

# Annual Report

2017 – 18



**ACT**  
Government

**CITY  
RENEWAL  
AUTHORITY**





## Acknowledgement of Country

The Australian Capital Territory (ACT) is Ngunnawal country. The ACT Government acknowledges the Ngunnawal people as the traditional custodians of the Canberra region.

The region is a significant meeting place to the Ngunnawal and surrounding Aboriginal Nations who have gathered here for thousands of years.

The City Renewal Authority acknowledges and respects the Aboriginal and Torres Strait Islander people, their continuing culture and the contribution they make to the life of this city and this region.

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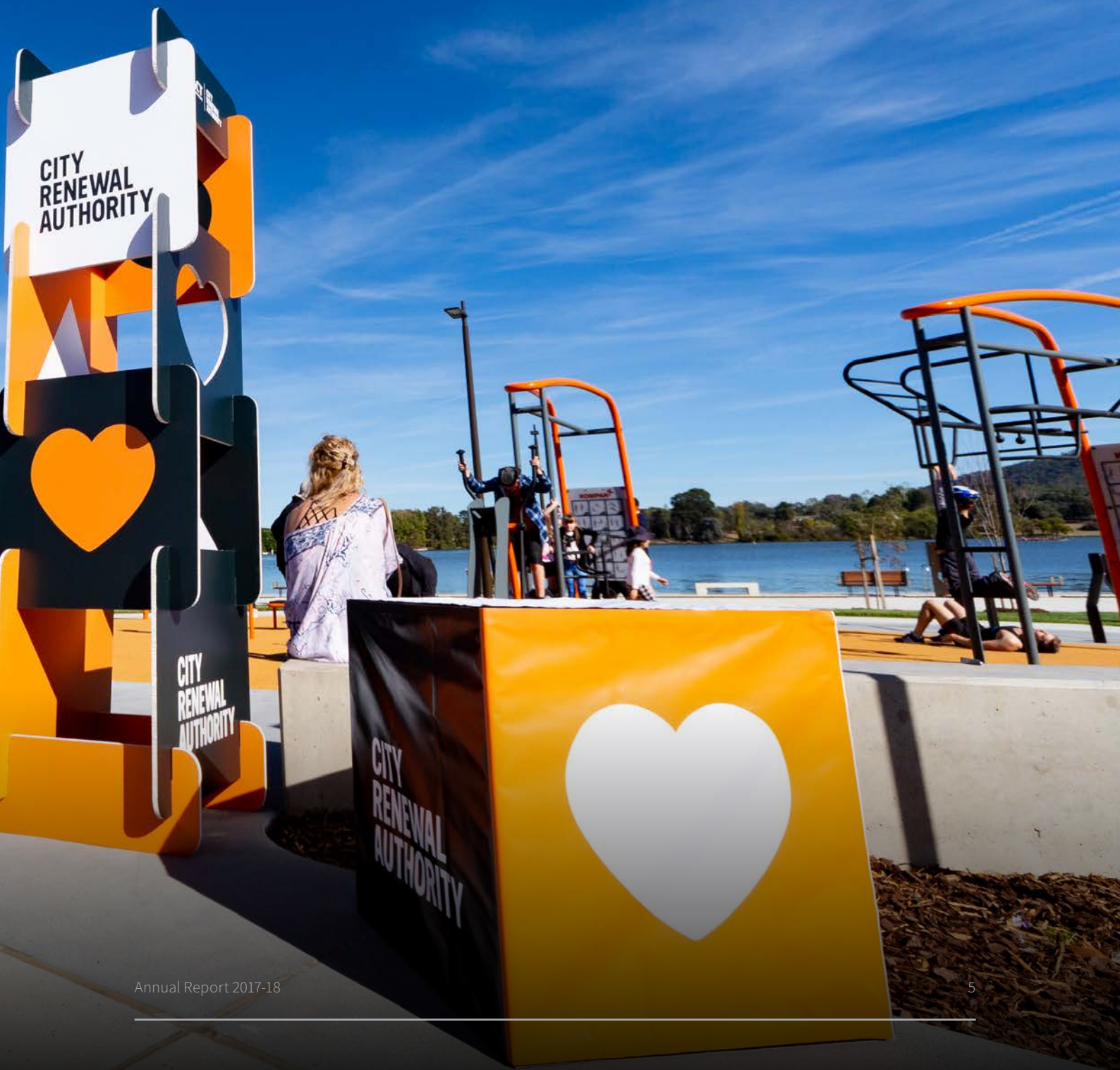
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Henry Rolland Park, West Basin



# PART 1





## TRANSMITTAL CERTIFICATE



**ACT**  
Government

**CITY  
RENEWAL  
AUTHORITY**

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Mr Andrew Barr MLA  
Chief Minister  
ACT Legislative Assembly  
London Circuit  
CANBERRA ACT 2601

Dear Chief Minister

The attached Annual Report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the City Renewal Authority.

We certify that information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the City Renewal Authority has been included for the period 1 July 2017 to 30 June 2018.

We hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.

Section 13 of the *Annual Report (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Signed and dated by:

Dr Michael Easson AM  
Board Chair  
22 September 2018

Mr Malcolm Snow  
Chief Executive Officer  
22 September 2018

# COMPLIANCE STATEMENT

The *2017-18 City Renewal Authority Annual Report* must comply with the 2017 Annual Report Directions (the Directions). The Directions are found at the ACT Legislation Register: [www.legislation.act.gov.au](http://www.legislation.act.gov.au)

The Compliance Statement indicates the subsections, under the five parts of the Directions that are applicable to the City Renewal Authority and the location of information that satisfies these requirements:

## PART 1 DIRECTIONS OVERVIEW

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The *2017-18 City Renewal Authority Annual Report* complies with all subsections of Part 1 under the Directions.

In compliance with Section 13 Feedback, Part 1 of the Directions, contact details for the Authority are provided within the *2017-18 City Renewal Authority Annual Report* to provide readers with the opportunity to provide feedback.

## PART 2 DIRECTORATE AND PUBLIC SECTOR BODY ANNUAL REPORT REQUIREMENTS

The requirements within Part 2 of the Directions are mandatory for all directorates and public sector bodies and the Authority complies with all subsections. The information that satisfies the requirements of Part 2 is found in the *2017-18 City Renewal Authority Annual Report* as follows:

- A. Transmittal Certificate, see page 7.
- B. Organisational Overview and Performance, inclusive of all subsections, see page 16.
- C. Financial Management Reporting, inclusive of all subsections, see page 48.

## PART 3 REPORTING BY EXCEPTION

The Authority has nil information to report by exception under Part 3 of the Directions for the 2017-18 reporting period.

## PART 4 DIRECTORATE AND PUBLIC SECTOR BODY SPECIFIC ANNUAL REPORT REQUIREMENTS

Part 4 of the 2017 Directions, Section I – *Ministerial and Director-General Directions* is applicable to the Authority. No other sections of Part 4 of the 2017 Directions are applicable to the Authority for the 2017-18 reporting period.



