

LAND AND PROPERTY

Objectives

Land and Property manages the ACT Government's land and property assets to ensure sustainable use and best return to the community.

Land and Property is responsible for the Territory's Land Release Program, land development joint ventures and management of owned and leased office accommodation and surplus property assets. It is also responsible for the further development and administration of the Government's *Asset Management Strategy*.

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

2001-02 Highlights

Strategic and operational issues to be pursued in 2001-02 include:

- facilitating the release of land for aged persons' accommodation, to meet growing demand as the ACT population ages;
- implementing energy saving initiatives in Government owned office accommodation in line with the Government's strategy of reducing greenhouse gas emission levels;
- increasing the stock of land available for release a year ahead of schedule, to better manage market fluctuations; 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.

Land and Property Statement Of Financial Performance

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
Revenue							
0	User Charges - Non ACT Government	1 350	1 350	-	1 350	1 350	1 350
0	User Charges - ACT Government	29 540	30 347	3	30 164	30 165	30 165
0	Interest	3 795	670	-82	710	705	705
0	Revenue of Associates and Joint Ventures	28 395	25 527	-10	5 482	3 180	3 180
0	Other Revenue	48 608	60 241	24	39 381	53 794	43 794
0	Total Ordinary Revenue	111 688	118 135	6	77 087	89 194	79 194
Expenses							
0	Employee Expenses	1 941	2 274	17	2 303	2 333	2 363
0	Superannuation Expenses	387	402	4	407	413	418
0	Administrative Expenses	20 015	19 027	-5	19 162	19 276	19 493
0	Depreciation and Amortisation	3 123	3 149	1	3 208	3 214	3 214
0	Borrowing Costs	6 269	5 661	-10	5 498	5 498	5 498
0	Other Expenses	16 244	15 921	-2	13 467	18 634	18 634
0	Expenses of Associates and Joint Ventures	17 838	15 349	-14	3 121	3 003	3 003
0	Total Ordinary Expenses	65 817	61 783	-6	47 166	52 371	52 623
0	Operating Result	45 871	56 352	23	29 921	36 823	26 571
-5 663	Increase/(Decrease) in asset revaluation reserve	2 853	-105	-104	-16	-16	0
-21 721	Increase/(Decrease) in other reserves	-32 296	0	100	0	0	0
0	Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	-29 443	-105	100	-16	-16	0
273 005	Total Equity From Start of Period	265 561	203 139	-24	200 559	198 360	196 811
0	Capital Injections	3 185	1 216	-62	150	0	0
0	Distributions to Government	-2 045	-90	96	0	0	0
-245 621	Inc/Dec in Net Assets from Admin Restructure	-20 809	0	100	0	0	0
0	Dividend Declared	-59 181	-59 953	-1	-32 254	-38 356	-28 103
0	Total Equity At The End of Period	203 139	200 559	-1	198 360	196 811	195 279

Note: There was no published budget in 2000-01 as Land and Property was not established as a separate reporting entity until after the 2000-01 Budget.

Land and Property Statement Of Financial Position

Budget as at 30/6/01 \$'000	Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000	
Current Assets							
0	Cash	4 647	4 407	-5	4 407	4 407	4 407
0	Receivables	24 616	30 863	25	29 099	28 628	28 484
0	Investments	7 353	5 593	-24	3 593	3 593	3 593
0	Inventories	15 064	5 278	-65	5 181	5 182	5 182
0	Other	18 498	15 741	-15	15 741	15 741	15 741
0	Total Current Assets	70 178	61 882	-12	58 021	57 551	57 407
Non Current Assets							
0	Receivables	53 665	54 128	1	54 114	54 045	54 045
0	Property, Plant and Equipment	143 513	142 055	-1	138 861	135 511	132 177
0	Capital Works in Progress	1 542	403	-74	403	403	403
0	Other	3 000	0	-100	0	0	0
0	Total Non Current Assets	201 720	196 586	-3	193 378	189 959	186 625
0	TOTAL ASSETS	271 898	258 468	-5	251 399	247 510	244 032
Current Liabilities							
0	Creditors	15 062	8 451	-44	8 254	8 313	8 815
0	Interest Bearing Liabilities	2 164	1 428	-34	1 428	1 428	1 428
0	Finance Leases	97	50	-48	51	53	53
0	Employee Entitlements	669	671	..	671	672	674
0	Other Provisions	76	76	-	76	76	76
0	Other	3 973	3 866	-3	3 914	3 962	3 962
0	Total Current Liabilities	22 041	14 542	-34	14 394	14 504	15 008
Non Current Liabilities							
0	Interest Bearing Liabilities	46 447	43 096	-7	38 374	35 924	33 474
0	Finance Leases	271	271	-	271	271	271
0	Total Non Current Liabilities	46 718	43 367	-7	38 645	36 195	33 745
0	TOTAL LIABILITIES	68 759	57 909	-16	53 039	50 699	48 753
0	NET ASSETS	203 139	200 559	-1	198 360	196 811	195 279
REPRESENTED BY FUNDS EMPLOYED							
0	Accumulated Funds	198 347	195 872	-1	193 689	192 156	190 624
0	Reserves	4 792	4 687	-2	4 671	4 655	4 655
0	TOTAL FUNDS EMPLOYED	203 139	200 559	-1	198 360	196 811	195 279

