receipts	258,300	138,324	-46	17,377	17,457	1,478
Payments							
258,863	Purchase of Property, Plant and Equipment	169,268	136,677	-19	78,894	1,957	1,653
66,806	Purchase of Land and Intangibles	49,787	12,135	-76	31,166	15,865	0
920	Loans Provided (Loans Receivable)	3,550	413	-88	920	920	920
326,589	Investing Payments	222,605	149,225	-33	110,980	18,742	2,573
-76,643	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	35,695	-10,901	-131	-93,603	-1,285	-1,095

Table 35: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement (continued)

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
327,040	Capital Injections	215,323	152,911	-29	105,989	26,428	3,143
0	Receipts of Transferred Cash Balances	10,572	0	-100	0	0	0
327,040	Financing Receipts	225,895	152,911	-32	105,989	26,428	3,143
Payments							
194,659	Distributions to Government	194,659	105,388	-46	12,594	12,436	0
194,659	Financing Payments	194,659	105,388	-46	12,594	12,436	0
132,381	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	31,236	47,523	52	93,395	13,992	3,143
18,423	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,942	13,816	-47	640	2,166	-6,436
21,422	CASH AT THE BEGINNING OF REPORTING PERIOD	64,076	90,018	40	103,834	104,474	106,640
39,845	CASH AT THE END OF REPORTING PERIOD	90,018	103,834	15	104,474	106,640	100,204

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments:
 - the decrease of \$25.524 million (16 per cent) in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the funding required for the Public Housing Renewal Taskforce decreasing as the program moves away from demolition and into construction (\$31.069 million), partially offset by new initiatives (\$5.219 million).
- land revenue:
 - the increase of \$8.360 million in the 2017-18 estimated outcome from the original budget is due to an increase in the projected sale price of remediated land under the loose-fill asbestos insulation eradication scheme.
 - the decrease of \$30.819 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the decrease in the number of sales of remediated land under the loose-fill asbestos insulation eradication scheme as the program nears completion.
- user charges:
 - the increase of \$4.497 million in the 2017-18 estimated outcome from the original budget is mainly due to a change in the way forestry harvesting sales are recorded. The sales proceeds are now shown as gross, not net of expenditure.
 - the increase of \$17.614 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the sale proceeds of dwellings to the market by the Public Housing Renewal Taskforce.
- other revenue:
 - the increase of \$79.838 million in the 2017-18 estimated outcome from the original budget is mainly due to the collection of additional Large Scale Generation Certificates surrendered by large scale generators of electricity under the *Renewable Energy Target Scheme*.
 - the decrease of \$98.621 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the Large Scale Generation Certificates not showing in the Directorate's statements in 2018-19. The 2018-19 Budget has been included in the whole of government statements.

- supplies and services:
 - the decrease of \$28.875 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the funding required for the Public Housing Taskforce decreasing as the program moves away from demolition and into construction (\$31.069 million).
- grants and purchased services:
 - the increase of \$3.858 million in the 2017-18 estimated outcome from the original budget is mainly due to an increase in grants provided under the Next Generation Battery Storage program.
 - the increase of \$2.255 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to an increase in grants provided under the Next Generation Battery Storage program.
- cost of goods sold:
 - the increase of \$13.300 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the cost of the dwellings to be sold by the Public Housing Renewal Taskforce.
- other expenses:
 - the increase of \$2.770 million in the 2017-18 estimated outcome from the original budget is mainly due to a change in classification from supplies and services to other for expenses associated with agent fees and financial assistance payments under the loose-fill asbestos insulation eradication scheme.
- transfer expenses:
 - the increase of \$9.827 million in the 2017-18 estimated outcome from the original budget is due to an increase in sales under the loose-fill asbestos insulation eradication scheme being paid back to Government.
 - the decrease of \$22.946 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to a decrease in sales under the loose-fill asbestos insulation eradication scheme being paid back to Government.

Balance Sheet

- cash and equivalents:
 - the increase of \$50.173 million in the 2017-18 estimated outcome from the original budget is mainly due to the cash received from the Renewable Energy Innovation Fund, the Commonwealth's ACT Healthy Waterways program and the additional money available under the Carbon Neutral Government loan.
 - the increase of \$13.816 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the cash received from the Renewable Energy Innovation Fund and the additional money available from repayments to the Directorate under the Carbon Neutral Government loan.
- current and non-current receivables:
 - the increase of \$2.356 million in the 2017-18 estimated outcome from the original budget is mainly due to new Carbon Neutral Government loans.
 - the decrease of \$1.227 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the repayments received against existing Carbon Neutral Government loans.
- assets held for sale:
 - the increase of \$14.158 million in the 2017-18 estimated outcome from the original budget is due to the higher number of blocks held for sale under the loose-fill asbestos insulation eradication scheme.
 - the decrease of \$87.372 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to a lower number of blocks held following sale of land under the loose-fill asbestos insulation eradication scheme as the program nears completion.
- intangible assets:
 - the increase of \$65.788 million in the 2017-18 estimated outcome from the original budget is due to the additional Large Scale Generation Certificates received as part of the *Renewable Energy Target Scheme*.
- capital works in progress:
 - the decrease of \$53.048 million in the 2017-18 estimated outcome from the original budget is mainly due to the delays in completion of capital works associated with the Public Housing Renewal Taskforce.
 - the decrease of \$46.656 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to delays in financial completion of capital works associated with the Public Housing Renewal Taskforce.

- other assets:
 - the increase of \$3.403 million in the 2017-18 estimated outcome from the original budget is due to the revaluation of biological assets completed in July 2018.
- payables:
 - the increase of \$19.047 million in the 2017-18 estimated outcome from the original budget is mainly due to the flow-on effects of the 2016-17 financial results.
- current and non-current other provisions:
 - the increase of \$6.976 million in the 2017-18 estimated outcome from the original budget relates to the increase in the value of the provisions associated with the loose-fill asbestos insulation eradication scheme.
 - the decrease of \$3.687 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to a decrease in the value of the provisions associated with the loose-fill asbestos insulation eradication scheme as property remediation is completed.
- other liabilities:
 - the increase of \$1.920 million in the 2017-18 estimated outcome from the original budget is due to an increase in sales deposits held under the loose-fill asbestos insulation eradication scheme at the end of the financial year.

Statement of Changes in Equity

- capital injections:
 - the decrease of \$111.717 million in the 2017-18 estimated outcome from the original budget is mainly due to the delays in completion of capital works associated with the Public Housing Renewal Taskforce.
 - the decrease of \$62.412 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to delays in financial completion of capital works associated with the Public Housing Renewal Taskforce.

Cash Flow Statement

Variations in the Statement are explained in the notes above.

Financial Statements – Territorial

Table 36: Environment, Planning and Sustainable Development Directorate: Statement of Income and Expenses on behalf of the Territory

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revenue							
2,367	Payment for Expenses on Behalf of the Territory	2,396	2,209	-8	2,279	2,113	1,975
31,091	Taxes, Fees and Fines	15,981	29,150	82	33,289	33,350	34,161
20,638	Land Revenue	23,469	52,171	122	43,157	56,876	60,831
796	Interest	1,176	2,847	142	1,929	3,194	3,821
0	Other Revenue	3,140	0	-100	0	0	0
54,892	Total Revenue	46,162	86,377	87	80,654	95,533	100,788
Expenses							
829	Employee Expenses	836	854	2	876	900	922
105	Superannuation Expenses	98	102	4	107	115	118
908	Supplies and Services	608	714	17	737	539	551
525	Grants and Purchased Services	861	541	-37	561	562	561
4,547	Other Expenses	4,633	3,950	-15	1,400	900	0
47,978	Transfer Expenses	39,133	80,218	105	76,975	92,520	98,638
54,892	Total Expenses	46,169	86,379	87	80,656	95,536	100,790
0	Operating Result	-7	-2	71	-2	-3	-2
0	Total Comprehensive Income	-7	-2	71	-2	-3	-2

Table 37: Environment, Planning and Sustainable Development Directorate: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
Current Assets							
3,587	Cash and Cash Equivalents	1,888	1,855	-2	1,822	1,789	1,756
93,599	Receivables	73,808	79,347	8	85,116	90,885	96,654
133	Inventories	133	133	-	133	133	133
97,319	Total Current Assets	75,829	81,335	7	87,071	92,807	98,543
Non Current Assets							
1,403	Receivables	1,111	1,217	10	1,323	1,429	1,535
90,232	Property, Plant and Equipment	76,061	76,061	-	76,061	76,061	76,061
91,635	Total Non Current Assets	77,172	77,278	..	77,384	77,490	77,596
188,954	TOTAL ASSETS	153,001	158,613	4	164,455	170,297	176,139
Current Liabilities							
95,507	Payables	74,012	79,503	7	85,224	90,945	96,666
104	Employee Benefits	160	163	2	170	178	185
1,039	Other Liabilities	1,172	1,177	..	1,182	1,187	1,192
96,650	Total Current Liabilities	75,344	80,843	7	86,576	92,310	98,043
Non Current Liabilities							
222	Payables	111	222	100	333	444	555
14	Employee Benefits	3	3	-	3	3	3
1,189	Other Liabilities	1,005	1,005	-	1,005	1,005	1,005
1,425	Total Non Current Liabilities	1,119	1,230	10	1,341	1,452	1,563
98,075	TOTAL LIABILITIES	76,463	82,073	7	87,917	93,762	99,606
90,879	NET ASSETS	76,538	76,540	..	76,538	76,535	76,533
REPRESENTED BY FUNDS EMPLOYED							
34,210	Accumulated Funds	34,041	34,043	..	34,041	34,038	34,036
56,669	Asset Revaluation Surplus	42,497	42,497	-	42,497	42,497	42,497
90,879	TOTAL FUNDS EMPLOYED	76,538	76,540	..	76,538	76,535	76,533

Table 38: Environment, Planning and Sustainable Development Directorate: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
	Opening Equity						
34,210	Opening Accumulated Funds	34,048	34,041	..	34,043	34,041	34,038
56,669	Opening Asset Revaluation Reserve	42,497	42,497	-	42,497	42,497	42,497
90,879	Balance at the Start of the Reporting Period	76,545	76,538	..	76,540	76,538	76,535
	Comprehensive Income						
0	Operating Result - Including Economic Flows	-7	-2	71	-2	-3	-2
0	Total Comprehensive Income	-7	-2	71	-2	-3	-2
	Transactions Involving Owners Affecting Accumulated Funds						
0	Capital Injections	0	4	#	0	0	0
0	Total Transactions Involving Owners Affecting Accumulated Funds	0	4	#	0	0	0
	Closing Equity						
34,210	Closing Accumulated Funds	34,041	34,043	..	34,041	34,038	34,036
56,669	Closing Asset Revaluation Reserve	42,497	42,497	-	42,497	42,497	42,497
90,879	Balance at the end of the Reporting Period	76,538	76,540	..	76,538	76,535	76,533

Table 39: Environment, Planning and Sustainable Development Directorate: Cash Flow Statement on behalf of the Territory

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,367	Payment for Expenses on Behalf of the Territory	2,396	2,209	-8	2,279	2,113	1,975
31,091	Taxes, Fees and Fines	15,981	29,150	82	33,289	33,350	34,161
796	Interest Received	1,176	2,847	142	1,929	3,194	3,821
15,806	Land Sales	22,587	47,204	109	37,724	51,627	55,105
5,004	Other	8,144	5,139	-37	5,278	5,421	5,579
55,064	Operating Receipts	50,284	86,549	72	80,499	95,705	100,641
Payments							
829	Employee	829	856	3	874	897	920
105	Superannuation	98	102	4	107	115	118
1,108	Supplies and Services	808	914	13	937	739	751
525	Grants and Purchased Services	861	541	-37	561	562	561
47,978	Transfer of Territory Receipts to the ACT Government	43,083	80,218	86	76,648	92,520	98,319
4,552	Other	4,638	3,955	-15	1,405	905	5
55,097	Operating Payments	50,317	86,586	72	80,532	95,738	100,674
-33	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-33	-37	-12	-33	-33	-33
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
0	Capital Injections	0	4	#	0	0	0
0	Financing Receipts	0	4	#	0	0	0
0	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	0	4	#	0	0	0
-33	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-33	-33	-	-33	-33	-33
3,620	CASH AT THE BEGINNING OF REPORTING PERIOD	1,921	1,888	-2	1,855	1,822	1,789
3,587	CASH AT THE END OF REPORTING PERIOD	1,888	1,855	-2	1,822	1,789	1,756

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- taxes, fees and fines:
 - the decrease of \$15.110 million in the 2017-18 estimated outcome from the original budget is mainly due to a decrease in the estimate for lease variation charge.
 - the increase of \$13.169 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to an increase in the estimate for lease variation charge.
- land revenue:
 - the increase of \$2.831 million in the 2017-18 estimated outcome from the original budget is mainly due to timings in the land release program.
 - the increase of \$28.702 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to timings in the land release program.
- interest revenue:
 - the increase of \$1.671 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to timings in the land release program.
- other revenue:
 - the increase of \$3.140 million in the 2017-18 estimated outcome from the original budget is due to the land rent payouts received that were not budgeted.
 - the decrease of \$3.140 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the once off impact of the land rent payouts in the 2017-18 financial year.
- transfer expenses: variations in these expenses reflect the variations in revenues described above.

