

DEPARTMENT OF LAND AND PROPERTY SERVICES

Objectives

The primary objectives of the Department of Land and Property Services (the Department) are to address the demand for land for the affordable and sustainable development of the ACT, to facilitate strategic projects and to improve the use and management of government owned and leased properties.

2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 include:

- reducing unmet demand for residential land by increasing residential land releases for the affordable and sustainable development of the ACT;
- optimising the Territory's social, environmental and economic return from land releases through engagement with commercial, industrial, community and residential entities;
- building an inventory of urban renewal opportunities;
- determining a best practice procurement model for a Government Office Building;
- commencing construction of a visitors centre and continuing the development of the National Arboretum Canberra;
- streamlining the direct grant of land process;
- building strong relationships with industry;
- overseeing implementation of Nation Building projects in the ACT; and
- improving the use and returns from the Property Group's property portfolio.

Business and Corporate Strategies

The Department is building a values-based culture, through the development of a governance structure that provides clear accountability mechanisms, supported by risk management, compliance and assurance systems.

The Department's strategies include:

- adopting effective and efficient procurement and management systems to deliver major strategic government projects;
- working closely with the Land Development Agency (LDA) to address unmet demand for land;
- strengthening relationships with Commonwealth, other ACT Government departments and industry organisations to improve land release outcomes;
- examining an optimal management model for all Government owned property; and
- providing a productive work environment through effective leadership that develops staff capacity.

Estimated Employment Level

2008-09 Actual Outcome	2009-10 Budget	2009-10 Est. Outcome	2010-11 Budget
- Staffing (FTE) ¹	-	141	141

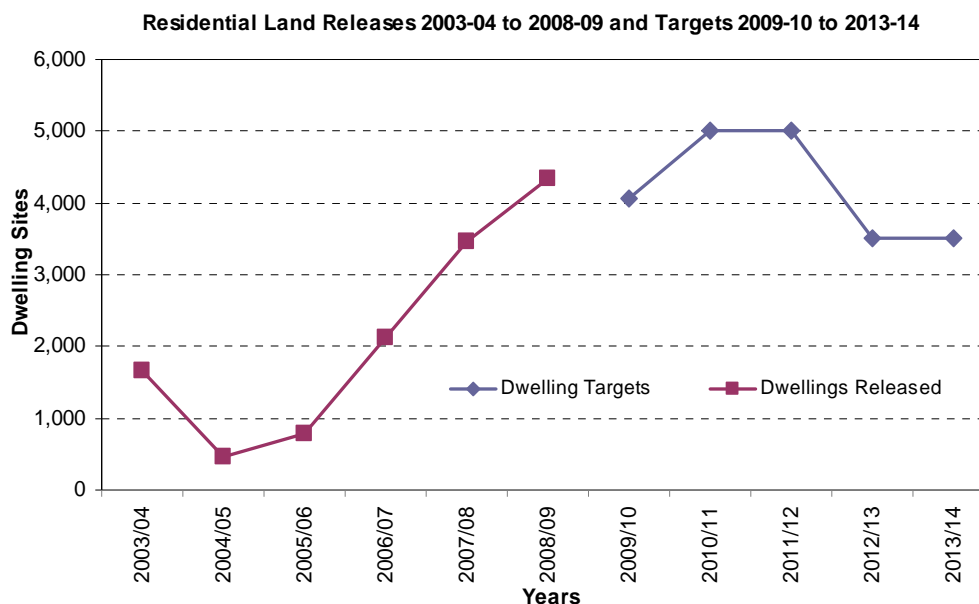
Note:

1. The Department was formed pursuant to the *Administrative Arrangements 2009 (No. 3)* of 1 December 2009 and so there was no 2009-10 Budget.

Strategic Indicators

Strategic Indicator 1 Release Land to Meet Unmet Demand

The Department prepares the four year residential, industrial and commercial land release strategy. The Government's objective is to meet unmet demand and to establish an inventory of land.



Strategic Indicator 2 Facilitating Timely Development and Delivery of Government Priority Projects

The Government has identified a number of significant strategic and capital works projects within Government and key private sector development initiatives that would benefit from central coordination by the Department.

Key projects include:

- Nation Building Stimulus Package;
- National Arboretum Canberra;
- Government Office Block; and
- coordination of land release related capital works.

Strategic Indicators cont.