Note: There was no published budget in 2000-01 as Land and Property was not established as a separate reporting entity until after the 2000-01 Budget.

Land and Property Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
71 718	CASH AT BEGINNING OF REPORTING PERIOD	101 306	12 000	-88	10 000	8 000	8 000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
0	User Charges	30 800	31 700	3	31 552	31 552	31 552
0	Interest Received	3 795	670	-82	710	705	705
0	Other Revenue	63 599	75 927	19	38 100	43 855	33 854
0	Operating Receipts	98 194	108 297	10	70 362	76 112	66 111
	Payments						
0	Related to Employees	2 338	2 696	15	2 732	2 768	2 803
0	Related to Administration	21 400	20 981	-2	21 655	21 551	21 768
0	Borrowing Costs	6 332	5 731	-9	5 523	5 523	5 523
0	Other	12 156	17 175	41	5 476	5 464	5 464
0	Operating Payments	42 226	46 583	10	35 386	35 306	35 558
0	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	55 968	61 714	10	34 976	40 806	30 553
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant & Equipment	708	0	-100	0	0	0
0	Investing Receipts	708	0	-100	0	0	0
	Payments						
0	Purchase of Property, Plant and Equipment	3 485	900	-74	150	0	0
0	Investing Payments	3 485	900	-74	150	0	0
0	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-2 777	-900	68	-150	0	0
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Capital Injection from Government	3 185	1 216	-62	150	0	0
0	Financing Receipts	3 185	1 216	-62	150	0	0
	Payments						
0	Distributions to Government	2 250	0	-100	0	0	0
0	Dividends to Government	103 506	59 953	-42	32 254	38 356	28 103
0	Repayment of Borrowings	5 126	4 077	-20	4 722	2 450	2 450
71 718	Payments of Transferred Cash Balances	34 800	0	-100	0	0	0
71 718	Financing Payments	145 682	64 030	-56	36 976	40 806	30 553

Land and Property Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
-71 718	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-142 497	-62 814	56	-36 826	-40 806	-30 553
-71 718	NET INCREASE/(DECREASE) IN CASH HELD	-89 306	-2 000	98	-2 000	0	0
0	CASH AT THE END OF THE REPORTING PERIOD	12 000	10 000	-17	8 000	8 000	8 000

Note: There was no published budget in 2000-01 as Land and Property was not established as a separate reporting entity until after the 2000-01 Budget.

Notes to the Budget Statements

Land and Property did not have a separate budget identified in the 2000-01 Budget Papers, as it was part of the then Department of Treasury and Infrastructure. It was established as a separate reporting entity as from 1 July 2000, and its functions transferred to the Department of Urban Services under the Administrative Arrangement Orders of 20 October 2000.

The following explanations provide information on significant variations between the 2000-01 estimated outcome and 2001-02 Budget.