## PART 5 WHOLE OF GOVERNMENT ANNUAL REPORTING

All sections of Part 5 of the Directions apply to the Authority. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service Directorates, as follows:

- N. Community Engagement and Support, see page 124 of this report, and the annual report of the Chief Minister, Treasury and Economic Development Directorate;
- O. Justice and Community Safety, including all subsections O.1 – O.4, see the annual report of the Justice and Community Safety Directorate;
- P. Public Sector Standards and Workforce Profile, including all subsections P.1 – P.3, see the annual State of the Service Report; and
- Q. Records management functions are provided to the Authority by the Environment, Planning and Sustainable Development Directorate under a service agreement. Details of the Authority's compliance with Territory records policy, procedures, training and other requirements are therefore provided in the annual report of the Environment, Planning and Sustainable Development Directorate, and more generally in the annual report of the Chief Minister, Treasury and Economic Development Directorate.

ACT Public Service Directorate annual reports are found at the following web address:

[www.cmd.act.gov.au/open\\_government/report/annual\\_reports](http://www.cmd.act.gov.au/open_government/report/annual_reports)

As required by Australian Auditing Standards, the ACT Audit Office checks financial statements included in annual reports (and information accompanying financial statements) for consistency with previously audited financial statements. This includes checking the consistency of statements of performance with those statements previously reviewed (where a statement of performance is required by legislation).









## PART 2

*Henry Rolland Park, West Basin*



# REPORT BY THE CHAIR OF THE BOARD



**Dr Michael Easson AM**

The City Renewal Authority's first year has been one of establishment and planning, while also seeing it successfully undertake an array of renewal projects and initiatives across the designated City Renewal Precinct.

Our precinct's small geographic area belies the breadth and complexity of opportunities and challenges within its boundaries. As the heart of the nation's capital, interest in the renewal of the Precinct extends beyond the Territory's borders, and has both national and international importance.

With this in mind, a key focus of the Board has been the formulation of a comprehensive Precinct

Renewal Program to guide future renewal actions across the Precinct. The draft Program, currently awaiting Government approval, represents the aspirations and ideas of our many stakeholders and describes the short, medium and long-term actions that will realise the Authority's objectives, reflected in the Government's Statement of Expectations. The adoption and implementation of the Program will enable an important component of the Authority's 2025 Strategic Plan.

Development in West Basin has, and will continue to be, a key element of the Authority's work. The opening of Henry Rolland Park in April 2018 marked an important milestone for the ongoing transformation of West Basin from an underutilised area dominated by surface carparks, to a lively urban waterfront attracting visitors, families and other lake users to one of Canberra's greatest assets, Lake Burley Griffin. The quality of the new park's construction has been recognised with a Civil Contractors Federation Earth Award for the best civil construction project between \$5-10 million in the ACT and surrounding region. That attention to design detail will be replicated in future stages of the project.

The activation activities that the Authority has undertaken have brought colour and atmosphere to public spaces throughout the Precinct, as well as generating interest and engagement in the work of the Authority. The 2018-19 activation program will build on the success of the 2017-18 program and the community will continue to have opportunities to participate in the many exciting activities the Authority will conduct across the Precinct.

A key priority in the Board's forward program will be the preparation and release of land for sale. With land being one of the Territory's most important assets, the Board will apply a triple bottom line approach to land release to ensure that the outcomes are not just driven by price, but equally achieve positive social and environmental benefits to the community.

On behalf of the Board, I would like to thank both the former acting Chief Executive Officer, Gary Rake, and the permanent Chief Executive Officer, Malcolm Snow, for their efforts and support during the Authority's first year of operations. The leadership shown by both Mr Rake and Mr Snow has ensured that the Authority commenced on a sure footing and is resourced and structured to meet our ambitious forward work program.

I also extend my thanks to Authority staff who have successfully implemented a range of projects and activities across the Precinct. The Board has been impressed with the dedication and knowledge displayed by Authority staff and has confidence that the agency is well placed to continue to achieve the strategic goals and results expected by Government.

Finally, I offer my thanks to my fellow Board members whose passion and commitment has been evident from our first meeting. The spirit with which Board members have applied their collective experience and expertise to the Authority's work program has been both gratifying and inspiring.

**Dr Michael Easson AM**



*Opening of Henry Rolland Park, West Basin*

# REPORT BY THE CHIEF EXECUTIVE OFFICER



**Malcolm Snow**

The Authority's first year of operation has seen the achievement of some early results across the City Renewal Precinct. The people of Canberra have embraced the opportunity to reimagine the Precinct, demonstrated through the strong turnout we have seen at our activation events and community engagements. None more so than the opening of Henry Rolland Park which alone attracted an estimated 6000 people to West Basin to experience Canberra's newest lakefront space, the construction of which was managed by the Authority.

Much of our inaugural year has focused on establishing the foundations of success and the evidence is that we are hitting the mark. A forward-looking Precinct

Renewal Program has been developed in partnership with the community and stakeholders. The program, which will be considered by Government, sets out the Authority's future renewal actions and provides certainty to the community in how we can co-create and collaborate on implementing those actions.

## Financial Outcome

The Authority achieved an operating surplus of \$1.229 million in 2017-18, which was higher than the original Budget of \$0.027 million deficit due predominately to higher than anticipated revenue from land sales.

As the Authority's first year of operation, the original 2017-18 budget was developed based on initial staffing and functions transferred to the Authority from the Land Development Agency, EPSDD and the Chief Minister, Treasury and Economic Development Directorate. Following Government endorsement of the Authority's Statement of Operational Intent in October 2017, Budget business cases were supported through the 2017-18 mid-year budget review process to enable the Authority to deliver against the Government's expectations.

The additional appropriation funded five additional staff positions as well as a consultancy contingency, financial services and sales, marketing and estate management services.

## Project Delivery

The completion of the first stage of our West Basin project was an important milestone for the Authority, and for the Territory. This revitalisation initiative has had a lengthy, but necessary, gestation period and it is exciting to see the first and public element of this vision come to fruition. Design work for the second stage of West Basin is well underway and the Authority looks forward to commencing construction of a further 500 metre section of lakefront boardwalk.

Community participation in events staged by the Authority is continuing to grow, with highly successful activities occurring in Haig Park, Braddon, Civic, and Dickson. The moveable picnic benches and umbrellas that have been placed at key locations around the city as part of our 'pic & mix' activation have been a magnet for Canberrans to enjoy their city and connect with friends and fellow citizens.



The Authority is also carrying out a range of public space improvements in the City Renewal Precinct with works on the first project on London Circuit approaching completion, and Stage 2 works in Akuna Street underway. This work includes new paving, street furniture, landscaping, and lighting using a palette of high-quality materials and finishes.

New architect-designed shared waste enclosures being constructed in the laneways of the Sydney and Melbourne Buildings will improve their place presentation and provide opportunities for activation in these public spaces by reducing the impact of waste and recycling bin storage.

## Structure and Staffing

A number of important structural changes were made during the reporting year to ensure that the Authority has the right skills to meet its ambitious forward work program. Establishment of the Design and Place Strategy team has given focus and direction to the Authority's commitment to the achievement of exceptional design outcomes within the Precinct through our work with the other directorates and the private sector.

## Governance

Establishment of a strong governance capability has been an early priority for the Authority. The Government, and the people of Canberra, must have confidence that the investment made in setting up the Authority is being managed appropriately, with transparency and accountability. To this end, the Authority has developed a comprehensive suite of governance material, covering risk management and other internal accountability. These policies are supported by regular reporting and training to ensure the high standards set are maintained.