Statement of Assets and Liabilities on behalf of the Territory

- cash and equivalents:
 - the decrease of \$1.699 million in the 2017-18 estimated outcome from the original budget is mainly due to the flow-on effects of the 2016-17 financial results.
- current and non-current receivables:
 - the decrease of \$20.083 million in the 2017-18 estimated outcome from the original budget is mainly due to the timing of receipts for the sale of land under the land release program to the Suburban Land Agency and the City Renewal Authority.

- property, plant and equipment:
 - the decrease of \$14.171 million in the 2017-18 estimated outcome from the original budget is mainly due to the revaluation of land as a result of a change in the 10-year Government bond rate.
- current and non-current payables:
 - the decrease of \$21.606 million in the 2017-18 estimated outcome from the original budget is mainly due to the timing of payments back to Government for land revenue.
 - the increase of \$5.602 million in the 2018-19 Budget from the 2017-18 estimated outcome is mainly due to the timing of payments back to Government for land revenue.

Statement of Changes in Equity and Cash Flow Statement

Variations in the Statement are explained in the notes above.

Table 40: Output Class 1: Planning Operating Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revenue							
27,831	Controlled Recurrent Payments	25,306	27,319	8	27,013	24,812	25,441
2,501	User Charges	2,703	2,704	..	2,797	2,916	3,028
1,270	Resources Received Free of Charge	1,220	1,266	4	1,317	1,371	1,405
10	Other Revenue	198	70	-65	70	70	10
31,612	Total Revenue	29,427	31,359	7	31,197	29,169	29,884
Expenses							
17,681	Employee Expenses	16,308	17,777	9	18,075	17,180	17,662
2,732	Superannuation Expenses	2,670	2,875	8	2,928	2,936	3,198
13,467	Supplies and Services	9,931	11,137	12	10,360	9,416	9,227
447	Depreciation and Amortisation	110	151	37	538	544	552
50	Other Expenses	663	368	-44	330	341	353
34,377	Total Expenses	29,682	32,308	9	32,231	30,417	30,992
-2,765	Operating Result	-255	-949	-272	-1,034	-1,248	-1,108

Table 41: Output Class 2: Environment Operating Statement

2017-18 Budget¹		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revenue							
58,232	Controlled Recurrent Payments	47,276	52,562	11	52,266	53,255	54,874
28	Taxes, Fees and Fines	28	29	4	29	29	30
6,676	User Charges	6,338	6,634	5	6,708	6,536	6,646
329	Interest	882	440	-50	148	91	92
997	Resources Received Free of Charge	449	467	4	485	503	516
21,137	Other Revenue	1,577	364	-77	36	513	561
87,399	Total Revenue	56,550	60,496	7	59,672	60,927	62,719
Expenses							
31,556	Employee Expenses	26,258	26,887	2	27,486	27,894	27,842
4,734	Superannuation Expenses	4,023	4,182	4	4,375	4,596	5,039
34,350	Supplies and Services	24,938	28,227	13	27,349	28,005	28,570
2,540	Depreciation and Amortisation	2,788	2,844	2	2,826	2,905	2,962
1,963	Grants and Purchased Services	1,039	393	-62	211	217	223
86	Cost of Goods Sold	206	206	-	207	207	208
1,692	Other Expenses	556	691	24	590	554	571
76,921	Total Expenses	59,808	63,430	6	63,044	64,378	65,415
10,478	Operating Result	-3,258	-2,934	10	-3,372	-3,451	-2,696

Note(s):

- The 2017-18 Budget included Climate Change and Sustainability. From the 2017-18 Estimated Outcome it is shown in Output Class 3: Climate Change and Sustainability.

Table 42: Output Class 3: Climate Change and Sustainability Operating Statement

2017-18 Budget¹	2017-18 Estimated Outcome	2018-19 Budget	Var %	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
Revenue							
0	Controlled Recurrent Payments	11,354	12,563	11	13,804	13,547	14,673
0	User Charges	4,633	3,950	-15	1,400	900	0
0	Resources Received Free of Charge	598	625	5	650	676	692
0	Other Revenue	99,210	1,930	-98	1,647	1,647	0
0	Total Revenue	115,795	19,068	-84	17,501	16,770	15,365
Expenses							
0	Employee Expenses	7,361	8,182	11	7,536	7,637	7,041
0	Superannuation Expenses	905	991	10	923	954	1,003
0	Supplies and Services	11,641	10,855	-7	8,499	7,143	5,421
0	Depreciation and Amortisation	37	38	3	38	39	42
0	Grants and Purchased Services	4,041	6,909	71	6,019	5,878	400
0	Other Expenses	1,427	1,479	4	1,482	1,528	1,572
0	Total Expenses	25,412	28,454	12	24,497	23,179	15,479
0	Operating Result	90,383	-9,386	-110	-6,996	-6,409	-114

Note(s):

1. This is a new Output Class. The 2017-18 Budget for Climate Change and Sustainability was included in Output Class 2: Environment.

Table 43: Output Class 4: Land Strategy and Urban Renewal Operating Statement

2017-18 Budget¹		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revenue							
56,945	Controlled Recurrent Payments	18,052	21,606	20	19,439	18,748	18,953
56,945	Total Revenue	18,052	21,606	20	19,439	18,748	18,953
Expenses							
8,509	Employee Expenses	9,059	9,297	3	9,554	9,791	9,986
1,076	Superannuation Expenses	896	927	3	964	1,021	1,073
45,300	Supplies and Services	5,488	8,716	59	6,251	6,095	5,976
0	Depreciation and Amortisation	27	28	4	28	28	28
2,432	Grants and Purchased Services	3,173	3,206	1	3,240	2,462	2,465
39	Other Expenses	21	21	-	22	22	23
57,356	Total Expenses	18,664	22,195	19	20,059	19,419	19,551
-411	Operating Result	-612	-589	4	-620	-671	-598

Note(s):

1. The 2017-18 Budget included the Public Housing Renewal Taskforce. From the 2017-18 Estimated Outcome it is shown in Output Class 6: Public Housing Renewal Taskforce.

Table 44: Output Class 5: Loose Fill Asbestos Insulation Eradication Operating Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Revenue							
14,371	Controlled Recurrent Payments	14,935	10,200	-32	18,855	8,702	0
53,731	Land Revenue	62,091	31,272	-50	2,956	3,543	0
68,102	Total Revenue	77,026	41,472	-46	21,811	12,245	0
Gains							
2	Other Gains	0	0	-	0	0	0
2	Total Gains	0	0	-	0	0	0
68,104	Total Income	77,026	41,472	-46	21,811	12,245	0
Expenses							
6,373	Employee Expenses	4,493	2,453	-45	2,492	2,530	0
633	Superannuation Expenses	433	506	17	491	586	0
8,865	Supplies and Services	4,708	1,550	-67	1,181	997	0
36	Depreciation and Amortisation	54	55	2	55	56	0
1,675	Other Expenses	3,504	4,280	22	4,020	4,840	0
45,419	Transfer Expenses	55,246	27,600	-50	2,541	3,113	0
63,001	Total Expenses	68,438	36,444	-47	10,780	12,122	0
5,103	Operating Result	8,588	5,028	-41	11,031	123	0

Table 45: Output Class 6: Public Housing Renewal Taskforce Operating Statement

2017-18 Budget¹	2017-18 Estimated Outcome	2018-19 Budget	Var %	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
Revenue							
0	Controlled Recurrent Payments	41,680	8,829	-79	2,647	0	0
0	User Charges	0	18,000	#	0	0	0
0	Total Revenue	41,680	26,829	-36	2,647	0	0
Expenses							
0	Employee Expenses	1,162	1,055	-9	329	0	0
0	Superannuation Expenses	143	135	-6	100	0	0
0	Supplies and Services	40,349	7,695	-81	2,209	0	0
0	Depreciation and Amortisation	7	7	-	7	0	0
0	Cost of Goods Sold	0	13,300	#	0	0	0
0	Other Expenses	55	55	-	55	0	0
0	Transfer Expenses	0	4,700	#	0	0	0
0	Total Expenses	41,716	26,947	-35	2,700	0	0
0	Operating Result	-36	-118	-228	-53	0	0

Note(s):

1. This is a new Output Class. The 2017-18 Budget for the Public Housing Renewal Taskforce was included in Output Class 4: Land Strategy and Urban Renewal.

CITY RENEWAL AUTHORITY – STATEMENT OF INTENT

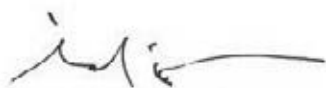
The City Renewal Authority is a Territory Authority established under the *City Renewal Authority and Suburban Land Agency Act 2017*.

The City Renewal Authority was established to play the crucial role of co-ordinating and implementing world-class urban renewal within the City Renewal Precinct. The establishment of the City Renewal Authority ensures that as Canberra grows, its city centre and immediate surrounds will further evolve into a thriving precinct with well-designed buildings and public spaces that improve activity, connectivity and sustainability.

This Statement of Intent for 2018-19 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Andrew Barr MLA, was consulted during the preparation of the Statement of Intent. The Statement of Intent, which focuses on the 2018-19 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the City Renewal Authority strategic and business planning processes.

The City Renewal Authority 2018-19 Statement of Intent has been agreed between:



Dr Michael Easson AM

Chair

City Renewal Authority

17 May 2018



Mr Andrew Barr MLA

Chief Minister

Treasurer

Minister for Economic Development

Minister for Tourism and Major Events

17 May 2018

CITY RENEWAL AUTHORITY

Purpose

The City Renewal Authority (the Authority) is established under Section 7 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), and regulated by Parts 8 and 9 of the *Financial Management Act 1996*, Section 50 of the *Planning and Development Act 2007* and the *Public Sector Management Act 1994*, to lead, manage, facilitate and undertake urban renewal projects in declared urban renewal precincts.