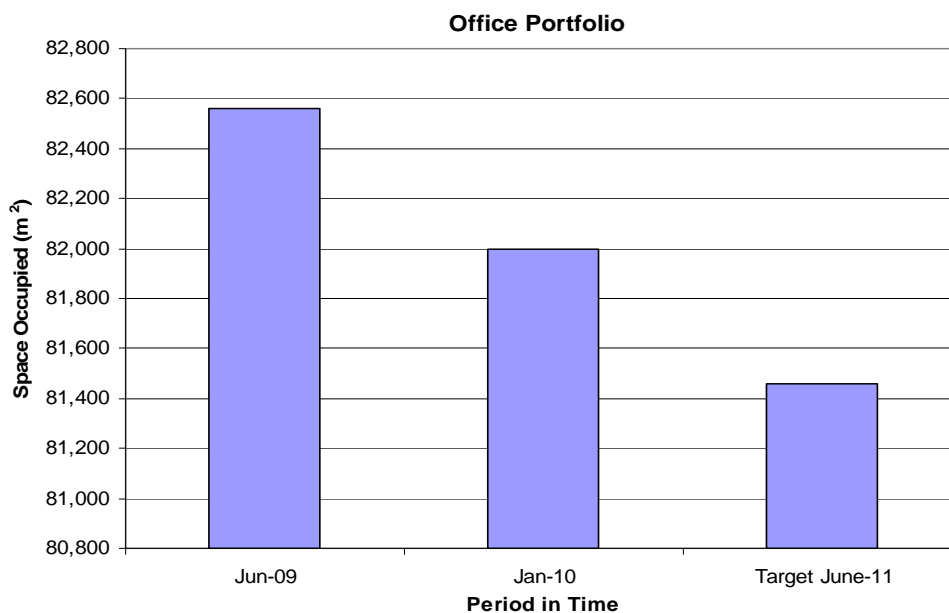
Strategic Indicator 3 Improving Housing Affordability

The Department is continuing to work with other agencies to implement the Government's affordable housing policies. The Government has increased the supply of affordable housing land releases as well as providing concessions to first home buyers and those on moderate incomes.

Strategic Indicator 4 Optimising Use of Government Owned and Leased Property

The Government's objective is to optimise the use of Government owned and leased property. This includes delivering improved environmental, social and economic outcomes. The Department assists the Government in optimising use of its owned and leased property through the provision of policy advice and implementation of measures to improve property utilisation.

The reduction of office space is one indicator of improved property utilisation.



Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2009-10	2010-11	2009-10	2010-11
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1: Land and Property Services	63,887	106,129	5,251	8,610
Output 1.1: Major Project Facilitation²	3,989	7,810	3,769	6,915

Notes:

1. Total cost includes depreciation of \$6.388 million in 2009-10 and \$12.514 million in 2010-11.
2. This output was transferred from the Chief Minister's Department as part of the *Administrative Arrangements 2009 (No. 3)* that took effect on 1 December 2009.

Output Description

Delivering or overseeing the delivery of a diverse range of capital projects in collaboration with Government agencies, the private sector and the community.

Major Project Facilitation will:

- manage whole of government capital projects;
- coordinate activities across Government to facilitate the delivery of private sector developments;
- lead and co-ordinate the delivery of the Government's land supply strategy; and
- lead and co-ordinate the delivery of affordable housing policies.

	Total Cost		Government Payment for Outputs	
	2009-10	2010-11	2009-10	2010-11
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output 1.2: Property Services¹	59,898	98,319	1,482	1,695

Note:

1. This output was transferred from the Department of Territory and Municipal Services as part of the *Administrative Arrangements 2009 (No. 3)* that took effect on 1 December 2009.

Output Description

Managing the ACT Government's owned and leased property assets.

Property services will:

- manage office accommodation on behalf of ACT Government agencies;
- provide facilities management services for Government agencies;
- manage surplus properties and community tenancies; and
- provide policy development for the sustainable management of government properties.

Accountability Indicators

	2009-10 Targets	2009-10 Est. Outcome	2010-11 Targets
Output Class 1: Land and Property Services			
Output 1.1: Major Project Facilitation¹			
a. Implement The Affordable Housing Action Plan	1	1	1
b. Progress (in partnership with the Australian National University) the development of key sites in the City West Precinct	1	1	1
c. Implement Building for Our Ageing Community Strategy	1	1	1
d. Continuing to develop a new government office building proposal	1	1	1
e. Develop and implement a land supply strategy	1	1	1
f. Progress implementation of the National Arboretum Canberra	1	1	1
g. Approved Inter-departmental Agreements an NBJP ²	1	1	n/a
h. Provide briefings to Government and Legislative Assembly on implementation of NBJP ²	2	2	n/a

Notes:

1. This output was transferred from the Chief Minister's Department as part of the *Administrative Arrangements 2009 (No. 3)* that took effect on 1 December 2009.
2. These indicators are no longer applicable as this aspect of implementation of the NBJP is complete.