## Outlook

Implementation of the place plans for the different spaces and locations across the Precinct will continue to be a priority for the Authority. The actions set out in the Dickson and Braddon place plans, developed in consultation with the community, will translate into capital works projects. Collectively, the intention of these place plans is to drive integrated renewal through targeted projects and tactical initiatives that will create a revitalised, vibrant and high-performing precinct.

Other projects to be delivered in 2018-19 include the development of a business case and place plan for the redevelopment of the Civic, Arts and Cultural Precinct to realise the creative potential of this important part of the city. Building on the 2017-18 activation program, an even bigger program of place making and activation activities will be rolled out in public spaces across the Precinct, providing multiple opportunities for the community to enjoy our wonderful city.

I would like to acknowledge the support and guidance provided by the Board during the year and the outstanding work of our dedicated and energetic staff. The Authority has an exciting vision. This will be realised through collaborative effort and 'on the ground' results.

**Malcolm Snow**

# SECTION B – ORGANISATIONAL OVERVIEW AND PERFORMANCE

## B.1. – ORGANISATIONAL OVERVIEW

### OUR VISION

The City Renewal Authority (the Authority) is leading the transformation of the City Renewal Precinct, spanning Dickson, Northbourne Avenue, Haig Park, Civic and West Basin. In doing so, the Authority is working with the community, business and government to shape the growth of the central parts of Canberra to make it a great place to live, explore and enjoy.

Our 2025 vision is:

*Our Precinct will be the vital heart of a dynamic and internationally competitive city,  
cherished by its people.*

### OUR MISSION

Our Mission is that:

*We will contribute economic growth and diversity to Canberra's City community by  
delivering, people focused, design led, sustainable and commercially astute projects  
and programs using sound management processes.*

### OUR GUIDING PRINCIPLES

We believe and are committed to the following guiding principles in our work:

**Community** – Our community and stakeholders are at the heart of everything we do. We will talk, listen and act according to this principle and deliver public benefit through all of our activities.

**Best Practice Urban Design** – We expect excellence in urban design. We will lead thinking, action and evidence based practice to transform the quality of the Precinct so it is recognised as a national urban benchmark.

**Vibrant Places** – We will enliven our Precinct. Through well considered place programs, creative interventions and events, we will increase its attractiveness and opportunities for social and business interaction.

**Efficient and Effective Delivery** – Our activities will meet best practice in project and program design, management and reporting and will be delivered on time, in budget and with superior quality.

**Financial, Social and Environmental Sustainability** – We will prudently and effectively manage our funds to achieve return on investment, investment attraction and long-term value creation. We believe in and apply triple bottom line ethics and practices.

**Innovation** – We will look over the horizon. Both within and external to the Authority, we will encourage innovation and embrace leading edge technology in all of our activities.

**Exemplary Governance, Transparency and Accountability** – We will conduct our activities in a strategic, transparent and accountable way, meeting compliance standards and requirements, winning the trust of our stakeholders and the community.

**Our People** – Our people are our engine room. We will ensure diverse and inclusionary practices, and create and conserve employment opportunities within an organisational culture that supports seamless delivery of our programs.

**Values** – We will be an exemplar in our relationships with other government agencies and our stakeholder community. We will uphold the ACT Public Sector values of Respect, Integrity, Collaboration and Innovation.

## OUR ROLE

As defined by the Objects of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), the Authority will:

- encourage and promote a vibrant city through the delivery of design-led, people-focussed urban renewal;
- encourage and promote social and environmental sustainability; and
- operate effectively with sound risk management practices to ensure value for money.

In meeting the objects, the Authority recognises that Canberra's city centre must be defined by places for people to live in, work in, enjoy and provide a quality of life Canberrans expect and deserve.





## OUR STAKEHOLDERS

The Authority recognises the wealth of knowledge our stakeholders possess and that their involvement will add value and expertise to help to ensure our success. The Canberra community has communicated its desire for the city to be creative, active, sustainable, connected, progressive and vibrant. These themes are embedded into the Authority's planning and implementation of its renewal program.

The Authority will continue to engage with its stakeholders at every opportunity. It is only through constructive engagement that the future development of the precinct will represent and reflect the aspirations of the community.

Our key stakeholders include:

- ACT Chief Minister / Government
- Canberra community
- Local business, arts, tourism, media
- National & international Business
- Urban development professional sector
- Sister renewal partners/towns/areas
- National Capital Authority
- Property Council of Australia
- Civic retailers
- Planning Institute of Australia
- Urban Development Institute of Australia
- Place Leaders Asia / Pacific
- ACT Aboriginal and Torres Strait Islander Elected Body
- All ACT Government directorates and other government agencies
- Commonwealth Department of Finance
- Light Rail (Transport Canberra and City Services Directorate)
- Think tanks and national place making leaders
- Australian Institute of Architects
- Australian Institute of Landscape Architects
- Australian Council of Social Services
- Australian Sustainable Built Environment
- Council
- Housing Industry of Australia
- Canberra Business Chamber





## FUNCTIONS AND SERVICES

The functions and services delivered by the Authority are set out in the Act, the Government's Statement of Expectations, (Appendix A), and the Authority's Statement of Operational Intent (Appendix B) and Statement of Intent. These functions and services include:

- formulating a cohesive program for the City Renewal Precinct;
- actively contributing to the liveability and vitality of the city centre;
- identifying opportunities for large-scale festivals or seasonal events to enliven the city centre and support the development of the Territory's event sector;
- implementing renewal projects;
- buying and selling leases of land on behalf of the Territory;
- supporting public and private sector investment and participation in urban renewal, including supporting development that is attractive to potential investors and participants;
- managing the holding, development and sale of 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;
- contributing to meeting targets for affordable, community and public housing; and
- supporting the achievement of greenhouse gas emission targets and environmentally sustainable development.