Working with the community, the Authority recognises that the places that define our city are for its citizens to live in, enjoy and to support a quality of life Canberrans expect and deserve. The objects of the Authority are set out in Section 8 of the Act and include:

- the encouragement and promotion of a vibrant city through the delivery of design-led, people-focussed urban renewal;
- the encouragement and promotion of social and environmental sustainability; and
- operational effectiveness, delivering value for money using sound risk practices.

The functions of the Authority are set out in Section 9 of the Act and include:

- carrying out urban renewal;
- buying and selling leases of land on behalf of the Territory;
- making arrangements for the public service or another entity to carry out development or works;
- supporting public and private sector investment and participation in urban renewal;
- managing orderly urban renewal, including holding, managing and selling land and other property;
- supporting cooperation between the Authority, the community, and relevant entities;
- supporting high quality design, planning and delivery of sustainable urban renewal;
- meeting housing targets determined under Section 65 of the Act that relate to affordable, community and public housing;
- supporting statutory greenhouse gas emissions targets and delivering environmentally sustainable development;
- following and supporting whole of government strategies; and
- any other function given to the Authority under the Act or another Territory law.

The Authority must exercise its functions in a way that is consistent with its Statement of Operational Intent (as required by Section 9 of the Act).

With the approval of the Minister and the Treasurer, the Authority may exercise its functions through subsidiaries, joint ventures or trusts, or by holding shares in, or other securities of, corporations.

Nature and scope of activities

The Authority is charged with shaping the growth of the central parts of Canberra to make it a great place to live, explore and enjoy.

We are doing this by leading the transformation of the City Renewal Precinct, which spans Dickson, Northbourne Avenue, Haig Park, the city centre and West Basin.

In partnership with the community, private-sector and other government agencies, we will create a vibrant and vital city heart through the delivery of design-led, people focused urban renewal with a commitment to social and environmental sustainability.

We will work with the community, business and government to create new buildings and places within the precinct that are of exemplary design quality, excite interest and participation and stimulate new investment.

We will activate the precinct with events, interventions and attractions that bring people into the city and enliven the experience for residents, workers and visitors.

Our success will be measured by:

- a revitalised city precinct that is economically prosperous, sustainable and liveable;
- a diverse, active and engaged residential population that has a strong sense of community; and
- the take-up of economic and business opportunities for new enterprises, start-ups and the creative sector.

Government's Expectations

The Chief Minister wrote to the Chair of the Authority on 3 August 2017 outlining the Government's vision for Canberra, and set out the Government's requirements and priorities for the financial year 2017-18 via a Statement of Expectations. Subject to a further Statement of Expectations from the Government for the financial year 2018-19, the Authority will continue its work on the following initiatives:

- the achievement of the Government's ongoing commitment to good public-sector governance, and the effective management of significant land resources under the stewardship of the Authority;

- the implementation of urban renewal projects in the City Renewal Precinct, specifically:
 - Haig Park - Working in consultation with Transport Canberra and City Services to finalise and implement the Haig Park Action Plan;
 - West Basin - Planning and development to enable the commencement of stage two;
 - implementing short-term renewal works to enliven the City Bus Interchange acknowledging longer term opportunities to integrate a revitalised transport interchange as part of catalytic renewal efforts in the city centre;
 - proactive engagement with building owners in the City Renewal Precinct to ensure delivery of cohesive renewal and maintenance works - act as key liaison between ACT Government and owners of the iconic Sydney and Melbourne Buildings to encourage and support revitalisation of these significant heritage sites;
 - engagement with Transport Canberra and City Services to ensure the continued delivery and upgrade of Northbourne Avenue verges to enable safe pedestrian movement and connection to services and facilities along the gateway to Canberra;
 - continuation of planning and renewal works to establish Dickson as a key community and transport hub connecting the city to surrounding northern suburbs;
 - developing and implementing clear place propositions and action plans for the city, Braddon and Dickson to guide place making interventions aimed at enlivening these important centres;
 - complete the business case and place plan for the redevelopment of the Civic and Cultural precinct;
 - continue to support the renewal effort and principles established by the City and Gateway Urban Design Framework;
 - actively participate in negotiations with University of New South Wales regarding the establishment of a new university campus in the city; and
 - completing the sale of Asset Recycling Initiative sites within the City Renewal Precinct.
- actively contributing to the liveability and vitality of the city centre, through:
 - planning and delivery of a diverse range of events, capital works upgrades, public realm and amenity improvements and stakeholder partnerships, including:
 - testing and trialling public space through events and interventions;
 - partnering with local event providers and businesses;
 - testing regulatory barriers to events and innovation;
 - leading the market by demonstrating event styles and locations; and
 - facilitating events and activities in public spaces, including laneways.

- effectively manage the City Centre Marketing and Improvements Levy (CCMIL) to activate and improve the city centre; and
- identifying opportunities for large scale festivals or seasonal events to enliven the City Centre and support the development of the Territory's event sector.
- establishing and maintaining positive working relationships, through:
 - consulting and establishing productive working relationships with key stakeholders, including all levels of Government and other relevant bodies and organisations;
 - engaging openly and meaningfully with the local community to inform both the design and delivery of works within declared precincts; and
 - promoting cooperation, collaboration and coherent urban renewal with other key entities including the National Capital Authority (NCA) and the Suburban Land Agency (SLA).
- establishing and maintaining positive relationships with other ACT Government Directorates and agencies.

2018-19 Priorities

In response to the Government's Statement of Expectations, the Board of the City Renewal Authority presented to the Chief Minister the Authority's Statement of Operational Intent for 2017-18. The Statement of Operational Intent represented the Authority's aspirations in its first year of operation, and specifically responded to each element of the Government's Statement of Expectations.

Continuing on from the Statement of Operational Intent for 2017-18, the Authority will in 2018-19 deliver the following project-related outcomes:

- **City Renewal Precinct Place Plan** - deliver a Place Plan for the revitalisation of the City Renewal Precinct, which will be people-focussed with quality urban environment at its heart;
- **Haig Park** – finalise the Haig Park Action Plan and implementation strategy;
- **West Basin Precinct** – undertake a review of the West Basin project to reaffirm the planning principles and economic analysis that underpin the development of the precinct. Completion of stage two design, obtain NCA works approval and commence construction of stage two;
- **City Bus Interchange** – begin intermediate improvements to the City Bus Interchange and its important functional interrelationship with the Light Rail Network, and plan for longer term opportunities to integrate a revitalised transport interchange as part of catalytic renewal efforts in the city centre;

- **Sydney and Melbourne Buildings** – develop a strategy and associated implementation plan for the revitalisation of the Sydney and Melbourne buildings and surrounding public realm;
- **Northbourne Avenue** – set guidelines and standards that will ensure the landscape environment along Northbourne Avenue is befitting the primary gateway to the National Capital. Undertake stage one verge improvement works of Northbourne Avenue in the city and Dickson;
- **Dickson Group Centre** – identify opportunities for future development and renewal in the Dickson Group Centre;
- **Braddon Village** – identify and implement opportunities for place making and renewal in Braddon;
- **Civic and Cultural Centre** – complete the business case and place plan for the redevelopment of the Civic and Cultural precinct;
- **City and Gateway Urban Design Framework** – continue to support the renewal effort and principles established by the City and Gateway Urban Design Framework;
- **Asset Recycling Initiative** – progress land sales within the City Renewal Precinct associated with the Asset Recycling Initiative;
- **City Activation** – develop a comprehensive program of place making and activation for the public spaces of the City Renewal Precinct, and partner with local businesses and the creative sector to support the cultural capital of the city centre; and
- **Future Land Sales** – prepare for future sales of land within the City Renewal Precinct in accordance with the ACT Government’s Indicative Land Release Program.

During 2018-19, the Authority will also commence implementation of a long-term strategic renewal program that sets the Authority’s future direction.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget
Staffing (FTE)	0 ¹	20	26 ²	25 ³

Note(s):

1. There were no employees prior to the City Renewal Authority being established on 1 July 2017 as a result of the *City Renewal Authority and Suburban Land Agency Act 2017*.
2. The increase of six FTE from the 2017-18 Budget is due to:
 - a. the employment of additional personnel (five) associated with the implementation of initiative Building a better city – City Renewal Authority – Operational funding (funded in the 2017-18 Budget Review); and
 - b. the employment of additional personnel on a temporary basis (one) funded by initiative Building a better city – City Renewal Authority – Initial works package.
3. The FTE decrease of one from the 2017-18 estimated outcome is due to the exclusion from the Budget of the additional temporary personnel funded from initiative Building a better city – City Renewal Authority – Initial works package.

Table 2: 2018-19 Employment Profile

Classification	Male	Female	Total
Executive	3	0	3
INFRMS3	1	1	2
INFR4/5	1	3	4
SOGA/B	3	2	5
SOGC	2	2	4
ASO6	1	1	2
ASO5	1	3	4
ASO4	0	1	1
Total	12	13	25

Key performance indicators for 2018-19 to 2021-2022

Financial Measures

Table 3: Key performance indicators

	2018-19	2019-20	2020-21	2021-22
Land Sales Revenue (\$ million)	0.000	14.130	32.710	32.710
Gross Profit Margin on Land Sales (%) ¹	0.00%	40.39%	39.75%	39.75%
Appropriated Capital Works Expenditure (million)	18.118	22.508	5.888	0.000

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

Note(s):

1. The profit margins of the City Renewal Authority are used for internal purposes to provide comparatives across projects and time periods. These margins are not comparable with private industry and should be considered in context with the following:
 - a. In general, the Government enters the land development process at an earlier stage than private developers as it has responsibility for planning activities which can impact on zoning and lease conditions on the land. The uplift in the value of land attributable to these activities is recognised by the City Renewal Authority and forms part of the Authority's return to Government.
 - b. The Government invests in significant infrastructure within and around City Renewal Authority development projects however these costs are often incurred by other Government agencies and therefore do not impact on the Authority's profit margins.
 - c. The City Renewal Authority relies on independent market valuations to inform land sales prices.

Non-Financial Measures

The Authority's non-financial performance will be assessed against the Governments' Statement of Expectations, including:

- projects implemented
- city centre vitality
- effective governance
- risk management

The indicators of success for each measure are described in Table 4 below.

Table 4: Key performance indicators (non-financial)

Projects	Indicator	Target 2018-19
City Renewal Precinct Place Plan	Plan complete with budget proposals.	Quarter Three
Haig Park	Action Plan complete and implementation underway.	Quarter Four
West Basin Precinct	West Basin review complete.	Quarter Three
West Basin Precinct	Commence construction of stage two waterfront.	Quarter Four
Sydney and Melbourne Buildings	Sydney and Melbourne Building Precinct renewal strategy and associated implementation plan.	Quarter Four
Northbourne Avenue	Master Plan complete and renewal works underway.	Quarter Three
Dickson Group Centre	Place Plan complete and place activation renewal underway.	Quarter Four
Braddon Village	Place Plan complete and place activation renewal underway.	Quarter Four
Civic and Cultural Centre	Business Plan and Place Plan underway.	Quarter Four
City and Gateway Urban Design Framework	Support the implementation of the City and Gateway Urban Design Framework.	Ongoing
Asset Recycling Initiative	Asset sales complete.	Quarter Four
City Activation	Implementation of Place Activation Program.	Ongoing
City Centre Marketing and Improvements Levy (CCMIL)	Implementation of CCMIL place making initiatives.	Ongoing

Effective Governance	Indicator	Target 2018-19
Authority policies and procedures	<p>The Board has no breaches of its statutory and fiduciary obligations, however (recognising that breaches may occur) any breaches not within the ACT Government tolerances are referred to either the Police or other appropriate authorities.</p> <p>The Board and staff have no breaches of ACT Government administration and governance requirements, however (recognising that breaches may occur) any breaches not within the ACT Government tolerances are referred to appropriate investigation authorities.</p>	Up to 30 June 2019
Risk Management	Indicator	Target 2018-19
Internal and external audit of financial management and business systems.	Unqualified audit reports.	Up to 30 June 2019
Service Agreements	All actions or inactions relating to the City Renewal Authority Service Agreements with ACT Government entities are within the tolerances specified in the relevant Agreement, or otherwise within ACT Government tolerances.	Up to 30 June 2019
Risk Framework and Register	Framework and Register monitored and updated by the Audit and Risk Committee.	Up to 30 June 2019
Workplace Health and Safety (WHS)	No breaches of WHS-related legislated or policy requirements.	Up to 30 June 2019

Assessment of non-financial performance against 2017-18 objectives

The Authority's achievement against its non-financial objectives set for 2017-18 are in Table 5 below.