Significant variations are as follows:

Statement of Financial Performance

- user charges – ACT Government: the increase of \$0.807m in 2001-02 from the 2000-01 estimated outcome is due to the expiry of a rent free period for government accommodation in Nature Conservation House, Belconnen in 2000-01;
- interest: the decrease of \$3.125m in 2001-02 from the 2000-01 estimated outcome is due to revised dividend arrangements, under which payments will be made quarterly rather than annually;
- revenue of associates and joint ventures: the decrease of \$2.868m in 2001-02 from the 2000-01 estimated outcome is due to the winding-down of activity for land development joint ventures during 2001-02. The activity reduces significantly across the forward years;
- other revenue: the increase of \$11.633m in 2001-02 from the 2000-01 estimated outcome reflects the sale of a major parcel of land (Section 56 City), which was originally forecast to occur in 2000-01. The estimates across the forward years reflect the market outlook and take account of significant land releases planned by the Gungahlin Development Authority and Kingston Foreshore Development Authority;

- employee expenses: the increase of \$0.333m in 2001-02 from the 2000-01 estimated outcome reflects Land and Property's workload;
- administrative expenses: the decrease of \$0.988m in 2001-02 from the 2000-01 estimated outcome is due to a reduction in costs associated with joint ventures winding-down in 2001-02;
- borrowing costs: the decrease of \$0.608m in 2001-02 from the 2000-01 estimated outcome is due to the winding-down of joint venture borrowings; and
- expenses of associates and joint ventures: the decrease of \$2.489m in 2001-02 from the 2000-01 estimated outcome is due to a reduction in joint venture activity.

Statement of Financial Position

Decreases in assets and liabilities in the *Statement of Financial Position* primarily relates to the winding-down of joint ventures. Other significant variations are as follows:

- current receivables: the increase of \$6.247m in 2001-02 from the 2000-01 estimated outcome is due to the timing and number of sites proposed to be sold at the final auction in June 2002; and
- current and non current interest bearing liabilities: the decrease of \$4.087m in 2001-02 from the 2000-01 estimated outcome is due to the winding-down of joint venture activity and the reducing repayments for borrowings associated with the Dame Pattie Menzies Building and Magistrates Court.

Changes to Appropriation

Changes to Appropriation – Departmental

Capital Injections	2000-01 Est. Outc. \$'000	2001-02 Budget \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2003-04 Estimate \$'000
2000-01 Budget	0	0	0	0	0
Transfer Land and Property from Department of Treasury	3 635	0	0	0	0
2001-02 Capital Works Program	0	766	150	0	0
Roadworks transferred for 2000-01	-450	450	0	0	0
2001-02 Budget	3 185	1 216	150	0	0

OUTPUT CLASS 1: LAND AND PROPERTY
PRINCIPAL MEASURES

OUTPUT 1.1: LAND AND PROPERTY

Description: The strategic management of ACT Land and Property to ensure sustainable use and best return to the community. This output was transferred from the Department of Treasury to the Department of Urban Services as part of the Government's Administrative Arrangement Orders announced in October 2000.

Measures	2000-01 Targets	2000-01 Estimated Outcome	2001-02 Targets
Quantity			
Property (Whole of Government)			
Total office area managed – owned	55 000m ²	55 000m ²	55 000m ²
Total office area managed – leased	41 500m ²	41 500m ²	41 500m ²
Land			
Number of residential units and commercial blocks taken to auction ¹	1 700	1 100	1 050
Number of Land Rental Properties managed	454	430	430
Number of Joint Ventures ²	5	5	3
Preparation of a Land Release Strategy ³	-	-	1
Direct Community/Commercial sales processed ⁴	-	-	50%
Home Loan Portfolio			
Number of Home Loans managed ⁵	2 310	-	-
Government Business Enterprises			
Provide advice to Government on the Territory's investment in GBE's and GBE Performance ⁵	17	-	-
Policy Advice and Ministerial Support			
Assembly Questions ⁶	-	-	20
Ministerial correspondence, briefs and speeches ⁶	-	-	240
Cabinet Submissions ⁶	-	-	25
Quality/Effectiveness			
The average cash return on Greenfields sales is greater than Government funded physical infrastructure costs per block ⁷	>1	>1	>1
Government-Owned Offices Occupied	100%	100%	100%
Optimise government office accommodation utilisation ⁸	15m ²	21m ²	15m ²
Policy Advice and Ministerial Support			
Advice rated satisfactory or above according to ACT government Policy Performance Measures ⁶	-	-	100%
Timeliness			
Policy Advice and Ministerial Support			
Advice provided within timeframes specified in ACT Government Ministerial Servicing Performance Measures	95%	95%	95%
Policy Proposals are delivered within agreed timeframes	95%	95%	95%