	2009-10 Targets	2009-10 Est. Outcome	2010-11 Targets
Output 1.2: Property Services¹			
a. Accommodation utilisation rate (m2 per employee)	17.2	17.2	17.0
b. Occupancy rate of ACT Government office buildings	98%	98%	98%
c. Use of Greenpower	30%	30%	32.5%
d. Accommodation cost per employee	\$7,000	\$6,873	\$7,000
e. Occupancy rate for properties designated for use by non government tenants	95%	96%	96%

Note:

1. This output was transferred from the Department of Territory and Municipal Services as part of the *Administrative Arrangements 2009 (No. 3)* that took effect in 1 December 2009.

Changes to Appropriation

Changes to Appropriation - Departmental

	2009-10	2010-11	2011-12	2012-13	2013-14
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2009-10 Budget	0	0	0	0	0
Technical Adjustments					
Transfer - Strategic Project Facilitation from CMD	3,769	4,332	4,547	4,565	4,667
Transfer - ACT Property Group from TAMS	882	862	830	910	910
Transfer - ACT Government Office Building (Project Advice) from Treasury	600	-	-	-	-
Transfer - Policy and Analysis Functions from LDA	-	1,778	1,849	1,926	2,001
2010-11 Budget Policy Adjustments					
Land Release Capital Works Coordination	-	400	410	421	432
Identification of Land for Future Release	-	150	-	-	-
Assessment of Traffic Flows in Woden and Molonglo	-	205	-	-	-
Feasibility Assessment for a General Aviation Airport	-	50	-	-	-
Increase in Renewable Energy Uptake	-	270	302	338	378
Official Opening 2013 - National Arboretum Canberra	-	-	-	1,120	1,770
Conservation Management Plans for Heritage Buildings (Feasibility)	-	400	400	-	-
Revised Wage Parameters	-	163	293	304	311
Efficiency Dividend	-	-	(54)	(82)	(112)
2010-11 Budget Technical Adjustment					
Revised Indexation Parameters	-	-	-	-	112
2010-11 Budget	5,251	8,610	8,577	9,502	10,469

Changes to Appropriation cont.

Changes to Appropriation - Departmental

	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2009-10 Budget	0	0	0	0	0
Technical Adjustments					
Transfer - Project Facilitation from CMD	6,662	5,460	1,000	-	-
Transfer - ACT Property Group from TAMS	12,080	4,188	2,345	2,404	2,464
2010-11 Budget Policy Adjustments					
Official Opening 2013 - National Arboretum Canberra	-	7,710	12,110	2,800	-
Remediation of Fuel Storage Facilities	-	500	500	-	-
2010-11 Budget Technical Adjustments					
Rollover - Callam Offices Feasibility and Design	(650)	650	-	-	-
Rollover - Albert Hall Refurbishment	(400)	400	-	-	-
Rollover - Government Office Accommodation and Relocation Fitout	(5,000)	5,000	-	-	-
Rollover - Woden Gymnastics Club	(300)	300	-	-	-
Rollover - National Arboretum Canberra	(500)	500	-	-	-
2010-11 Budget	11,892	24,708	15,955	5,204	2,464

2010-11 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2010-11 \$'000	2010-11 Financing \$'000	2011-12 Financing \$'000	2012-13 Financing \$'000	Physical Completion Date
New Capital Works						
Official Opening 2013 – National Arboretum Canberra	22,620	-	7,710	12,110	2,800	Mar 2013
Conservation Management Plans for Heritage Buildings (Feasibility)	800	-	400	400	-	Jun 2012
Remediation of Fuel Storage Facilities	1,000	-	500	500	-	Jun 2012
Total New Capital Works	24,420	-	8,610	13,010	2,800	
Capital Upgrades						
Property Upgrades	2,288	-	2,288			
Total Capital Upgrades	2,288	-	2,288			
Total New Works	26,708	-	10,898	13,010	2,800	
Works in Progress						
Upgrade and Expand the Woden Gymnastics Club	550	250	300	-	-	Jan 2011
National Arboretum Canberra	25,451	18,491	5,960	1,000	-	Jun 2012
Government Office Accommodation Building Project	2,020	1,780	160	80	-	Jun 2012
Government Office Accommodation and Relocation Fitout	7,170	270	6,900	-	-	Jun 2011
Refurbishment of Albert Hall	3,223	2,823	400	-	-	Sep 2010
Upgrade of Callam Offices	811	161	650	-	-	Jun 2011
Total Works in Progress	39,225	23,775	14,370	1,080	-	
Total Capital Works Program	65,933	23,775	25,268	14,090	2,800	