Table 5: Assessment of non-financial performance against 2017-18 objectives

Projects	Indicator	Result for 2017-18
City Renewal Precinct	Plan submitted to Government.	A City Renewal Precinct implementation program has been formulated and submitted for approval.
Haig Park	Master Plan completed.	The Master Plan has been completed.
West Basin Precinct	Stage two commenced.	Stage two design has commenced.
City Bus Interchange	Extension plan implemented.	The Authority has engaged with Transport Canberra and City Services to support its implementation of the extension plan for the Interchange.
Sydney and Melbourne Buildings	Revitalisation plan implemented.	Formulation of a revitalisation plan is underway. Construction of waste enclosures has commenced.
Northbourne Avenue	Guidelines implemented.	The Authority has supported the Environment, Planning and Sustainable Development Directorate in the formulation and consultation of the City and Gateway Draft Urban Design Framework. The Authority has commissioned a landscape master plan.
Dickson Group Centre	Revitalisation project agreed.	Development of a Place Plan and implementation is underway in consultation with Dickson traders.
Asset Recycling Initiative (ARI)	Land sales program met.	Land sales have been undertaken in accordance with the ARI program.
City Activation	Program fully implemented.	The program has been partially implemented, and a three-year place activation strategy is being developed.
Integrated City Centre Revitalisation Program	Approved year one program fully implemented.	The year one program has been implemented.

Projects (continued)	Indicator	Result for 2017-18
New Events	New opportunities identified and supported by Events ACT.	New events have been implemented in the period and supported by Events ACT, including 'Christmas in Glebe Park', 'Enlighten in the City', and the 'Winter Festival'.
Effective Governance	Indicator	Result for 2017-18
Authority policies and procedures	<p>The Board has no breaches of its statutory and fiduciary obligations, however (recognising that breaches may occur) any breaches are either referred to the Police or other appropriate authorities, or are within ACT Government tolerances.</p> <p>The Board and staff have no breaches of ACT Government administration and governance requirements, however (recognising that breaches may occur) any breaches are either referred to the appropriate investigation authorities, or are within ACT Government tolerances.</p>	There have been no known breaches as at 17 May 2018.
Risk Management	Indicator	Result for 2017-18
Internal and external audit of financial management and business systems.	Unqualified audit reports.	There have been no audits conducted in the period 1 July 2017 – 17 May 2018.
Service Agreements	All actions or inactions relating to the City Renewal Authority Service Agreements with ACT Government entities are within the tolerances specified in the relevant Agreement, or otherwise within ACT Government tolerances.	There have been no such issues as at 17 May 2018.
Risk Framework and Register	Framework and Register approved, implemented and monitored by the Audit and Risk Committee.	On track for completion by 30 June 2018.
Workplace Health and Safety (WHS)	No breaches of WHS-related legislated or policy requirements.	There have been no known breaches as at 17 May 2018.

Changes to Appropriation

Table 6: Changes to appropriation – Controlled Recurrent Payments

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	4,758	4,334	4,406	553	553
2nd Appropriation					
Building a better city – City Renewal Authority – Operational funding	2,472	2,209	2,251	0	0
FMA Section 16B Rollovers from 2016-17					
Urban Renewal for Civic - Creating a vibrant city centre	22	0	0	0	0
2018-19 Budget Policy Decisions					
More jobs for our growing city - City Renewal Precinct activation projects	0	850	1,200	0	0
2018-19 Budget Technical Adjustments					
Comcare Premium Reduction	-4	0	0	0	0
Revised Funding Profile – Building a better city – City Renewal Authority – Initial works package	-561	561	0	0	0
Revised Indexation Parameters	0	0	0	0	8
Revised Superannuation Parameters	0	6	-1	67	72
Revised Wage Parameters	0	53	124	0	0
Transfer – Capital Injections to Controlled Recurrent Payments - Building a better city - City Renewal Authority - Initial works package	800	0	0	0	0
2018-19 Budget	7,487	8,013	7,980	620	633

Table 7: Changes to appropriation – Capital Injections

	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
2017-18 Budget	9,500	15,000	14,888	0	0
2nd Appropriation					
Building a better city – City Renewal Authority – City precinct improvements	2,750	4,200	550	0	0
FMA Section 16B Rollovers from 2016-17					
Building a better city – West Basin infrastructure	37	0	0	0	0
Building a better city – West Basin Public Waterfront	372	0	0	0	0
Urban Renewal Program – Civic and Braddon public realm improvements	-78	0	0	0	0
2018-19 Budget Policy Decisions					
More jobs for our growing city - City Renewal Precinct activation projects	0	2,750	1,458	0	0
2018-19 Budget Technical Adjustments					
Revised Wage Parameters	0	18	0	0	0
Revised Funding Profile – Building a better city – City Renewal Authority – Canberra's lakeside	0	-11,500	5,612	5,888	0
Revised Funding Profile - Building a better city - City Renewal Authority - Canberra's lakeside (formerly Building a better city - City Renewal Authority - City to the Lake)	-6,500	6,500	0	0	0
Revised Funding Profile – Building a better city – City Renewal Authority – Initial works package	-950	950	0	0	0
Revised Funding Profile – Building a better city – New Civic pool	-200	200	0	0	0
Transfer – Building a better city – New Civic pool to CMTEDD	-200	0	0	0	0
Transfer – Building a better city – New Civic pool from EPSDD (formerly City to the Lake – New Civic Pool)	400	0	0	0	0
Transfer – Building a better city – West Basin infrastructure from EPSDD (formerly Urban Renewal Program – City to the Lake – West Basin infrastructure)	7,500	0	0	0	0
Transfer – Capital Injections to Controlled Recurrent Payments - Building a better city - City Renewal Authority - Initial works package	-800	0	0	0	0
Transfer – Urban Renewal Program – Civic and Braddon public realm improvements from EPSDD	1,050	0	0	0	0
2018-19 Budget	12,881	18,118	22,508	5,888	0

Monitoring and Reporting

The Authority will meet its reporting requirements as described below.

Monthly Reporting

To meet whole of government reporting requirements on a monthly basis, the Authority will ensure the timely availability of the financial statements to the Treasurer through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). The statements will be in the prescribed form and required detail, for the previous calendar month. These will be provided by the due dates set by Treasury.

- Operating Statement;
- Balance Sheet; and
- Cash Flow Statement.

Quarterly Reporting

As required by Section 13 of the Act, the Authority will provide to the Minister after the end of a quarter a report which details any land acquisition by the Authority during the quarter.

Annual Reporting

To comply with the *Financial Management Act 1996* and to enable whole of government reporting requirements to be met, the Authority will provide the following information to the Auditor-General and CMTEDD by the dates set by Treasury:

- certified financial statements;
- Statement of Performance;
- management discussion and analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

As required by Section 14 of the Act, the Authority will prepare an annual report under the *Annual Reports (Government Agencies) Act 2004*, including:

- any Statement of Expectations and Statement of Operational Intent in effect during the reporting year;
- a report on the extent to which the Statement of Operational Intent in effect during the reporting year was met during the reporting year; and
- if the Statement of Operational Intent was not met in whole or in part during the reporting year - give reasons why the Statement of Operational Intent was not met.

Ministerial and Directorate Reporting

The Authority will provide timely, accurate and coordinated advice to Government, including the Minister, on significant issues in its core area of business, including (but not limited to):

- matters for which the Government is likely to be accountable in the Legislative Assembly;
- important operational or budgetary issues, including management of its responsibilities under the *Work Health and Safety Act 2011*;
- the Authority's achievement of set housing targets; and
- matters related to its internal governance, including compliance with the Government's framework for management of risk.

Financial arrangements

Budgeted financial statements for the 2018-19 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity; and
- Cash Flow Statement.

Financial Statements

Table 8: City Renewal Authority: Operating Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Income							
Revenue							
4,758	Controlled Recurrent Payments	7,487	8,013	7	7,980	620	633
432	Land Revenue	1,819	0	-100	14,130	32,710	32,710
0	User Charges	63	63	-	63	63	63
0	Interest	184	222	21	118	60	44
1,764	Resources Received Free of Charge	1,926	1,792	-7	1,821	1,850	1,872
0	Other Revenue	1,964	1,967	..	1,970	1,973	1,976
6,954	Total Revenue	13,443	12,057	-10	26,082	37,276	37,298
Expenses							
3,038	Employee Expenses	3,886	3,996	3	4,138	4,221	4,320
389	Superannuation Expenses	460	488	6	509	523	537
3,133	Supplies and Services	6,493	6,921	7	6,972	7,131	7,518
0	Depreciation and Amortisation	135	622	361	662	912	2,158
182	Grants and Purchased Services	629	638	1	647	657	667
250	Cost of Goods Sold	610	750	23	8,423	19,176	19,176
0	Borrowing Costs	0	0	-	0	681	681
0	Other Expenses	162	0	-100	0	533	533
6,992	Total Expenses	12,375	13,415	8	21,351	33,834	35,590
-38	Operating Result from Ordinary Activities	¹ 1,068	-1,358	-227	4,731	3,442	1,708
-11	Income Tax Equivalent	320	0	-100	1,419	1,033	512
-27	Operating Result	748	-1,358	-282	3,312	2,409	1,196
-27	Total Comprehensive Income	748	-1,358	-282	3,312	2,409	1,196

Note(s):

1. The negative operating result in 2018-19 Budget is predominantly attributable to:
 - a. \$0.622 million depreciation expense - This is a non-cash expense related to capital projects transferred to the Authority in 2017-18; and
 - b. \$0.750 million non-capital land development costs - Early design, feasibility and consulting costs which cannot be capitalised and are attributable to future city land releases. These costs are funded from \$9.034 million cash balance transferred from the former Land Development Agency (LDA) at the establishment of the Authority.

