LAND

Objectives

Land manages the Government's land assets to ensure sustainable use and best return to the community. Land is responsible for the Territory's Land Release Program, joint ventures, Government land development and land sales.

The Land Release Program is prepared in close consultation with key industry groups and includes residential and commercial land. It includes the provision of land as part of the Government's Business Incentive Scheme. The program also contributes to community objectives by directly selling land to community groups.

Land will prepare for greater Territory involvement in land development. In the past, land development has been undertaken by the private sector. From 2003-04 this will change, land development will be undertaken by public/private partnerships with the private sector sharing responsibility for subdivisional design and development or by Land taking full responsibility on behalf of Government for all aspects of development including design, physical works and subsequent sales. Most functions will be contracted to the private sector.

Through involvement in land development, the Government will:

- improve design outcomes;
- improve access to land by large and small builders and by owner builders;
- increase financial returns to the Territory; and
- increase opportunities for affordable housing.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- establishing the capacity to develop land either "in house" or through joint venture partnerships with the private sector;
- increasing the stock of land available for release a year ahead of schedule, to better manage market fluctuations;
- facilitating the release of land for aged persons' accommodation, to meet demographic changes to the age profile in the Territory; and
- improving and enhancing the Land Management Account, to provide more reliable information on the costs that contribute to the generation of Territory land sales revenue.

Budgeted Financial Targets

Section 31 of the *Financial Management Act 1996 (FMA)* advises that Chief Executives are responsible for achievement of financial results. For the purpose of Section 31 of the FMA, key budgeted results are specified in the Budget Papers to improve accountability. An outcome of the increased accountability will be the requirement for Chief Executives to explain **material variances** from specified budgeted results.

In accordance with Section 31 of the *FMA*, following are the key budgeted results for Land.

- ***Operating Result ($42.036m surplus)*** **–** this measure focuses on the financial performance of Land, and will measure Land's success in managing expenditure levels within government funding and own-source revenue limitations;
- ***Current Ratio (4.2 to 1)*** **–** the current ratio is an indication of the ability to fund short term liabilities from short term assets. The measure is important in assessment of Land's ability to fund liabilities falling due in the next financial year;
- ***Dividends to Government ($54.151m)*** **–** this measure focuses on Land's ability to provide an adequate return to the Territory;
- ***Total Assets ($77.330m)*** **–** this measure focuses on the Land's ability to manage its assets including cash, receivables, investments, inventories and property, plant and equipment; and
- ***Total Liabilities ($9.094m)*** **–** this measure focuses on maintaining prudent levels of liabilities as required by Section 11 of the FMA. The majority of Land's liabilities relate to employee provisions and creditors.

Land
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
0	Interest	0	519	#	638	406	446
0	Revenue of Associates and Joint Ventures	0	2 302	#	0	0	0
0	Other Revenue	0	80 736	#	50 894	62 514	86 424
0	**Total Ordinary Revenue**	**0**	**83 557**	**#**	**51 532**	**62 920**	**86 870**
	Expenses						
0	Employee Expenses	0	1 836	#	1 860	1 885	1 909
0	Superannuation Expenses	0	324	#	328	332	336
0	Administrative Expenses	0	4 816	#	4 877	5 000	5 015
0	Depreciation and Amortisation	0	120	#	120	120	120
0	Borrowing Costs	0	25	#	25	25	25
0	Cost of Goods Sold	0	0	-	0	2 095	5 088
0	Other Expenses	0	34 300	#	10 234	20 333	32 254
0	Expenses of Associates and Joint Ventures	0	100	#	0	0	0
0	**Total Ordinary Expenses**	**0**	**41 521**	**#**	**17 444**	**29 790**	**44 747**
0	**Operating Result**	**0**	**42 036**	**#**	**34 088**	**33 130**	**42 123**
0	**Total Equity From Start of Period**	**0**	**0**	**-**	**68 236**	**61 110**	**57 681**
0	Capital Injections	0	1 845	#	0	0	0
0	Inc/Dec in Net Assets from Admin Restructure	0	78 506	#	0	0	0
0	Dividend Declared	0	-54 151	#	-41 214	-36 559	-41 986
0	**Total Equity At The End of Period**	**0**	**68 236**	**#**	**61 110**	**57 681**	**57 818**

Note: There was no published budget or estimated outcome in 2001-02 as Land is a new separate reporting entity from 1 July 2002.