Department of Land and Property Services
Operating Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
	Income						
	Revenue						
0	Government Payment for Outputs	5,251	8,610	64	8,577	9,502	10,469
0	User Charges - Non ACT Government	806	5,790	618	5,964	6,143	6,143
0	User Charges - ACT Government	57,199	91,728	60	97,786	100,579	101,091
0	Total Revenue	63,256	106,128	68	112,327	116,224	117,703
	Gains						
0	Total Gains	0	0	-	0	0	0
0	Total Income	63,256	106,128	68	112,327	116,224	117,703
	Expenses						
0	Employee Expenses	5,185	11,275	117	11,761	12,196	12,492
0	Superannuation Expenses	757	1,467	94	1,538	1,593	1,645
0	Supplies and Services	51,001	80,286	57	85,580	89,088	90,219
0	Depreciation and Amortisation	6,388	12,514	96	12,969	13,355	13,380
0	Borrowing Costs	556	587	6	102	0	0
0	Total Ordinary Expenses	63,887	106,129	66	111,950	116,232	117,736
0	Operating Result	-631	-1	100	377	-8	-33
0	Total Comprehensive Income	-631	-1	100	377	-8	-33

Department of Land and Property Services
Balance Sheet

Budget		Est.Outcome	Planned		Planned	Planned	Planned
as at 30/6/10		as at 30/6/10	as at 30/6/11	Var	as at 30/6/12	as at 30/6/13	as at 30/6/14
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
Current Assets							
0	Cash and Cash Equivalents	2,809	8,032	186	11,359	13,829	16,066
0	Receivables	11,973	11,973	-	11,973	11,973	11,973
0	Inventories	166	166	-	166	166	166
0	Capital Work in Progress	1,561	2,271	45	4,581	2,456	2,267
0	Total Current Assets	16,509	22,442	36	28,079	28,424	30,472
Non Current Assets							
0	Property, Plant and Equipment	314,832	323,047	3	334,842	333,051	325,135
0	Investment Property	125,295	125,295	-	125,597	125,747	125,900
0	Capital Works in Progress	14,166	17,434	23	6,514	4,474	3,974
0	Total Non Current Assets	454,293	465,776	3	466,953	463,272	455,009
0	TOTAL ASSETS	470,802	488,218	4	495,032	491,696	485,481
Current Liabilities							
0	Payables	3,475	3,475	-	3,475	3,475	3,475
0	Interest Bearing Liabilities	6,399	3,444	-46	0	0	0
0	Finance Leases	410	410	-	410	410	410
0	Employee Benefits	3,389	3,809	12	3,809	3,809	3,809
0	Other	4,192	4,192	-	4,192	4,192	4,192
0	Total Current Liabilities	17,865	15,330	-14	11,886	11,886	11,886
Non Current Liabilities							
0	Interest Bearing Liabilities	3,446	0	-100	0	0	0
0	Finance Leases	211	0	-100	0	0	0
0	Employee Benefits	171	173	1	173	173	173
0	Total Non Current Liabilities	3,828	173	-95	173	173	173
0	TOTAL LIABILITIES	21,693	15,503	-29	12,059	12,059	12,059
0	NET ASSETS	449,109	472,715	5	482,973	479,637	473,422
REPRESENTED BY FUNDS							
EMPLOYED							
0	Accumulated Funds	329,196	352,802	7	363,060	359,724	353,509
0	Reserves	119,913	119,913	-	119,913	119,913	119,913
0	TOTAL FUNDS	449,109	472,715	5	482,973	479,637	473,422
EMPLOYED							