Table 9: City Renewal Authority: Balance Sheet

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
Current Assets							
7,834	Cash and Cash Equivalents	9,950	8,082	-19	3,848	4,058	299
11,715	Inventories	10,486	11,626	11	19,685	19,306	17,927
9,500	Capital Works in Progress	4,000	22,100	453	43,408	45,096	16,208
29,049	Total Current Assets	24,436	41,808	71	66,941	68,460	34,434
Non Current Assets							
5,966	Inventories	5,966	5,966	-	5,966	5,966	5,966
0	Property, Plant and Equipment	1,004	19,373	#	19,911	26,699	61,929
0	Capital Works in Progress	18,991	0	-100	0	0	0
5,966	Total Non Current Assets	25,961	25,339	-2	25,877	32,665	67,895
35,015	TOTAL ASSETS	50,397	67,147	33	92,818	101,125	102,329
Current Liabilities							
603	Employee Benefits	636	626	-2	636	646	654
188	Other Liabilities	159	159	-	0	0	0
791	Total Current Liabilities	795	785	-1	636	646	654
Non Current Liabilities							
26	Employee Benefits	26	26	-	26	26	26
0	Other Liabilities	748	748	-	2,702	5,111	6,307
26	Total Non Current Liabilities	774	774	-	2,728	5,137	6,333
817	TOTAL LIABILITIES	1,569	1,559	-1	3,364	5,783	6,987
34,198	NET ASSETS	48,828	65,588	34	89,454	95,342	95,342
REPRESENTED BY FUNDS EMPLOYED							
34,198	Accumulated Funds	48,828	65,588	34	89,454	95,342	95,342
34,198	TOTAL FUNDS EMPLOYED	48,828	65,588	34	89,454	95,342	95,342

Table 10: City Renewal Authority: Statement of Changes in Equity

Budget at 30/6/18 \$'000	2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
Opening Equity						
0	0	48,828	#	65,588	89,454	95,342
0	0	48,828	#	65,588	89,454	95,342
Comprehensive Income						
-27	748	-1,358	-282	3,312	2,409	1,196
-27	748	-1,358	-282	3,312	2,409	1,196
0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds						
9,500	12,881	18,118	41	22,508	5,888	0
24,698	35,947	0	-100	0	0	0
27	-748	0	100	-1,954	-2,409	-1,196
34,225	48,080	18,118	-62	20,554	3,479	-1,196
Closing Equity						
34,198	48,828	65,588	34	89,454	95,342	95,342
34,198	48,828	65,588	34	89,454	95,342	95,342

Table 11: City Renewal Authority: Cash Flow Statement

2017-18 Budget		2017-18 Estimated Outcome	2018-19 Budget	Var %	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
4,758	Controlled Recurrent Payments	7,487	8,013	7	7,980	620	633
0	User Charges	63	63	-	63	63	63
0	Interest Received	184	222	21	118	60	44
432	Land Sales	1,819	0	-100	13,971	32,710	32,710
0	Other	1,964	1,967	..	1,970	1,973	1,976
5,190	Operating Receipts	11,517	10,265	-11	24,102	35,426	35,426
Payments							
3,038	Employee	3,855	4,004	4	4,128	4,211	4,312
389	Superannuation	458	490	7	509	523	537
1,369	Supplies and Services	4,729	5,129	8	5,151	5,281	5,646
182	Grants and Purchased Services	629	638	1	647	657	667
0	Borrowing Costs	0	0	-	0	681	681
-11	Income Tax Equivalent Payments	320	0	-100	1,418	1,034	513
1,479	Related to Cost of Goods Sold	610	1,890	210	16,483	18,796	17,796
0	Other	0	0	-	0	533	533
6,446	Operating Payments	10,601	12,151	15	28,336	31,716	30,685
-1,256	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	916	-1,886	-306	-4,234	3,710	4,741
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Payments							
9,500	Purchase of Property, Plant and Equipment	12,881	18,100	41	22,508	9,388	8,500
9,500	Investing Payments	12,881	18,100	41	22,508	9,388	8,500
-9,500	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-12,881	-18,100	-41	-22,508	-9,388	-8,500

Table 11: City Renewal Authority: Cash Flow Statement (continued)

2017-18 Budget	2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
9,500	12,881	18,118	41	22,508	5,888	0
9,034	9,034	0	-100	0	0	0
18,534	21,915	18,118	-17	22,508	5,888	0
Payments						
-56	0	0	-	0	0	0
-56	0	0	-	0	0	0
18,590	21,915	18,118	-17	22,508	5,888	0
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES						
7,834	9,950	-1,868	-119	-4,234	210	-3,759
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
0	0	9,950	#	8,082	3,848	4,058
CASH AT THE BEGINNING OF REPORTING PERIOD						
7,834	9,950	8,082	-19	3,848	4,058	299
CASH AT THE END OF REPORTING PERIOD						

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments:
 - the increase of \$2.729 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly associated with the implementation of initiative Building a better city – City Renewal Authority – Operational funding which was funded in the 2017-18 Budget Review (\$2.472 million).
- land revenue:
 - the increase of \$1.387 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to an increase in land sales revenue associated with air and subterranean rights sold for a city block during the year.
 - the decrease of \$1.819 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to no forecast land sales in the 2018-19 year.
- other revenue:
 - the addition of \$1.964 million in the 2017-18 estimated outcome from the 2017-18 Budget relates to the transfer of the CCMIL from EPSDD. The administration of the CCMIL has been transferred to the City Renewal Authority.
- supplies and services:
 - the increase of \$3.360 million in the 2017-18 estimated outcome from the 2017-18 Budget is due primarily to the implementation of initiative Building a better city – City Renewal Authority – Operational funding which was funded in the 2017-18 Budget Review (\$1.582 million) and expenditure associated with the CCMIL program (\$1.964 million).

Balance Sheet

- cash and cash equivalents:
 - the increase of \$2.116 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the increase in land sales revenue associated with the sale of air and subterranean rights on a city block.
 - the decrease of \$1.868 million in the 2018-19 Budget from the 2017-18 estimated outcome is associated with land development costs (early design, feasibility and consulting works) related to future city releases. These land development costs are funded through transferred cash balances (\$9.034 million) from the former LDA.

- current and non-current inventories:
 - the decrease of \$1.229 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to decreased land development costs anticipated to be incurred during the 2017-18 year.
 - the increase of \$1.140 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to land development costs for future city releases expected to be incurred during the year.
- current and non-current capital works in progress:
 - the increase of \$13.491 million in the 2017-18 estimated outcome from the 2017-18 Budget is largely due to the transfer of Capital Works in Progress balances (\$10.110 million) to the City Renewal Authority from EPSDD. A further (\$2.750 million) is associated with the implementation of initiative Building a better city – City Renewal Authority – City precinct improvements which was announced as part of the 2017-18 Budget Review.
- property, plant and equipment:
 - the increase of \$1.004 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the transfer of fixed assets at written down value from the former LDA during the year.
 - the increase of \$18.369 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the capitalisation of non-current capital works in progress balances (\$18.991 million) which is partially offset by accumulated depreciation (\$0.622 million).

Statement of Changes in Equity and Cash Flow Statement

Variations in the Statement are explained in the notes above.

SUBURBAN LAND AGENCY – STATEMENT OF INTENT

The Suburban Land Agency is a Territory Authority established under the *City Renewal Authority and Suburban Land Agency Act 2017*.

This Statement of Intent for 2018-19 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Ms Yvette Berry MLA was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2018-19 Budget year has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Suburban Land Agency's strategic and business planning processes.

The Suburban Land Agency 2018-19 Statement of Intent has been agreed between:



Mr John Fitzgerald
Chair, Suburban Land Agency Board

17/05/2018



Ms Yvette Berry MLA
**Minister for Housing and Suburban
Development**

18/05/2018



Mr Andrew Barr MLA
Treasurer

SUBURBAN LAND AGENCY

Purpose

The Suburban Land Agency is a Territory Authority established under the *City Renewal Authority and Suburban Land Agency Act 2017* to deliver the ACT Government's desired suburban land development.

Our vision is to deliver:

'Great places, where communities thrive'

The Suburban Land Agency's objectives are to:

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

Nature and scope of activities

The Suburban Land Agency develops and releases government-owned land for residential, commercial, industrial and community purposes.

The Suburban Land Agency:

- buys and sells leases of land on behalf of the Territory;
- ensures a mixture of public and private housing in new suburbs;
- increases the supply of affordable and community housing;
- meets housing targets;
- carries out development of land in a manner that is environmentally sustainable;

- exercises its functions in a way that supports statutory greenhouse gas emissions targets and delivers environmentally sustainable development; and
- follows and supports whole of government strategies.

The Suburban Land Agency works with other entities to encourage cohesive suburban development.

By acting in a trustworthy, responsible and professional way, the Suburban Land Agency will:

- work efficiently and provide agreed returns to the Territory;
- consider the long-term sustainability of the Territory in all key commercial decisions on greenfield land in the ACT;
- encourage and support innovation to build a city for the future including transport, water supply, sustainable environments, connectivity and energy efficiency;
- deliver the Government’s Indicative Land Release Program (further details of this can be found in Table 4); and
- engage with the community in a clear, honest and professional way about the land development process and projects.

In balancing public sector and commercial priorities, the Suburban Land Agency will grow and maintain good relationships with the private sector and across the ACT Government.

Government’s Expectations

Correspondence updating the Minister’s expectations of the Suburban Land Agency was received on 19 April 2018. It reaffirmed the Government’s expectations as set out in the previous advice of 25 August 2017. Specific emphasis was included in the updated advice regarding better practice information management and governance, active participation in and contribution to land and housing planning, assisting others with the Suburban Land Agency’s experience and knowledge, and ensuring the Suburban Land Agency embodies the Government’s commitment to true gender equality.

ACT Government and Other Planning Strategies

The ACT Government in its *Statement of Planning Intent 2015*, sets out the key planning priorities for the ACT Government. These priorities remain unchanged. The statement aims to create a more compact and sustainable city that is inclusive, vibrant, connected, prosperous and environmentally responsible. It encourages quality design of public spaces to promote innovation and flexibility in the planning system and to effectively manage planning and design outcomes.

In its development of new estates, suburbs and communities, the Suburban Land Agency will provide support in recognising and responding to the community’s desire for:

- compact and sustainable neighbourhoods;

- collaboration between the public and private sectors;
- housing choice and affordability;
- improved quality of urban design in public spaces; and
- showcasing sustainability and quality design in new developments and precincts.

The Suburban Land Agency complies with ACT Government and Commonwealth legislation, codes and policies in its operations and land development activities. Relevant planning strategies and codes are incorporated into all residential estates. These strategies, codes and other items include, but are not limited to, the:

- *Estate Development Code*;
- *Crime Prevention through Environmental Design General Code*;
- *Waterways: Water Sensitive Urban Design General Code*;
- Structure Plans, Concept Plans or Precinct Codes for the identified area;
- *Environmental Protection Act 1997*;
- *Nature Conservation Strategy 2013-2023*;
- *Heritage Act 2004* and *Environment Protection and Biodiversity Conservation Act 1999* (Cwth);
- *Climate Change and Greenhouse Gas Reduction Act 2010*;
- *ACT Climate Change Adaptation Strategy 2016*;
- *Design Standards for Urban Infrastructure*;
- *Active Travel Framework*; and
- Affordable housing targets set in accordance with the *City Renewal Authority and Suburban Land Agency Act 2017* and the *Affordable Housing Action Plan*.

Land Supply

The ACT Government updates and publishes its indicative land release program each year. The Suburban Land Agency was consulted in the development of the 2018-19 to 2021-22 Indicative Land Release Program (Indicative Land Release Program).

The Indicative Land Release Program includes residential, commercial, industrial and community releases. It aims to meet market needs by providing a range of land choices that allow for a variety of housing types, and community and mixed use developments. The Indicative Land Release Program represents an important part of the ACT Government's economic, social and environmental strategic planning framework.

The Indicative Land Release Program gives guidance on how the ACT Government intends to release land. This information can be useful for a range of people and organisations such as

property developers, builders, homeowners, investors, community organisations, and business and industry sectors.

The Suburban Land Agency is responsible for managing the release of land for residential, commercial, industrial and community purposes specified under the program through:

- releasing serviced sites from its own greenfield estates, urban renewal and infill locations;
- partnering with others in joint venture developments;
- releasing large areas of raw land directly to the private sector (englobo releases); and
- giving feedback to the Environment, Planning and Sustainable Development Directorate (the Directorate) about the delivery of the Indicative Land Release Program, including any suggested refinements.