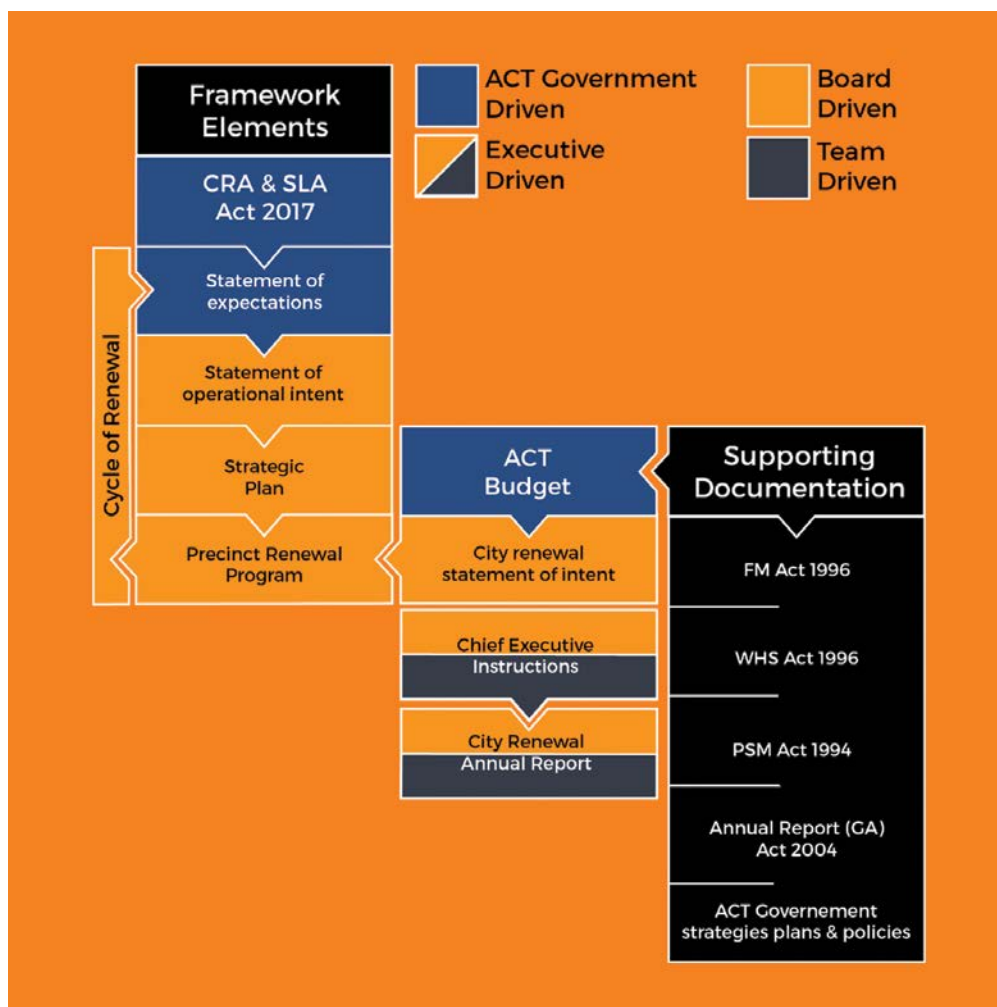


World Curry Festival, City Walk, Canberra City

# ORGANISATIONAL STRUCTURE

## Operational Framework

The Authority is an ACT Government entity established under the Act. The Authority's operation is also subject to relevant legislation and governance documents including the Government's Statement of Expectations, and the Authority's Statement of Operational Intent and Statement of Intent. The Authority's operating framework is depicted in the diagram below.



The Authority reports to the City Renewal Authority Board, which is also established under the Act. Details of Board membership and operation are provided under the Internal Accountability Section of this report.

As at 30 June 2018, the Authority had 24 staff working across the four work streams of: Design and Place Strategy; Development; Communications and Engagement; and Business Operations & Corporate Secretary.

All financial services are provided to the Authority by the Suburban Land Agency under a Service Agreement.



## Design and Place Strategy

The Design and Place Strategy team is responsible for coordinated planning, design and place activation projects within the City Renewal Precinct. The team provides guidance on city development and design, setting appropriate design and place-based standards and ensuring the city develops in an integrated and sustainable manner for the benefit of all Canberrans.

The team is also responsible for overseeing the City Centre Marketing and Improvements Levy, which funds projects aimed at raising the standard of city presentation and economic vitality by implementing programs that increase business confidence, investment, renewal, and place management.

## Development

The Development team is responsible for the delivery of the Authority's land and property development projects across the City Renewal Precinct. This includes project feasibility, business case development, procurement and project / program management related to complex land development and capital projects. The Development team utilises robust project governance systems based on effective risk management principles to ensure that projects are delivered safely and provide value for money to the Territory.

The Development team facilitates the sale of surplus ACT land to ensure the highest and best use of the land based on triple bottom line principles.

It also provides strategic and technical design advice to ensure the delivery of high-quality outcomes in line with the Authority's objectives. The team maintains strong and effective working relationships with other ACT directorates, industry and the broader community to collaborate and partner in the delivery of revitalisation projects within the Precinct.

## Communications and Engagement

The Communication and Engagement team leads community engagement activities for the Authority. The team develops and implements engagement strategies that enable the community, businesses and industry groups to stay informed and, where appropriate, have a say in the work of the Authority.

The team also delivers social media campaigns and activities, liaises with the media, advises on participatory engagement processes and produces communications material to keep the community well informed on the Authority's activities. This includes videos, newsletters, fliers and websites.

## Business Operations and Corporate Secretary

The Business Operations team provides advice, support and assistance to the Authority Board and its committees, the Chief Executive Officer, and the Authority's executive and staff. The team is involved in all day-to-day business matters of the Authority, including: governance; human resources; work health and safety; records management; legal advice; policies and procedures; risk management; legislative compliance; government business responses; freedom of information; records management; facilities; security; internal audit; executive support; the operation of the Board and its committees; administration of Board and committee members; and other company secretary functions.

The Business Operations team administers the Authority's various Service Agreements with the Suburban Land Agency and the Environment, Planning and Sustainable Development Directorate (EPSDD), both of which provide supporting business services to the Authority.

# SUMMARY OF PERFORMANCE

Our achievement against the Authority's objectives and key performance indicators is detailed under the Performance Analysis and Statement of Performance sections of this report, and includes:

- development of a program to guide renewal in the Precinct;
- completion of stage one of the West Basin Precinct, including construction of the first stage of West Basin waterfront and the completion and opening of Henry Rolland park;
- progression of design for stage two of West Basin development;
- acceptance of management responsibility for the City Centre Marketing and Improvement Levy.
- development of a place plan for Haig Park;
- supporting the Transport Canberra and City Services Directorate towards implementation of the City Bus Interchange Extension Plan;
- progression of the Sydney and Melbourne Building Revitalisation Plan;
- commencement of construction of new waste enclosures for Sydney and Melbourne buildings;
- supporting the EPSDD in the formulation and consultation of the City and Gateway Draft Urban Design Framework.
- development of place strategies for Dickson and Braddon in collaboration with stakeholders and the community.
- assisted the Suburban Land Agency with progressing land sales in the City Renewal Precinct as part of the Asset Recycling Initiative (ARI) program;
- progression of implementation of the City Activation Program and commencement of the development of a three-year place activation strategy.
- Planning and staging of new events including 'Christmas in Glebe Park', 'Enlighten in the City' and 'Wintervention', with the support of Events ACT.

Additionally, the Authority has established robust governance structures, in partnership with the EPSDD, to support the operation of the Authority. These are articulated and monitored through a suite of service agreements and policy documents.



*Community Engagement for Braddon Place Plan project*

# OUTLOOK

2018-19 will see significant advancement of a number of the Authority's major renewal projects and the start of new projects as part of the implementation of the Precinct Renewal Program. As the Precinct is subject to planning and jurisdiction overlays, including areas of National Land, achievement of these projects will be dependent on the collective involvement of the community, business, and government bodies, both at the Territory and national levels. The Authority will work closely with stakeholders to achieve effective program outcomes for the benefit all parties with an interest in the Precinct.

Building on the Statement of Operational Intent for 2017-18, the Authority has identified the following project-related outcomes for 2018-19:

- Deliver a Place Plan for the revitalisation of the City Renewal Precinct, which will be people-focussed with quality urban environment at its heart.
- Finalise the Haig Park Place Plan and implementation strategy.
- 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 National Capital Authority works approval and begin construction of stage two.
- Begin 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.
- Develop a strategy and associated implementation plan for the revitalisation of the Sydney and Melbourne buildings and surrounding public realm.
- 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.
- Identify opportunities for future development and renewal in the Dickson Group Centre.
- Identify and implement opportunities for place making and renewal in Braddon.
- Complete the business case and place plan for the redevelopment of the Civic, Arts and Cultural Precinct.
- Continue to support the renewal effort and the planning principles established by the City and Gateway Urban Design Framework.
- Assist the Suburban Land Agency with progressing further land sales in the City Renewal Precinct as part of the ARI program.
- 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.
- 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.



# ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

As a key stakeholder group in the Precinct, Aboriginal and Torres Strait Islander peoples participate in activities and programs and consultations undertaken by the Authority. The *ACT Aboriginal and Torres Strait Islander Elected Body* is directly consulted on all major engagement activities, and was invited to participate in the Precinct Renewal Program stakeholder workshop held on 13 June 2018.

## INTERNAL ACCOUNTABILITY

The Authority is established by Section 7 of the Act. As set out in the Act, the Authority must exercise its functions in a way that is consistent with its Statement of Operational Intent. 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.

Consistent with its Statement of Expectations, the Government obliges the Authority to maintain a close, collaborative working relationship with the EPSDD to enable the provision of advice and support to the Chief Minister. The Authority Board facilitates the sharing of information, where appropriate, on urban renewal priorities so the EPSDD can provide timely, informed advice to the Government on urban renewal funding decisions.

### City Renewal Authority Board

The Authority Board is established by Section 15 of the Act and its functions are set out in Section 16 of the Act. This includes overseeing the operations of, and exercise of functions by, the Authority.

Under Section 56 of the *Financial Management Act 1996* (FMA), the Board is responsible, under the responsible Minister, for the efficient and effective financial management of the resources for which the Authority is responsible. Section 77 of the FMA sets out the following functions of a governing board:

- setting the authority's policies and strategies;
- governing the authority consistently with the Authority's establishing Act and other relevant legislation;
- ensuring, as far as practicable, that the Authority operates in a proper, effective and efficient way; and
- ensuring, as far as practicable, that the Authority complies with applicable governmental policies (if any).

## Board Members

Board members are appointed by the Chief Minister under Section 78 of the FMA. The Authority Board has seven members, six of whom were appointed as at 1 July 2017, with the seventh member, Ms Chris Faulks, appointed on 6 November 2017.

Section 21 of the Act identifies the areas of skills and experience that the Chief Minister must consider in appointing Board members. A member must have knowledge of and experience in at least one of the following disciplines and areas of expertise:

- urban renewal;
- architecture;
- urban design;
- civil engineering;
- environmentally sustainable development;
- social inclusion and community building;
- law, public administration and governance;
- financing major development projects; and / or
- affordable housing, community housing and public housing.

All Board members have knowledge of and experience in at least one of these areas, with most members covering multiple disciplines. The biographies of each Board member are available at the Authority's website: <https://www.act.gov.au/cityrenewal/about/meet-the-board>

## Board Member Remuneration

Board member remuneration and other entitlements are determined by the ACT Remuneration Tribunal and promulgated as Determinations for Part-time Public Office Holders.

## Board Member Attendance 2017-18

The Board held seven general meetings and one special meeting during the 2017-18 financial year. Board member attendance at those meetings is summarised in the table below.

Name	Position	Meetings attended	Meetings held during tenure
Dr Michael Easson AM	Chair	8	8
Ms Christine Covington	Deputy Chair	8	8
Ms Kate Brennan	Member	7	8
Mr Nigel Chamier AM	Member	8	8
Prof Ken Maher AO	Member	8	8
Ms Gabrielle Trainor AO	Member	7	8
Ms Chris Faulks*	Member	5	5

\*Appointed on 6 November 2017.

Board members also attended a number of Board committee meetings (as described below), a Board planning day in November 2017, and a workshop on the formulation of the Precinct Renewal Program in May 2018. Board members also attended various meetings with the Authority Chief Executive Officer and staff, Ministers and government officials.

## Board Decisions

Matters considered by the Board during its first year of operation included:

- Statement of Operational Intent.
- Board Charter and Governance arrangements.
- Establishment of Board committees (see also Authority Committees below).
- Financial delegations.
- Work Health and Safety framework and reporting.
- Policies and procedures.
- City Centre Marketing and Improvements Levy performance and governance framework and work plan.
- Civic Bus Interchange project.
- Haig Park Conservation Management Plan.
- Construction of the West Basin waterfront, including land reclamation and transfer process.
- City activation strategy.
- Dickson Centre Place Plan.
- Light Rail Stage Two route alignment.
- Land Release program.
- Urban Art Strategy.
- City and Gateway Draft Urban Design Framework.
- Visual identity strategy for the Authority.
- Urban Design framework.
- Internal Audit Program.



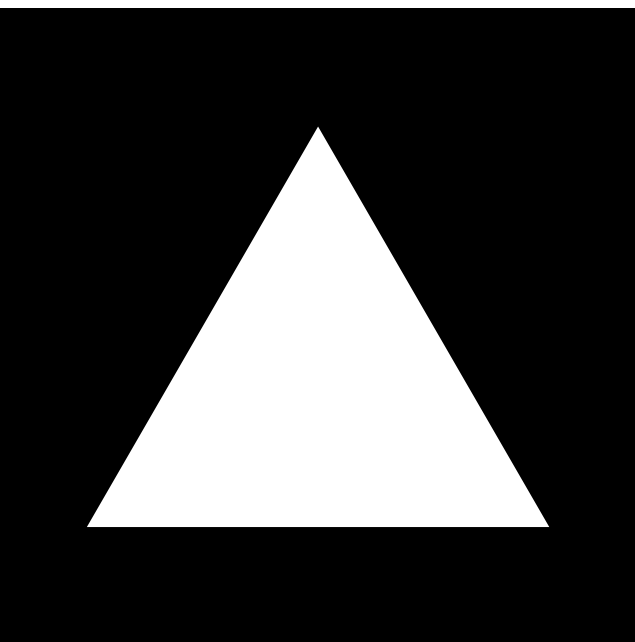
## Board Committees

The Board established and operated three committees during the 2017-18 financial year. These committees consisted of Board members and non-Board (independent) members as shown in the table below.

Name of Committee	Membership	Role
Audit and Risk Committee	Christine Covington (C) Nigel Chamier Maria Storti *	To assist the Board to discharge its responsibilities under relevant legislation, including responsibility to exercise due care; diligence and skill in relation to risk management; reporting of financial information; the adequacy of the financial controls, and legal and regulatory compliance frameworks; and external and internal audit.
Planning Design and Public Realm	Ken Maher (C) Kate Brennan Chris Faulks Gabrielle Trainor Elisabeth Judd * Rodney Moss *	To provide guidance and advice to the Board and management on those matters relating to the Authority's interest in and management of its design, planning and public realm functions within the City Renewal Precinct.
Communications and Engagement	Gabrielle Trainor (C) Kate Brennan Chris Faulks	To advise the Board on proposed meaningful and effective community engagement activities that enable the Canberra community to directly contribute to the renewal of the City Precinct.  The Committee will seek to embed community engagement early in project planning, support the development of leading engagement practices, including co-design methods and support research into best-practice engagement.

(C) = Committee Chair

\* = Non-Board (independent) committee member



## B.2. – PERFORMANCE ANALYSIS

### Overview

The Authority's objectives and key performance indicators are set out in its Statement of Operational Intent and Statement of Intent. These are informed by the Statement of Expectations set by Government.