Land
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
0	Cash	0	923	#	253	253	253
0	Receivables	0	25 174	#	18 203	18 146	18 155
0	Investments	0	3 199	#	1 750	1 750	1 750
0	Inventories	0	5 200	#	7 000	8 750	14 000
0	**Total Current Assets**	**0**	**34 496**	**#**	**27 206**	**28 899**	**34 158**
	Non Current Assets						
0	Receivables	0	37 565	#	32 565	27 565	22 565
0	Inventories	0	500	#	0	0	0
0	Property, Plant and Equipment	0	4 769	#	4 548	4 428	4 308
0	**Total Non Current Assets**	**0**	**42 834**	**#**	**37 113**	**31 993**	**26 873**
0	**TOTAL ASSETS**	**0**	**77 330**	**#**	**64 319**	**60 892**	**61 031**
	Current Liabilities						
0	Payables	0	6 353	#	1 071	1 071	1 071
0	Employee Entitlements	0	324	#	325	327	329
0	Other Provisions	0	104	#	0	0	0
0	Other	0	1 400	#	1 400	1 400	1 400
0	**Total Current Liabilities**	**0**	**8 181**	**#**	**2 796**	**2 798**	**2 800**
	Non Current Liabilities						
0	Interest Bearing Liabilities	0	500	#	0	0	0
0	Employee Entitlements	0	413	#	413	413	413
0	**Total Non Current Liabilities**	**0**	**913**	#	**413**	**413**	**413**
0	**TOTAL LIABILITIES**	**0**	**9 094**	**#**	**3 209**	**3 211**	**3 213**
0	**NET ASSETS**	**0**	**68 236**	**#**	**61 110**	**57 681**	**57 818**
	REPRESENTED BY FUNDS EMPLOYED						
0	Accumulated Funds	0	68 236	#	61 110	57 681	57 818
0	**TOTAL FUNDS EMPLOYED**	**0**	**68 236**	**#**	**61 110**	**57 681**	**57 818**

Note: There was no published budget or estimated outcome in 2001-02 as Land is a new separate reporting entity from 1 July 2002.

Land
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
0	Interest Received	0	597	#	609	463	437
0	Other Revenue	0	58 745	#	53 728	61 911	94 372
0	**Operating Receipts**	**0**	**59 342**	**#**	**54 337**	**62 374**	**94 809**
	Payments						
0	Related to Employees	0	2 180	#	2 187	2 215	2 243
0	Related to Administration	0	4 316	#	4 377	4 999	5 015
0	Borrowing Costs	0	25	#	25	25	25
0	Other	0	572	#	8 254	18 576	45 540
0	**Operating Payments**	**0**	**7 093**	**#**	**14 843**	**25 815**	**52 823**
0	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**0**	**52 249**	**#**	**39 494**	**36 559**	**41 986**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant & Equipment	0	101	#	101	0	0
0	**Investing Receipts**	**0**	**101**	**#**	**101**	**0**	**0**
	Payments						
0	Purchase of Property, Plant and Equipment	0	1 845	#	0	0	0
0	**Investing Payments**	**0**	**1 845**	**#**	**0**	**0**	**0**
0	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**0**	**-1 744**	**#**	**101**	**0**	**0**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Capital Injection from Government	0	1 845	#	0	0	0
0	Receipt of Transferred Cash Balances	0	6 132	#	0	0	0
0	**Financing Receipts**	**0**	**7 977**	**#**	**0**	**0**	**0**
	Payments						
0	Dividends to Government	0	54 151	#	41 214	36 559	41 986
0	Repayment of Borrowings	0	0	-	500	0	0
0	Repayment of Finance Lease	0	209	#	0	0	0