Department of Land and Property Services
Cash Flow Statement

2009-10 Budget \$'000	2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	5,251	8,610	64	8,577	9,502	10,469
0	58,005	97,518	68	103,750	106,722	107,234
0	63,256	106,128	68	112,327	116,224	117,703
Payments						
0	5,145	11,262	119	11,808	12,245	12,542
0	755	1,441	91	1,491	1,544	1,595
0	50,990	80,287	57	85,580	89,089	90,219
0	556	587	6	102	0	0
0	0	500	#	500	0	0
0	57,446	94,077	64	99,481	102,878	104,356
0	5,810	12,051	107	12,846	13,346	13,347
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
0	11,892	24,208	104	15,455	5,204	2,464
0	11,892	24,208	104	15,455	5,204	2,464
0	-11,892	-24,208	-104	-15,455	-5,204	-2,464
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
0	11,892	24,708	108	15,955	5,204	2,464
0	5,158	0	-100	0	0	0
0	17,050	24,708	45	15,955	5,204	2,464
Payments						
0	1,833	3,665	100	6,573	10,876	11,110
0	5,916	3,452	-42	3,446	0	0
0	410	211	-49	0	0	0
0	8,159	7,328	-10	10,019	10,876	11,110
0	8,891	17,380	95	5,936	-5,672	-8,646
0	2,809	5,223	86	3,327	2,470	2,237
0	0	2,809	#	8,032	11,359	13,829
0	2,809	8,032	186	11,359	13,829	16,066

Department of Land and Property Services
Statement of Changes in Equity

Budget as at 30/6/10 \$'000	Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Opening Equity						
0	Opening Accumulated Funds	0	329,196	#	352,802	359,724
0	Opening Asset Revaluation Reserve	0	119,913	#	119,913	119,913
0	Balance at the Start of the Reporting Period	0	449,109	#	472,715	479,637
Comprehensive Income						
0	Operating Result for the Period	-631	-1	100	377	-8
0	Total Comprehensive Income	-631	-1	100	377	-8
0	Transfer to/from Accumulated Funds	-119,913	0	100	0	0
0	Movement in Asset Revaluation Reserves	119,913	0	-100	0	0
0	Total Movement in Reserves	0	0	-	0	0
Transactions Involving Owners Affecting Accumulated Funds						
0	Capital Injections	11,892	24,708	108	15,955	2,464
0	Increase/(Decrease) in Net Assets due to Admin Restructure	439,681	2,564	-99	499	2,344
0	Dividend Approved	-1,833	-3,665	-100	-6,573	-10,876
0	Total Transactions Involving Owners Affecting Accumulated Funds	449,740	23,607	-95	9,881	-3,328
Closing Equity						
0	Closing Accumulated Funds	329,196	352,802	7	363,060	359,724
0	Closing Asset Revaluation Reserve	119,913	119,913	-	119,913	119,913
0	Balance at the End of the Reporting Period	449,109	472,715	5	482,973	479,637

Notes to the Budget Statements

The Department was created following the announcement of the *Administrative Arrangements (No.3)* (AA) on 1 December 2009. No estimates were contained in the 2009-10 Budget for this entity. Funds were transferred from the Department of Territory and Municipal Services (TAMS) and the Chief Minister's Department (CMD) to create the Department. This accounts for the variances between the 2009-10 Budget and the 2009-10 estimated outcome.

Significant variations are as follows:

Operating Statement

- government payment for outputs: the increase of \$3.359 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to the full year effect of transfers from CMD and Land Development Agency (LDA), revised wage parameters and funding for new initiatives.
- user charges — non ACT Government: the increase of \$4.984 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the full year effect of the AA transfer related to ACT Property Group rentals and external revenues.
- employee expenses: the increase of \$6.090 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the full year effect of the AA transfer (\$4.491 million) and the transfer of Policy and Analysis functions from the LDA (\$1.599 million).
- supplies and services: the increase of \$29.285 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to the full year effect of the AA transfer.
- depreciation and amortisation: the increase of \$6.126 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to the full year effect of the AA transfer.

Balance Sheet

- cash and cash equivalents: the increase of \$5.223 million in the 2010-11 Budget from the 2009-10 estimated outcome is due mainly to reduced repayments of loans and the expected increase in rent collections.
- capital works in progress: the increase of \$0.710 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to increased capital works being undertaken at the National Arboretum Canberra.
- property, plant and equipment: the increase of \$8.215 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to completion of capital works at the National Arboretum Canberra and other capital upgrade works during 2010-11.

Cash Flow Statement

- capital injections: the increase of \$12.816 million in the 2010-11 Budget from the 2009-10 estimated outcome mainly relates to project funding associated with AA transfers, rollovers from 2009-10 and new capital works projects.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.