Detailed below is the Authority's progress against the objectives in the Statement of Operational Intent and Statement of Intent.

### Precinct Renewal Plan

*Deliver a plan for revitalisation of the City Precinct, which will be people-centric with quality urban environment at its heart.*

The Authority is finalising the formulation of a Precinct Renewal Program (the Program) which brings together the ACT Government, stakeholder and community collective vision for the city precinct. The Program is expected to be released in late 2018.

The Program provides an overarching vision for the City Renewal Precinct and identifies the supporting roles of Government agencies and the wider community in achieving that vision. The Program also sets out how the Authority intends to coordinate its multi-faceted activities in engagement, development and place making in implementing its vision for the Precinct.

In developing the Program, the Authority reviewed 23 previous consultation activities from the past 15 years in which Canberrans have shared many views and ideas for how to revitalise our city centre. The review highlighted a number of key issues and identified six common themes that should shape the renewal effort. The six themes are:

- A city of people – placing people at the centre of decision making.
- A creative city – supporting and promoting the Canberra creative sector by including art and culture in major projects.
- An active city – activating the city precinct through best-practice place making that embraces a community focused approach.
- A sustainable city – commitment to positive economic, social and environmentally sustainable outcomes for Canberra.
- A connected city – design and development that puts people at the centre.
- A progressive city – building a city that achieves its full potential.

The Authority's renewal actions across the Precinct were, and will be, guided by these themes.

## Haig Park

### *Finalise the Haig Park Master Plan and implementation strategy*

The Haig Park Place Plan was developed to reflect the feedback received from the community through two phases of community consultation that each received input from more than 500 individuals and numerous community groups.

The Plan aims to make Haig Park a safe, accessible, vibrant and healthy place. It identifies a range of short and long-term actions to ensure the park meets the community's needs now and into the future.

Proposed short-term actions include temporary interventions and activities, such as a pop up playground and nature play elements, temporary artwork, moveable park benches, decorative lighting, film screenings and group fitness classes.

Potential long-term improvements include a dog park, playgrounds, sporting infrastructure and revised car parking arrangements. Implementation of these would be informed by the outcomes of the short-term interventions.

A revised Conservation Management Plan, which aims to ensure the heritage value of the park is protected, was submitted to the ACT Heritage Council. This will form an important part of ensuring the park remains a significant heritage place, while also enabling better usage of this important community asset.



*Artist's impression of Haig Park activation proposals*

## West Basin

*Complete Stage 1 of the West Basin Precinct, and work with the Australian Government and other stakeholders to progress West Basin Stage 2.*

### Stage 1

The first stage of the West Basin waterfront, the construction of 150 metres of boardwalk and development of a new public park, was completed and was officially opened to the public on 28 April 2018.

Henry Rolland Park features fitness equipment, picnic and barbecue facilities and lawn areas. More than 20,000 trees, shrubs and grasses have also been planted in Henry Rolland Park and the project won a Civil Contractors Federation Earth Award for the best civil construction project between \$5-10 million in the ACT and surrounding region in 2017/18.

Naming of the park followed an online public poll which enabled the community to choose from four shortlisted park names that were selected by the ACT Place Names Committee. The vote closed on 27 October 2017 with almost 1,500 votes cast. Henry Rolland Park topped the poll, receiving 684 votes (46 per cent).

### Stage 2

The Authority commenced the planning and detailed design for Stage 2 of the West Basin waterfront. The Authority has received funding of \$37.388 million from Financial Year 2017-18 over three years for construction of this stage. This will include lake bed reclamation and construction of the remaining 500 metres of new lake wall and boardwalk, which are critical to creating a high quality public waterfront that will be the heart of the new precinct. Associated infrastructure works will include the demolition of the ferry wharf and the former boat and bike hire buildings.

Work on the second stage was originally expected to commence in early 2018, and take two years to complete. Commencement has been delayed as the Territory is in negotiations with the Australian Government concerning the reclamation of the lake bed.

## City Bus Interchange

*Progress improvements to the City Bus Interchange and its important functional interrelationship with the Light Rail Network.*

The Authority worked with the Transport Canberra and City Services Directorate to support its implementation of the extension plan for the City interchange.

## Sydney and Melbourne Buildings

*Develop a plan for the revitalisation of the Sydney and Melbourne Buildings and surrounding public realm.*

Formulation of a revitalisation plan is underway and is being developed in consultation with building owners and tenants. The future of the historic Sydney and Melbourne Buildings is of great community interest and opportunities are being explored to provide government assistance to owners to ensure Canberra's built heritage is protected.

The Authority is leading a project for the construction of shared waste enclosures in Verity Lane at the Sydney Building and in Odgers Lane at the Melbourne Building. A budget of \$0.48 million has been established for the project. This work has started and will improve the presentation of the laneways and provide opportunities for public activation by reducing the impact of waste and recycling bins on the laneways. Construction completion is scheduled for the end of October 2018.



## Northbourne Avenue

*Set guidelines and standards that will ensure the landscape environment along Northborne Avenue is befitting the primary gateway to the national capital*

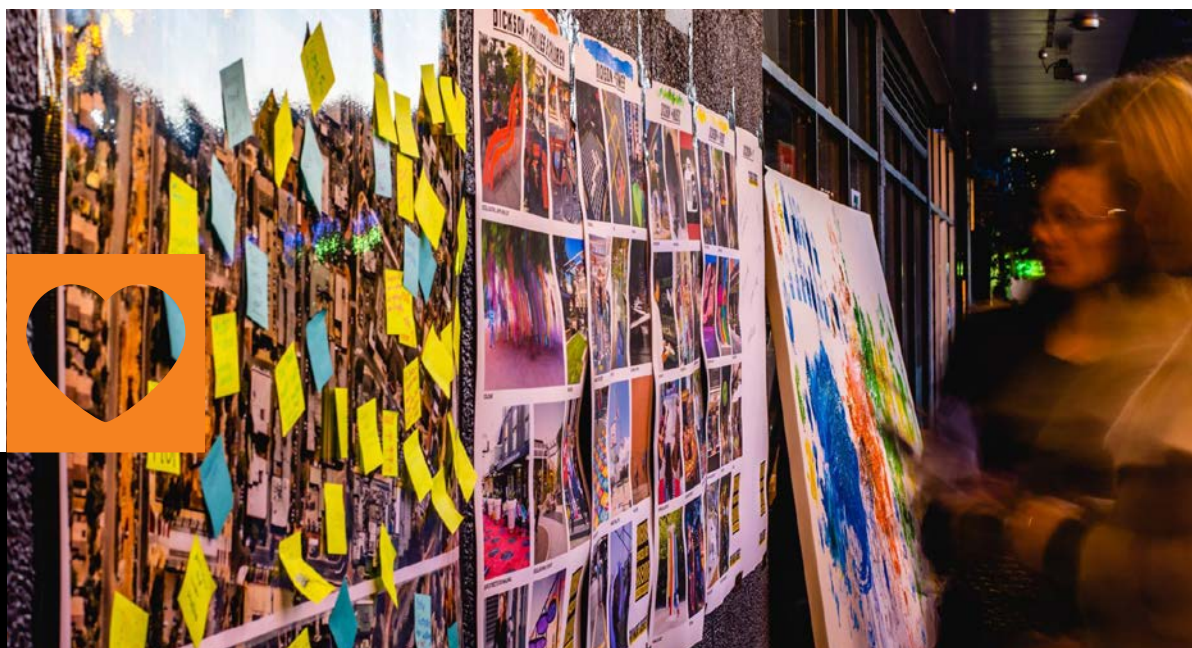
Reinvigoration of the Northbourne Avenue corridor is a Government priority and the Authority is committed to ensuring that this boulevard achieves the prominence and urban quality that is commensurate with its status.