Risks

The Suburban Land Agency maintains a risk register that identifies risks under the following categories:

- Strategic – ACT and Commonwealth Government policy, priorities and strategies; external conditions, activities and environment; and meeting community and government expectations.
- Operational – Management of financial and non-financial targets, business and financial systems and processes, work health and safety, organisational and workforce planning, projects and land development, and effective governance.
- Fraud and Corruption – Management of information including compliant records management, procedures, procurement, resources and contracts.

The risk priorities of the Suburban Land Agency are:

- Safety – ensuring that work health and safety risk is identified, managed and actively monitored.
- Effectiveness – striving to deliver quality outcomes the first time.
- Efficiency – delivering value for money to the ACT community.

Priorities and Strategies for 2018-19 to 2021-22

The Suburban Land Agency has the following strategic priorities to support achievement of its purpose, manage risks and deliver on ACT Government policies and priorities for 2018-19 to 2021-22:

Culture

- 1) A trusted organisation, delivering in partnership with Government, industry and the community.
- 2) Values driven behaviour.
- 3) Engaged and empowered staff.
- 4) Staff embrace and model respect, accountability, probity and transparency in their work.
- 5) Meet the Government's expectations at a strategic and operational level.

Business Improvement

- 6) Good governance.
- 7) Effective risk management.
- 8) Excellent work health and safety frameworks.
- 9) Integrated systems, tools and processes that present a consistent source of information.
- 10) Financially responsible operations that deliver value for money.

Community Needs

- 11) Solutions developed and implemented for the diverse range of community needs.
- 12) A mix of block sizes and locations for construction within our developments.
- 13) Placemaking and design excellence.
- 14) Developments that provide the community with good connections to employment hubs, transport, services and infrastructure.

Affordable Living

- 15) Affordable housing in well served areas.
- 16) Developments with low running and maintenance costs.
- 17) Suitable land supply.

Climate Adaptation

- 18) Biodiversity protected and enhanced in our developments.
- 19) Climate responsive design including water and energy sensitive communities.
- 20) Infrastructure that can be maintained within Government expectations and resources.

The Suburban Land Agency will initiate the following major activities to support achievement of its priorities for 2018-19 to 2021-22:

Culture

- 1) Strengthen a positive culture in the Suburban Land Agency through education, better communication and actively responding to concerns.
- 2) Ensure awareness within the Suburban Land Agency of the 2018 Staff Survey outcomes and action plan, and undertake a staff satisfaction survey by 2019.
- 3) Improve and implement risk and work health and safety frameworks.
- 4) Promote diversity within the Suburban Land Agency work place, which may include partnering with local universities and reviewing employment advertising strategies.
- 5) Finalise a Strategic Human Resources Plan for the Suburban Land Agency.

Business Improvement

- 6) Scope and implement a business improvement program with a focus on processes, systems and data.
- 7) Work with other areas of the ACT Government to improve whole of life urban infrastructure outcomes within the Suburban Land Agency's estates and developments.
- 8) Collaborate and co-operate with other ACT and Commonwealth Government agencies to deliver and advise the ACT Government on key government priorities including land development, future areas of growth, housing, renewal, affordable housing, property market conditions and effective community building.

Community Needs

- 9) Establish an innovation capability designed to enhance outcomes in community needs, affordable living, inclusive communities and climate adaptation.
- 10) Engage and build strategic relationships with local communities, industry associations, special interest groups and the broader ACT community to make sure any relevant interests are identified and considered in land release activities.
- 11) Deliver community building and development programs to encourage resident involvement and connection to their local community.
- 12) Share the learnings of the Mingle program within the ACT Government and with other interested parties.

Affordable Living

- 13) Review Government initiatives and industry exemplar projects to determine the best approach for industry partnering, particularly in affordable living and climate adaptation.
- 14) Identify opportunities within the Indicative Land Release Program and with industry partners to create affordable housing and climate adaptation demonstration projects.

- 15) Facilitate and support the delivery of affordable housing including community and public housing.

Climate Adaptation

- 16) New Suburban Land Agency greenfield estates (>500 single residential dwellings) exhibit and promote initiatives focused on biodiversity, energy efficiency and sustainability.
- 17) Bushfire Management Plans will be developed, where applicable, as part of the Estate Development Planning process.

Key land developments for 2018-19 to 2021-22 include:

- a) Ginninderry – Deliver stage one construction work providing an innovative housing affordability model.
- b) Molonglo – Complete releases of land in Coombs and Wright; finalise development of the first stage in Whitlam; and release further commercial land.
- c) Gungahlin – Continue development and release of land in Taylor and Jacka; and release commercial land in the Gungahlin Town Centre.
- d) Industrial – Continue land release to meet market demand; and subject to finalisation of the Eastern Broadacre planning project, increase availability of land in Fyshwick and Symonston.
- e) Urban – Continue development and release of urban development and Asset Recycling Initiative (ARI) sites identified in the Indicative Land Release Program.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget
Staffing (FTE)	77	85 ¹	92 ²

Note(s):

1. The 2017-18 estimated outcome includes a revised FTE establishment profile. This reflects the final outcome of the agreed transfer of functions from the former Land Development Agency to the Environment, Planning and Sustainable Development Directorate, Suburban Land Agency and City Renewal Authority.
2. The staffing profile is unchanged between the 2018-19 Budget and the 2017-18 estimated outcome. It is expected that current vacancies will be filled in the 2018-19 financial year.

Table 2: 2018-19 Employment Profile

Classification	Male	Female	Vacant	Total
Executive	5	0	0	5
IM/S 3	5	0	0	5
IM/S 1	1	1	0	2
IO5	2	0	2	4
IO4	6	2	1	9
IO3	7	1	1	9
IO2	0	2	0	2
SOGA	1	2	1	4
SOGB	4	4	3	11
SOGC	3	13	2	18
ASO6	2	5	1	8
ASO5	0	7	1	8
ASO4	1	3	2	6
ASO3	0	0	1	1
Total	37	40	15¹	92

Notes:

1. As at the end of March 2018, there were 15 vacant positions against a revised establishment of 92 FTE.

Key performance indicators for 2018-19 to 2021-2022

Financial Measures

The following table outlines the Suburban Land Agency's performance measures for profitability and financial stability.

Table 3: Financial Measures

	2017-18 Estimated Outcome	2018-19 Budget	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
Land Revenue (million) ⁸	\$445	\$701	\$520	\$638	\$601
Operating Result from Ordinary Activities (before Tax) (million)	\$280	\$328	\$234	\$276	\$195
Operating Result (after Tax) (million) ⁸	\$196	\$230	\$164	\$193	\$137
Total Return to Government (million) ^{1,8}	\$376	\$503	\$267	\$322	\$246
Return on Assets (%) ²	53.6	64.7	45.0	52.6	45.2
Gross Profit Margin on Land Sales (%) ^{3,6,7}	85.5	70.8	54.3	51.3	41.2
Net Profit Margin (%) ^{4,6,7}	42.0	32.2	30.8	29.7	22.3
Inventory Turnover (%) ⁵	25.1	66.0	62.8	85.0	141.9
Net Cash Inflows from Operating Activities (million)	\$207	\$279	\$75	\$272	\$266

Notes:

- Total return to Government = operating result before tax + payments for land acquisitions + payroll tax + stamp duty equivalents + land holding costs equivalents + capital distributions.
- Return on assets = (operating result before tax + borrowing costs) / average total assets for period.
- Gross profit margin = (land sales - cost of goods sold including duty) / land sales.
- Net profit margin = operating result / total revenue.
- Inventory turnover = cost of goods sold / average inventory.
The high inventory turnover in 2021-22 is due to high cost of goods sold because the majority of settlements in the year are greenfield sites which require more construction work.
- The profit margins of the Suburban Land Agency are used for internal purposes to provide comparatives across projects and time periods. These margins are not comparable with private industry, noting that the Government, through the Suburban Land Agency, enters into the land development process at an earlier stage than a private developer. Additionally, the Government invests in infrastructure within and around its developments with the cost incurred by other Government agencies and therefore not reflected in the Suburban Land Agency's profit margins.
- The higher profit margins in 2017-18 and 2018-19 are affected by the factors listed below. If adjusted, the gross profit margin in 2017-18 and 2018-19 would be 61.5% and 46.2% and net profit margins 35.2% and 25.5% respectively.
 - The accounting treatment for ARI land - the cost of ARI land is expensed in the period of custodianship transfer to the Suburban Land Agency and therefore is not considered in the calculation of gross profits.
 - A reduction in the attribution of cost of goods sold recognised in prior years.
- Higher land revenue, operating result and total return to government in 2018-19 is primarily due to an extensive asset recycling program and the inclusion of the revenues and expenses from the West Belconnen joint venture.

Non-Financial Measures

The Suburban Land Agency's non-financial performance will be measured by assessing:

- the level of achievement against the targets for the release of residential, commercial, industrial and community land specified in the Government's Indicative Land Release Program for 2018-19 as set out in Table 4 below; and
- performance against the targets in Table 5.

Table 4: Key Performance Indicators (non-financial) – Land Release

Indicative Land Release Program – Suburban Land Agency sites¹		
Release Type		2018-19 Target
a. Residential, comprising:		4,060 dwellings
Detached blocks (includes compact & townhouse blocks)	1,396 dwellings	
Multi-Unit	769 dwellings	
ARI Detached blocks	0 dwellings	
ARI Multi-Unit	1,895 dwellings	
b. Mixed Use		34,346 m ²
c. Commercial		1,559 m ²
d. Industrial		20,000 m ²
e. Community		87,520 m ²
Affordable Housing Land Release Type (included in above totals)		532 dwellings
Affordable Purchase and Land Rent	472 dwellings	
Public Housing	60 dwellings	
Community Housing	0 dwellings ²	

Note:

1. Full Indicative Land Release Program is available at <https://www.planning.act.gov.au/topics/land-release>.
2. For 2018-19, two sites have been identified in Scullin and Giralang for the community housing target. Both of these sites are currently ACT Property Group sites identified for disposal and therefore do not appear in the 2018-19 to 2021-22 Indicative Land Release Program for release via the Suburban Land Agency.

Table 5: Key Performance Indicators (non-financial) – Non-Land Release

	Indicator	Strategic Priority Area ¹	2018-19 Target
1	Deliver stakeholder engagement activities as per the Stakeholder Engagement Plan	C	Three activities
2	Work Health and Safety (Active Certification) audits completed	BI	35 Audits
3	Maintain gender equality in Suburban Land Agency staffing	BI	Gender balance within 10%
4	Recruitment panels with 50% or greater female membership	BI	100%
5	Maintain cultural diversity in Suburban Land Agency staffing	BI	20% of staff identify as culturally and linguistically diverse
6	Internal Audits engaged	BI	6
7	User sessions on Suburban Land Agency Webpage	CN	100,000
8	Increase followers of all Mingle social media pages	CN	Increase by 10%
9	Resident satisfaction with communities with an active Mingle program and with more than 200 completed homes: <ul style="list-style-type: none"> <i>The Mingle Community Development Program has made me feel more connected in my suburb?</i> <i>The Mingle Community Development Program has made me feel more informed in my suburb?</i> 	BI	75% of surveyed occupants rated Agreed or above 75% of surveyed occupants rated Agreed or above
10	Improvement in staff engagement measured by the annual staff satisfaction survey Improvement in lowest three indicators from previous year's survey	C	80% participation 20% average improvement
11	Reduction in Freedom of Information requests from members of the public	CN	10% on 2017-18
12	Completion of major organisational activities/projects	BI	90%

Note:

1. CN – Community Needs; C – Culture; BI – Business Improvement.

Assessment of performance against 2017-18 objectives

The Suburban Land Agency was established by the ACT Government on 1 July 2017. Establishment included formation of a new Board and appointment of a new Chief Executive Officer. In its first year of operation the Board and the Suburban Land Agency have focussed on ensuring that the organisation makes sound decisions, based on good information and communicates these effectively. The Suburban Land Agency's performance against the objectives detailed in the *City Renewal Authority and Suburban Land Agency Act 2017* are as follows:

Encourage and promote inclusive communities through the delivery of people-focussed neighbourhoods

The Suburban Land Agency coordinated a community development program known as 'Mingle' in new greenfield suburbs with an active program of events. The Mingle program supported development of new communities through the provision of information, community activities and created opportunities for members of the community to meet and socialise. In the first nine months of 2017-18 the Mingle program coordinated 57 community activities. The program also provided information through social media and regular newsletters. In May 2018 the Mingle program was nominated as a finalist for the Project Innovation award at the Property Council of Australia awards.