Land
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
0	**Financing Payments**	**0**	**54 360**	**#**	**41 714**	**36 559**	**41 986**
0	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**0**	**-46 383**	**#**	**-41 714**	**-36 559**	**-41 986**
0	**NET INCREASE/(DECREASE) IN CASH HELD**	**0**	**4 122**	**#**	**-2 119**	**0**	**0**
0	**CASH AT BEGINNING OF REPORTING PERIOD**	**0**	**0**	**-**	**4 122**	**2 003**	**2 003**
0	**CASH AT THE END OF THE REPORTING PERIOD**	**0**	**4 122**	**#**	**2 003**	**2 003**	**2 003**

Note: There was no published budget or estimated outcome in 2001-02 as Land is a new separate reporting entity from 1 July 2002.

Notes to the Budget Statements

Land commences operations on 1 July 2002. Land is to be segregated from Land and Property in the 2002-03 financial year to form a separate department for financial reporting purposes. Although the 2001-02 original budget and estimated outcome has not been presented, the notes below provide additional information regarding Land's financial position in the forward years.

Significant variations are as follows:

Statement of Financial Performance

- revenue of associates and joint ventures: the decrease of $2.302m in 2003-04 from the 2002-03 Budget is due to the winding down of activity for land development of the Harcourt Hill joint venture in 2002-03; and

- other revenue and other expenses: the decrease in 2003-04 from the 2002-03 Budget is due to the revision of the Land Release Program and associated infrastructure revenue and expenditure. The subsequent increase in the forward years is due to the commencement, and phasing in, of Government land development.

Statement of Financial Position

- total assets: the decrease in 2003-04 from the 2002-03 Budget is due to the revision of the Land Release Program, winding down of the joint venture, and the reduction in capitalised revenue from rural and commercial land rental leases; and

- total liabilities: the decrease in 2003-04 is from the 2002-03 Budget is due to a decrease in payables as a result of the winding down of the joint venture.

OUTPUT CLASS 1: LAND

PRINCIPAL MEASURES

OUTPUT 1.1: LAND

Description: To ensure sustainable land use and sale of land for the best return to the community.

Measures	**2001-02 Targets**	**2001-02 Estimated Outcome**	**2002-03 Targets**
Quantity			
Land			
Number of residential units and commercial blocks sold [1]	-	-	985
Number of Land Rental Properties managed	-	-	425
Preparation of a Land Release Strategy	-	-	1
Quality/Effectiveness			
The average cash return on greenfields sales is greater than Government funded physical infrastructure costs per block	-	-	>1
Timeliness			
Achievement of the published land release program	-	-	100%
Land release through auction	-	-	At least once every quarter
Cost			
Profit Margin [2]			>15%
TOTAL COST ($'000)			**$41,521.0**

Effective 1 July 2002, this output was created from the Land component of the discontinued output – 1.1 Land and Property The explanatory notes relating to the 2002-03 targets of this output should be read in conjunction with this separate schedule.

Notes:

(1) In 2002-03 the target has been set taking into account land releases by other organisations such as the Gungahlin Development Authority, the Kingston Foreshore Development Authority and the Commonwealth Government.

(2) The profit margin measures the contribution of revenue to operating result. It is defined as the operating result expressed as a percentage of the total revenue for the period.

Capital Works

	Estimated Total Cost	Expenditure previous years	2002-03 Estimated Expenditure	2002-03 Financing	Expected completion date
	$'000	$'000	$'000	$'000	
New Capital Works:					
Mitchell Section 6-construction of a service road	1 075	0	1 075	1 075	June 2003
Fyshwick Collie St – augmentation of the stormwater system	570	0	570	570	June 2003
Minor new works – general site preparation	200	0	200	200	June 2003
Total of New Capital Works	**1 845**	**0**	**1 845**	**1 845**	