The Authority is working closely with the EPSDD and the National Capital Authority in the reinvigoration of the Northbourne corridor. The EPSDD and the National Capital Authority, with input from the Authority, jointly developed the City and Gateway Draft Urban Design Framework which posits a unified vision for the city and gateway corridor, including setting new planning directions and design principles, to achieve the multiple renewal benefits over the next decade and beyond.

## Dickson Group Centre

*Identify opportunities for future development and renewal in the Dickson Group Centre.*

The Authority is developing a Place Action Plan (the Place Plan) to identify and guide renewal opportunities in the Dickson Group Centre. In response to community feedback, the draft Place Plan proposes a series of temporary interventions that will lead to more permanent upgrades.



*Community engagement for Dickson Place Plan project*

Approximately 350 people and 12 businesses participated in engagement activities related to development of the Place Plan. More than 140 comments were received as part of the open engagement workshop relating to the themes of people spaces, play, party and colour, and innovation. The positive outcomes have highlighted strong support for community-led activation in Dickson and the potential of creating a Dickson Town Team.

Members of the community and other stakeholders, including the Dickson traders, have worked enthusiastically with the Authority to identify activation and renewal opportunities in the Dickson Group Centre. The thoughts and ideas generated through that work has been captured in the Place Plan.

The aims of the Place Plan are to:

- Bring to life the identity, place vision, and guiding principles for the Dickson Centre.
  - Create a culture and process of ‘doing’.
  - Help to establish and co-ordinate a Dickson Town Team.
  - Support local business.
  - Provide more reasons to visit and enjoy the Dickson Centre.
- The Place Plan is a dynamic document that will continue to be shaped by community feedback and review.

## Asset Recycling Initiative

*Progress land sales within the Precinct associated with the Asset Recycling Initiative.*

The Authority assisted the Suburban Land Agency with its land sales undertaken in accordance with the ARI program, including the:

- Northbourne East Precinct, known as Dickson on Northbourne,
- Northbourne West Precinct, known as Lyneham on Northbourne,
- Dickson Motor Registry site, and
- Dame Pattie Menzies building site.

The Northbourne Flats in Braddon and Turner are now vacant and were released to market by tender on 26 June 2018.

The Territory is also demolishing MacArthur House, with work having commenced on site and due to be completed early 2019.

## 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.*

The Authority is enlivening the city centre through a co-ordinated program of events and activations supported by streetscape improvements that will significantly lift the quality and appeal of its public environment.

During the 2017-18 reporting period activations were run across the city centre’s laneways, plazas and parks and have included micro-projects such as deck chair installations on London Circuit and in Latin American Plaza, ‘The Lawns’ in Civic Square, and ‘Enlighten in the City’, which included a series of installations and workshops focusing on people’s interaction with light.

The Pic & Mix pop-up picnic table installation proved to be highly successful bringing colour and a new social dynamic to how people used different public spaces in the city.

The Authority is finalising a City Activation Strategy that will guide both short and long term planning for new and existing events and activations across the Precinct.

Some of the popular ideas gathered from the Authority's community engagement include:

- More events, both small and large scale, across all areas of the city renewal precinct.
- More focus on the night time economy with more dining options in outdoor spaces.
- Improvements to transport, including better parking arrangements, improved infrastructure for cyclists and the development of transport options to access the city centre.
- Creating a more colourful city with more art.

Between 2016-17 and 2017-18 the Government provided \$0.5 million funding for City Activation. A further \$0.4 million has been allocated in 2018-19.

### City Centre Marketing and Improvements Levy

From 1 January 2018, the Authority has responsibility for the management of the City Centre Marketing and Improvements Levy (the Levy).

The Authority's program of activations included a series of events and activities funded by the Levy, such as the winter festival in the city. The Authority also ran the City Grants program, funded by the Levy, which supported a range of different projects that were selected for their contribution to the vitality and appeal of the city centre.

The Authority is developing, for approval later in 2018, a Performance and Accountability Framework for the Levy. This framework is being developed through a consultative process involving levy payers, as well as other key stakeholders. It forms an essential part of the governance structure administering the levy. The Framework is intended to improve outcomes of the Levy by:

- enhancing both the accountability and performance of the Authority;
- strengthening the relationship between the Authority, levy payers and the community;
- providing more efficient and effective use of the levy; and
- guiding continuous improvement in the way the levy decisions are made.

The Authority prepares bi-annual reports on the Levy, which can be found on the City Renewal Authority website.

**Further information can be obtained from:**

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**

## B.3. – SCRUTINY

There was one Auditor-General Report tabled during the reporting year that contained recommendations relevant to the City Renewal Authority, being Auditor General Report No. 3 of 2018 - Tender for the sale of Block 30 (formerly Block 20) Section 34 Dickson. Details are provided below.

Recommendation number and summary	Action	Status
<p><b>Recommendation 2 - Strengthen Probity by:</b></p> <p>Consistent with administrative responsibilities since July 2017 the Environment, Planning and Sustainable Development Directorate, City Renewal Authority and Suburban Land Agency should strengthen accountability for probity in procurement by:</p> <ul style="list-style-type: none"> <li>a) establishing clear standards of conduct and record-keeping for all staff engaged in tenders that, at a minimum, address communications with prospective and actual tenders, negotiations with preferred and winning bidders, and evaluations of both initially submitted and final bids;</li> <li>b) facilitating training on probity for all staff involved in procurement processes; and</li> <li>c) introducing controls and reporting requirements at key procurement (including tender) stages that assure and transparently demonstrate consideration of probity risks.</li> </ul>	<p>The Land Acquisition Directions for the Authority were issued by the Chief Minister and commenced on 1 November 2017. These Directions set out the processes which the Authority must follow when acquiring land.</p> <p>An EPSDD Portfolio policy is currently being developed by the Directorate. The Authority Chief Executive Officer will ensure that Chief Executive Instructions require Authority staff to comply with EPSDD Portfolio and / or whole-of-government policy and procedures. In the meantime, Authority staff will engage the Government Solicitor to provide probity advice on all land sales.</p> <p>All Authority staff involved in the sale of land have completed training in fraud and ethics awareness organised by EPSDD in March and April 2018.</p>	Partially complete