Measures	2000-01 Targets	2000-01 Estimated Outcome	2001-02 Targets
Cost			
Cost per leased sq metre managed	\$11	\$11	\$11
Cost per owned sq metre managed ⁹	\$8	\$13	\$13
Cost per home loan managed ⁵	\$323	-	-
Cost per 1000 head of population ¹⁰	\$189 478	\$210 749	\$195 083
Cost per ACT Public Service employee	\$3 347	\$3 723	\$3 495
TOTAL COST	\$59 174.0	\$65 817.0	\$61 783.0
GOVERNMENT PAYMENT FOR OUTPUT (\$'000) ⁵	\$757.0	\$0.0	\$0.0

Notes

- (1) The variation to the 2000-01 estimated outcome for the Land Release Program is due to land not being released at the Kingston Foreshore (150 dwellings), Phillip/Athllon Drive blocks (150 dwellings) pending the outcome of hearings by the Legislative Assembly Standing Committee on Planning and Urban Services, a site in Civic (150 dwellings) due to Commonwealth land sales and 100 dwellings in the Belconnen town centre due to delays in the provision of infrastructure.
The 2001-02 target does not include Gungahlin Development Authority and Kingston Foreshore land releases. Variations to the 2001-02 target may be initiated to respond to changing market conditions and the release of land by the Gungahlin Development Authority, Kingston Foreshore Development Authority and/or the Commonwealth.
- (2) The reduction in the 2001-02 target is due to the finalisation of the Dunlop 1 and Dunlop 3 Joint Ventures.
- (3) This measure was previously included in the deliverables schedule. The Land Release Strategy (or Land Release Program) is prepared each financial year with the annual target shown as one.
- (4) This measure was previously included in the deliverables schedule. Fifty percent of the average number of applications received in any year from commercial and community groups are completed. The other 50% comprise applications withdrawn and applications being processed.
- (5) In accordance with the Government's revised Administrative Arrangement Orders announced in October 2000, the Home Loan Portfolio and Government Business Enterprises remained with the Department of Treasury and did not transfer with Land and Property to the Department of Urban Services.
- (6) New Measure.
- (7) The description of this measure was expanded to better reflect its purpose. Indicative Government funded physical infrastructure costs of \$17,000 per block are detailed in the IPC Infrastructure Program ACT Case Studies (prepared by Spiller Gibbins Swan for the Indicative Planning Council for the Housing Industry Feb 1995).
- (8) The 2001-02 target is identified as a five year target which has another year to run. Generally a reduction in the target of 25% has been projected each year. In 2000-01 the reduction in the target will not be achieved due to the lack of lease renewals in 2000-01 (this is the primary factor that allows office space per employee to be reduced).
- (9) The original target provided in the 2000-01 Budget Papers was incorrectly listed as \$8. The correct amount was \$13.
- (10) The reduction in costs reflects the responsibility for the Home Loan Portfolio and Government Business Enterprises no longer being included in this output class (these functions remained in the Department of Treasury following the revised Administrative Arrangement Orders on 20 October 2000).

Capital Works

Departmental

	Estimated Total Cost \$'000	Expenditure Previous Years \$'000	2001-02 Estimated Expenditure \$'000	2001-02 Financing \$'000	Expected Completion Date
New Capital Works:					
Moore Street Building Compliance	300		300	300	June 2002
Make-good Swanson Plaza	116		116	116	June 2002
MNW – Site Servicing	200		200	200	June 2002
MNW – Energy Audit Implementation (a)	300		150	150	June 2003
Total New Works	916		766	766	
Works in Progress					
Belconnen - Beissel St. Extension	850	400	450	450	Sept 2001
Total Capital Works	1 766	400	1 216	1 216	

- (a) Capital works for the energy audit implementation will be undertaken over two years with \$150,000 expended in 2001-02 and \$150,000 in 2002-03.