The Suburban Land Agency built positive and productive relationships with community and stakeholders. Through the Mingle program new stakeholder relationships were formed with a number of organisations and interest groups including Neighbourhood Watch, Molonglo River Catchment Group, University of Canberra, Relationships Australia, Conservation Council and Actsmart Sustainability.

The Suburban Land Agency has worked closely with industry associations and regulatory bodies to consult, inform and educate the construction industry about land development and working safely.

Suburban development that supports: affordable living; safe and healthy population; social inclusion; and housing choice

The Suburban Land Agency released residential, mixed use and community sites providing a range of land choices for a variety of housing types consistent with the 2017-18 Indicative Land Release Program.

The Suburban Land Agency has delivered on the Government's priority of supporting affordable and community housing. It has worked closely with the Environment, Planning and Sustainable Development Directorate on identifying and delivering sites suitable for affordable, community and social housing. This included releases in: Wright, Coombs, Taylor, Gungahlin Town Centre and Greenway.

The Suburban Land Agency worked closely with key industry associations to educate and refine the affordable housing requirements to assist in the implementation of the Housing Affordability Policy.

Urban renewal, other than in an urban renewal precinct, and contributing to growth and diversification of the Territory's economy

The Suburban Land Agency has developed and released land in greenfields and urban renewal locations across Canberra. Major construction works are underway or completed to allow for future land release in Greenway, Taylor, Coombs, Throsby and Wright.

Residential land was released for sale in Greenway, Coombs, Wright, Red Hill, Gungahlin Town Centre, Throsby, Moncrieff, Lawson and Taylor.

Commercial, Mixed Use, Industrial or Community land was released for sale in Hume, Macgregor, Gungahlin Town Centre, Belconnen, Red Hill, Ngunnawal, Lawson and Wright. In addition, the Suburban Land Agency has facilitated land releases in accordance with the ARI in Reid, Braddon and Turner on behalf of the City Renewal Authority.

In 2017-18 the Suburban Land Agency was recognised as an industry leader in marketing through receipt of a commendation in the *UDIA NSW Awards for Excellence* for the 'On Northbourne' campaign.

Social and environmental sustainability

The Suburban Land Agency worked closely with the community, industry associations and government agencies to ensure that Estate Development Plans and construction activities met legislative and community expectations on social and environmental sustainability.

The West Belconnen joint venture (Ginninderry) has a strong focus on achieving positive sustainability outcomes. The development holds a six star rating through the Green Building Council and in 2017-18 its environmental focus was recognised through industry awards and invitations to speak at industry forums.

The Mingle program promoted environmental sustainability in new communities. A partnership agreement has been entered into with Actsmart, who provided a series of workshops and information programs to support new residents when building and moving into their new homes. Other activities included a tree planting day, 'Clean up Australia' Day and promotion of the Molonglo River Corridor Plan of Management and Mulligans Flat Reserve.

Operate effectively, in a way that delivers value for money, in accordance with sound risk management practices

To ensure continued delivery of corporate and governance services within the new arrangements, the Suburban Land Agency finalised Service Level Agreements with the Environment, Planning and Sustainable Development Directorate and the City Renewal Authority for the provision of services and support in identified areas. The Suburban Land Agency has worked closely with the Directorate on reviewing and developing relevant policies, procedures and frameworks to ensure compliance and build on previous governance improvements.

Monitoring and Reporting

The Suburban Land Agency will report against the requirements of this Statement of Intent as well as the Chief Minister's Annual Report Directions in the Suburban Land Agency Annual Report.

The *Financial Management Act 1996* allows the Treasurer to receive financial and other statements from the Suburban Land Agency for a specific period, this includes annual and monthly reporting.

Monthly Reporting

To meet whole of government reporting requirements on a monthly basis, the Suburban Land Agency will ensure the timely availability of the financial statements to the Treasurer through the Chief Minister, Treasury and Economic Development Directorate. The statements will be in the below prescribed form and required detail, for the previous calendar month. These will be provided by the due dates set by Treasury.

- Statement of Comprehensive Income;
- Balance Sheet; and
- Cash Flow Statement.

Annual Reporting

To comply with the *Financial Management Act 1996* and to enable whole of government reporting requirements to be met, the Suburban Land Agency will provide the following information to the Auditor-General and the Chief Minister, Treasury and Economic Development Directorate by the dates set by Treasury:

- certified financial statements;
- Statement of Performance;
- Management Discussion and Analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

Ministerial and Directorate Reporting

The Suburban Land Agency will provide timely, accurate and coordinated advice to Government, including the Minister, on its activities, responsibilities, significant issues and decisions of the Suburban Land Agency Board. This is in accordance with the *City Renewal Authority and Suburban Land Agency Act 2017* ('the Act').

The Suburban Land Agency will provide a quarterly report to the Minister detailing:

- its activities, initiatives or business operations undertaken in support of the objects of the Suburban Land Agency contained in Section 38 of the Act;
- assurance statements that any sale of leases of land was consistent with Section 38 of the Act; and
- land acquisitions in accordance with Section 43 of the Act.

The Suburban Land Agency will also report annually to the Minister on its achievements and progress with regards to gender diversity and cultural improvement activities.

Financial arrangements

The Suburban Land Agency is a self-funded statutory authority which, in normal circumstances, requires no supplementary funding from the ACT Government.

Joint Venture

The ACT Government holds 60% equity in the West Belconnen joint arrangement. The Suburban Land Agency acts as the agent on behalf of the ACT Government.

The West Belconnen joint arrangement was established on 23 November 2016 as a joint venture and was presented in the 2017-18 Budget statements using the equity method. This method involved reporting the share of net returns against a single line item in the Statement of Comprehensive Income. The net investment in the joint venture was shown in the Balance Sheet.

For the 2018-19 Budget statements, the West Belconnen joint arrangement is classified as a joint operation in accordance with the accounting standards. The assets, liabilities, revenues and expenses of the joint operation are now proportionately consolidated with the Suburban Land Agency in the Statement of Comprehensive Income and the Balance Sheet.

For consistency, all references outside of this section of the Statement of Intent will apply the original nomenclature of the West Belconnen joint venture.

Financial Statements

Table 6: Suburban Land Agency: Operating Statement

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
Income							
Revenue							
575,832	Land Revenue	445,461	700,646	57	519,527	638,453	600,936
392	User Charges	1,135	979	-14	1,006	1,023	1,040
6,413	Interest	5,905	2,745	-54	2,117	968	940
9,120	Resources Received Free of Charge	13,367	8,626	-35	8,765	8,906	9,129
484	Other Revenue	262	274	5	274	274	274
592,241	Total Revenue	466,130	713,270	53	531,689	649,624	612,319
592,241	Total Income	466,130	713,270	53	531,689	649,624	612,319
Expenses							
12,040	Employee Expenses	8,463	12,972	53	13,454	14,182	14,505
1,534	Superannuation Expenses	1,425	1,609	13	1,654	1,696	1,740
37,586	Supplies and Services	28,232	40,355	43	43,589	44,809	44,167
0	Depreciation and Amortisation	113	143	27	132	90	63
974	Grants and Purchased Services	152	153	1	154	155	157
156,513	Cost of Goods Sold	63,803	202,345	217	236,026	309,030	351,102
611	Borrowing Costs	991	2,662	169	1,744	2,328	2,955
40,657	Other Expenses	83,063	124,839	50	1,317	1,759	2,232
249,915	Total Expenses	186,242	385,078	107	298,070	374,049	416,921
4,222	Share of Operating Profit from Joint Venture Accounted for using the Equity Method	0	0	-	0	0	0
346,548	Operating Result from Ordinary Activities	279,888	328,192	17	233,619	275,575	195,398
103,964	Income Tax Equivalent	83,967	98,458	17	70,085	82,672	58,619
242,584	Operating Result	195,921	229,734	17	163,534	192,903	136,779
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
-3,362	Increase/(Decrease) in Asset Revaluation Surplus	-3,362	0	100	0	0	0
-3,362	Total Other Comprehensive Income	-3,362	0	100	0	0	0
239,222	Total Comprehensive Income	192,559	229,734	19	163,534	192,903	136,779

Table 7: Suburban Land Agency: Balance Sheet

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
Current Assets							
199,859	Cash and Cash Equivalents	143,548	58,989	-59	37,766	121,292	97,550
10,879	Receivables	10,841	7,383	-32	12,578	9,031	9,031
267,536	Inventories	218,163	300,939	38	357,652	261,911	137,135
478,274	Total Current Assets	372,552	367,311	-1	407,996	392,234	243,716
Non Current Assets							
19,685	Receivables	41,834	54,911	31	31,660	25,988	25,988
47,193	Investment - Joint Venture	0	0	-	0	0	0
46,844	Inventories	48,837	45,254	-7	47,742	59,580	36,282
49,625	Property, Plant and Equipment	46,475	45,980	-1	45,887	46,403	47,015
602	Intangible Assets	104	65	-38	26	0	0
163,949	Total Non Current Assets	137,250	146,210	7	125,315	131,971	109,285
642,223	TOTAL ASSETS	509,802	513,521	1	533,311	524,205	353,001
Current Liabilities							
41,350	Payables	107,809	60,016	-44	60,016	60,016	60,016
2,523	Employee Benefits	3,276	4,280	31	5,302	6,350	7,424
83,561	Other Provisions	22,298	18,840	-16	24,035	20,489	20,489
31,027	Income Tax Payable	53,503	59,507	11	30,013	24,419	4,360
287,518	Other Liabilities	101,075	147,389	46	194,002	192,988	40,761
445,979	Total Current Liabilities	287,961	290,032	1	313,368	304,262	133,050
Non Current Liabilities							
115	Employee Benefits	201	201	-	201	201	209
69,004	Other Provisions	68,906	70,554	2	67,008	67,008	67,008
27,717	Deferred Tax Liability	37,291	37,291	-	37,291	37,291	37,291
0	Other Liabilities	12,927	12,927	-	12,927	12,927	12,927
96,836	Total Non Current Liabilities	119,325	120,973	1	117,427	117,427	117,435
542,815	TOTAL LIABILITIES	407,286	411,005	1	430,795	421,689	250,485
99,408	NET ASSETS	102,516	102,516	-	102,516	102,516	102,516
REPRESENTED BY FUNDS EMPLOYED							
102,770	Accumulated Funds	105,878	105,878	-	105,878	105,878	105,878
-3,362	Asset Revaluation Surplus	-3,362	-3,362	-	-3,362	-3,362	-3,362
99,408	TOTAL FUNDS EMPLOYED	102,516	102,516	-	102,516	102,516	102,516

Table 8: Suburban Land Agency: Statement of Changes in Equity

Budget at 30/6/18 \$'000		2017-18 Estimated Outcome \$'000	Budget at 30/6/19 \$'000	Var %	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	Estimate at 30/6/22 \$'000
Opening Equity							
0	Opening Accumulated Funds	-3,362	105,878	#	105,878	105,878	105,878
0	Opening Asset Revaluation Reserve	3,362	-3,362	-200	-3,362	-3,362	-3,362
0	Balance at the Start of the Reporting Period	0	102,516	#	102,516	102,516	102,516
Comprehensive Income							
242,584	Operating Result - Including Economic Flows	195,921	229,734	17	163,534	192,903	136,779
-3,362	Inc/Dec in Asset Revaluation Reserve Surpluses	-3,362	0	100	0	0	0
239,222	Total Comprehensive Income	192,559	229,734	19	163,534	192,903	136,779
0	Transfer to/from Accumulated Funds	3,362	0	-100	0	0	0
0	Movement in Asset Revaluation Reserve	-3,362	0	100	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
-39,549	Capital Distributions to Government	-74,968	-122,386	-63	0	0	0
142,319	Inc/Dec in Net Assets due to Admin Restructure	143,555	122,386	-15	0	0	0
-242,584	Dividend Approved	-158,630	-229,734	-45	-163,534	-192,903	-136,779
-139,814	Total Transactions Involving Owners Affecting Accumulated Funds	-90,043	-229,734	-155	-163,534	-192,903	-136,779
Closing Equity							
102,770	Closing Accumulated Funds	105,878	105,878	-	105,878	105,878	105,878
-3,362	Closing Asset Revaluation Reserve	-3,362	-3,362	-	-3,362	-3,362	-3,362
99,408	Balance at the end of the Reporting Period	102,516	102,516	-	102,516	102,516	102,516

Table 9: Suburban Land Agency: Cash Flow Statement

2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Var %	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
431	User Charges	1,135	979	-14	1,006	1,023	1,040
4,315	Interest Received	5,432	1,575	-71	940	940	940
585,949	Land Sales	444,029	696,646	57	515,527	634,453	596,936
39,423	Other	17,650	23,938	36	27,131	17,431	18,672
630,118	Operating Receipts	468,246	723,138	54	544,604	653,847	617,588
Payments							
12,040	Employee	9,119	11,968	31	12,432	13,134	13,431
1,534	Superannuation	1,425	1,609	13	1,654	1,696	1,740
29,096	Supplies and Services	19,741	31,729	61	34,824	35,903	35,038
974	Grants and Purchased Services	152	153	1	154	155	157
611	Borrowing Costs	991	2,662	169	1,744	2,328	2,955
103,647	Income Tax Equivalent Payments	78,568	92,454	18	99,579	88,265	78,676
187,450	Related to Cost of Goods Sold	124,794	277,538	122	291,227	221,128	199,022
39,456	Other	26,199	25,675	-2	28,174	18,916	20,630
374,808	Operating Payments	260,989	443,788	70	469,788	381,525	351,649
255,310	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	207,257	279,350	35	74,816	272,322	265,939
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
12,868	Proceeds from Sale/Maturity of Investments	396	0	-100	0	0	0
0	Repayment of Loan Principal	0	8,563	#	29,646	5,700	0
12,868	Investing Receipts	396	8,563	#	29,646	5,700	0
Payments							
0	Purchase of Property, Plant and Equipment	12	51	325	0	579	675
20,000	Purchase of Land and Intangibles	7,892	0	-100	0	0	0
34,212	Purchase of Investments	0	0	-	0	0	0
0	Loans Provided (Loans Receivable)	4,105	18,821	358	8,764	0	0
54,212	Investing Payments	12,009	18,872	57	8,764	579	675
-41,344	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-11,613	-10,309	11	20,882	5,121	-675
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
203,210	Receipts of Transferred Cash Balances	182,654	0	-100	0	0	0
203,210	Financing Receipts	182,654	0	-100	0	0	0

Table 9: Suburban Land Agency: Cash Flow Statement (continued)

2017-18 Budget		2017-18 Estimated Outcome \$'000	2018-19 Budget \$'000	Var %	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000
	Payments						
66,252	Distributions to Government	66,680	170,179	155	0	0	0
151,065	Payment of Dividend	168,070	183,421	9	116,921	193,917	289,006
217,317	Financing Payments	234,750	353,600	51	116,921	193,917	289,006
-14,107	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-52,096	-353,600	-579	-116,921	-193,917	-289,006
199,859	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	143,548	-84,559	-159	-21,223	83,526	-23,742
0	CASH AT THE BEGINNING OF REPORTING PERIOD	0	143,548	#	58,989	37,766	121,292
199,859	CASH AT THE END OF REPORTING PERIOD	143,548	58,989	-59	37,766	121,292	97,550

Notes to the Controlled Budget Statements

Significant variances are as follows:

Statement of Comprehensive Income

- land revenue:
 - the decrease of \$130.371 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the delayed settlement of the Red Hill Precinct ARI sale and delayed Taylor and Throsby settlements; and
 - the increase of \$255.185 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to the increase in ARI site settlements including the delayed settlement of the Red Hill Precinct from 2017-18 and the inclusion of West Belconnen joint venture sales. The land revenue attributable to the West Belconnen joint venture was included in the Share of Operating Profit from Joint Venture rather than Land Revenue in the 2017-18 Budget. This revenue is now proportionally consolidated with the Suburban Land Agency's revenue in the 2018-19 Budget.
- interest: the decrease of \$3.160 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to lower cash balances.
- resources received free of charge:
 - the increase of \$4.247 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to higher level of asset transfers from other Government agencies free of charge; and
 - the decrease of \$4.741 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominately due to asset transfers from other Government agencies free of charge returning to normal levels.
- employee expenses:
 - the decrease of \$3.577 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the capitalisation of project salaries, vacancies throughout the year and a one-off reduction (approximately \$1.1 million) in leave provisions as a result of staff transferred to other agencies upon discontinuation of the former Land Development Agency; and
 - the increase of \$4.509 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to an increase in the budgeted FTE in the 2018-19 financial year, effects of the 2017-18 one-off reduction in leave provisions as a result of staff transferred to other agencies and lower capitalisation of salaries than 2017-18.

- supplies and services:
 - the decrease of \$9.354 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to revisions in the timing of project related expenses, such as professional fees, sales and marketing, based on the outcome of cost estimate revisions and the delay of some settlements in 2017-18; and
 - the increase of \$12.123 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to increased project related expenses resulting from higher land settlements in 2018-19 including those delayed from 2017-18.
- cost of goods sold:
 - the decrease of \$92.710 million in the 2017-18 estimated outcome from the 2017-18 Budget reflects the lower land sales and cost estimate revisions; and
 - the increase of \$138.542 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to higher land settlements and the proportionate consolidation of the West Belconnen joint venture's Cost of Goods Sold.
- other expenses:
 - the increase of \$42.406 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the write down of ARI sites transferred from other ACT Government agencies which were delayed from 2016-17 and an increased write down of one transferred ARI site; and
 - the increase of \$41.776 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to the increase in the transfer of ARI sites from other ACT Government agencies.
- share of operating result from joint venture: the decrease of \$4.222 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the proportionate consolidation of the West Belconnen joint venture financials into the Suburban Land Agency's accounts rather than being accounted for in equity.
- income tax equivalent:
 - the decrease of \$19.997 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the lower operating result; and
 - the increase of \$14.491 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the higher operating result.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$56.311 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the payment of the balance of 2016-17 dividends in the 2017-18 financial year which was not envisaged to be paid in the 2017-18 Budget; and
 - the decrease of \$84.559 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to increases in capitalised development costs, capital distribution payments and dividend payments.
- current and non current receivables:
 - the increase of \$22.111 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to higher infrastructure asset receivables recognised and loan receivable from the joint venture, previously budgeted in Investment - Joint Venture; and
 - the increase of \$9.619 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to the loan receivable from the joint venture.
- current and non current inventory:
 - the decrease of \$47.380 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to a decrease in capitalised development expenses; and
 - the increase of \$79.193 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominantly due to construction occurring in Taylor, Whitlam, North Wright and Kingston Foreshore with settlements scheduled in future years.
- non current investments: the decrease of \$47.193 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the proportionate consolidation of the West Belconnen joint venture financials into the Suburban Land Agency's accounts rather than being treated as Investment - Joint Venture.
- current payables:
 - the increase of \$66.459 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to an increase in capital distributions payable and reclassification and inclusion of the provision for land payments to the Environment, Planning and Sustainable Development Directorate which was included in Other Liabilities in the 2017-18 Budget; and
 - the decrease of \$47.793 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the payment of capital distributions to the Territory upon settlement of ARI sites.

- current and non current other provisions: the decrease of \$61.361 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to a decrease in the provision for project completion resulting from a review of project cost estimates.
- income tax payable:
 - the increase of \$22.476 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to a lower amount paid in income tax instalments during the year resulting in higher income tax remaining to be paid; and
 - the increase of \$6.004 million in the 2018-19 Budget from the 2017-18 estimated outcome is largely due a higher operating result.
- deferred tax liability: the increase of \$9.574 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to an actual tax liability deferred at the end of the 2016-17 financial year which was unknown when the 2017-18 Budget was developed.
- current and non current other liabilities:
 - the decrease of \$173.516 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the payment of the balance of 2016-17 dividends in the 2017-18 financial year and a lower operating result; and
 - the increase of \$46.314 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to a higher operating result.

Statement of Cash Flow

Notes are not provided where significant variances are explained in the notes above.

- interest received: the increase of \$1.117 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to interest received from purchasers on delayed settlements.
- other receipts:
 - the decrease of \$21.773 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to decreased GST collected on sales as a result of the delay of some settlements; and
 - the increase of \$6.288 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to increased GST collected on sales as a result of higher land settlements.
- other payments: the decrease of \$13.257 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to reduced GST payments as a result of lower taxable expenditure.
- proceeds from sale/maturity of investments: the decrease of \$12.472 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the proportionate consolidation of the West Belconnen joint venture financials into the

Suburban Land Agency's accounts rather than being accounted for in equity and recognising a net distribution from the joint venture.

- repayment of loan principal: the increase of \$8.563 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the repayment of the loan by the West Belconnen joint venture.
- purchase of land and intangibles:
 - the decrease of \$12.108 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to reduced rural land purchases than budgeted; and
 - the decrease of \$7.892 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to decreased rural land purchases.
- purchase of investments: the decrease of \$34.212 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to the proportionate consolidation of the West Belconnen joint venture financials into the Suburban Land Agency's accounts rather than being accounted for in equity.
- loans provided (loans receivable): the increases of \$4.105 million in the 2017-18 estimated outcome from the 2017-18 Budget and \$14.716 million in the 2018-19 Budget from the 2017-18 estimated outcome are due to the loan provided to the West Belconnen joint venture.
- receipts of transferred cash balances:
 - the decrease of \$20.556 million in the 2017-18 estimated outcome from the 2017-18 Budget is due to a lower level of cash transferred than budgeted from the former Land Development Agency; and
 - the decrease of \$182.654 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the one off transfer of cash from the former Land Development Agency when it ceased operating from 1 July 2017.
- distributions to government: the increase of \$103.499 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to higher level of payments of capital distributions to the Territory on settlement of ARI sites.
- payment of dividend:
 - the increase of \$17.005 million in the 2017-18 estimated outcome from the 2017-18 Budget is predominantly due to the higher payment of the 2016-17 balance of dividends owing; and
 - the increase of \$15.351 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to an increase in the interim dividend payment.

Statement of Changes in Equity

Significant variances are explained in the notes above.