Recommendation number and summary	Action	Status
<p><b>Recommendation 3 - Strengthen Governance and Assurance</b> by:</p> <p>Consistent with administrative responsibilities since July 2017 the Environment, Planning and Sustainable Development Directorate, City Renewal Authority and Suburban Land Agency should strengthen governance and accountability arrangements for staff involved in land procurements by establishing and implementing controls to assure:</p> <ul style="list-style-type: none"> <li>a) consistent adherence to clearly defined roles and responsibilities for tender oversight, conduct and probity management;</li> <li>b) tender negotiations are transparent, appropriately documented and approved, and that they meet probity requirements; and</li> <li>c) tender decisions, particularly those arising from complex and lengthy negotiations, are independently reviewed and quality assured against defined procedural and probity requirements prior to approval.</li> </ul>	<p>Adherence to tender processes (that is, Complex procurement - purchases over \$200,000) is included in the Board-approved Internal Audit Program for 2018/19.</p> <p>The internal audit program also includes an audit of the “existence and suitability of policies and procedures relating to procurement, reimbursement and financial management”. Findings from that audit will be addressed in policy and procedures.</p> <p>An EPSDD Portfolio policy is currently being developed by the Directorate. The Authority Chief Executive Officer will ensure that Chief Executive Instructions require Authority staff to comply with EPSDD Portfolio and / or whole-of-government policy and procedures. In the meantime, Authority staff will engage the Government Solicitor to provide probity advice on all land sales.</p> <p>All Authority staff involved in the sale of land have completed training in fraud and ethics awareness organised by EPSDD in March and April 2018.</p> <p>The Chief Executive Officer will require all staff involved in making procurement decisions (including tender processes) to attend the ACT Government in-house “Introduction to Government Procurement” course by 31 December 2018, unless they have completed the course since January 2017.</p>	Partially complete
<p><b>Recommendation 4 - Reinforce Organisational Values</b> by:</p> <p>Consistent with administrative responsibilities since July 2017 the Environment, Planning and Sustainable Development Directorate, City Renewal Authority and Suburban Land Agency should reinforce organisational values by:</p> <ul style="list-style-type: none"> <li>a) clearly articulating their values and providing guidance to staff on how these are to be implemented; and</li> <li>b) implementing procedures that reinforce and infuse the values throughout the organisation.</li> </ul>	<p>The Chief Executive Officer reinforces organisational values at all staff meetings.</p> <p>The Board-approved internal audit program for Financial Year 2018-19 includes an audit of the “existence and suitability of policies and procedures relating to procurement, reimbursement and financial management”. This audit, and all other components of the approved internal audit program, is intended to determine what, if any, deficiencies have been present in the Authority to-date in the implementation of stated policies, and the adequacy of current policies.</p> <p>All Authority staff participating in the sale of land have completed training in fraud and ethics awareness organised by EPSDD in March and April 2018.</p> <p>All relevant policies are promulgated on the Authority and / or EPSDD and / or Suburban Land Agency Intranet sites.</p>	Partially complete

There were no recommendations made in Ombudsman or Assembly Committee reports with direct relevance to the Authority.

**Further information can be obtained from:**

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**

## B.4. – RISK MANAGEMENT

The Authority is committed to ensuring that all of its activities are conducted legally, ethically and with integrity. The Authority developed policies and procedures to help its employees meet these high standards of ethics and conduct. In all of its work, the Authority seeks to protect the ACT Government, its staff and the resources entrusted to it.

The Authority faces a broad range of risks reflecting its responsibilities as an ACT Government entity delivering urban renewal. These risks include those related to urban design and development, financial stability and fiscal management, as well as its day-to-day operational activities. The risks arising from the Authority's policy responsibilities can also be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high-quality staff, and public accountability.

The Authority Board established an Audit and Risk Committee to assist the Board to discharge its responsibilities under relevant legislation, including responsibility to exercise due care; diligence and skill in relation to risk management; reporting of financial information; the adequacy of the financial controls, and legal and regulatory compliance frameworks; and external and internal audit.

The Board endorsed a comprehensive risk management framework, which includes:

- Risk Appetite Statement;
- Risk Management Framework and Policy Statement;
- Annual Risk Management Plan – 2018/19; and
- Corporate Risk Register.

These documents are consistent with the advice of the ACT Insurance Authority and the *AS/NZS ISO 31000-2009* standard.

The Authority's Risk Management Framework and Policy Statement sets out the roles and responsibilities for Authority staff. In summary, these are defined below:

- **City Renewal Authority Board** - Approve, and review annually, the Authority's risk documents, and establish parameters for risk exposure and tolerance levels.
- **Audit and Risk Committee** - Oversee the risk management arrangements for the Authority, including ensuring the risk management framework is established, implemented and maintained in accordance with *AS/NZS ISO 31000-2009*.
- **Chief Executive Officer** - Oversee the effective implementation of the Authority's Risk Management Framework and Policy, and Risk Management Plan, and maintain a practiced risk compliance culture within the Authority.
- **Authority Executives and Managers** - Review, and ensure the implementation of, business unit risk registers every six months and review project risk registers as required. Systematically identify, analyse and evaluate risks and treating risks in a manner commensurate with the level of risk exposure.
- **Staff and contractors** - Develop an understanding of the organisational policy, framework and procedures, and develop appropriate skills. Comply with all legislative, regulatory and organisational policies. Identify and report opportunities to improve operational efficiencies and optimise outcomes.

**Further information can be obtained from:**

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**

## B.5. – INTERNAL AUDIT

An Audit and Risk Committee was established by the Authority Board on 7 July 2017. The Charter for the Audit and Risk Committee sets out the Committee's role in relation to internal audit, which includes:

- oversight of the audit function;
- review and recommend to the Board the internal audit plan and work program; and
- pre-approval of all internal auditing services to meet the approved internal audit plan.

The Audit and Risk Committee Charter also provides the framework for the conduct of the internal audit function of the Authority, which is to:

- ensure that sufficient resources are available to deliver the annual internal audit program;
- review and recommend to the Board the internal audit plan and work program;
- monitor progress and consider the implications of internal audit findings for the control environment;
- monitor a register of audit recommendations; and
- meet with the internal auditor, without management personnel being present, at least once a year.

The Committee established an internal audit program for the period April 2018 to June 2019 and this was endorsed by the Board on 7 April 2018. The program includes proposed internal audits on 'Achievement of Statement of Intent non-financial targets', and 'Records Management compliance with the Territory Records Management Act'.

The Board Audit and Risk Committee met four times during 2017-18 and details of member attendance is set out in the table below.

Name	Position	Meetings attended	Meetings held during tenure
Christine Covington	Chair	4	4
Nigel Chamier	Member	4	4
Maria Storti	Member	4	4

**Further information can be obtained from:**

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**



## B.6. – FRAUD PREVENTION

The Authority operates in accordance with the EPSDD Fraud and Corruption Prevention Plan 2017-2019 (the Fraud Prevention Plan). Consistent with this plan, the Authority is subject to the ACT Public Service Integrity Policy which aims to prevent the incidence of fraud through the implementation and regular review of a range of fraud prevention and detection strategies.

All Authority staff are involved in managing potential exposure to fraudulent activity by ensuring they act in accordance with the law and behave in a manner consistent with the ACT Public Service Code of Conduct. To reinforce these practices, all available Authority staff participated in Fraud Awareness training conducted by the EPSDD in April 2018.

Any allegation or incidence of fraud is reported to the Senior Executive Responsible for Business Integrity and, where appropriate, the Board Audit and Risk Committee, and the Board.

During the reporting period, the Authority received no allegations or reports of fraud, corruption or unethical behaviour.

**Further information can be obtained from:**

**Malcolm Snow**

**Chief Executive Officer**

**02 6205 1805**



## B.7. – WORK HEALTH AND SAFETY

Work Health and Safety (WHS) was managed in accordance with the statutory provisions of the *Work Health and Safety Act 2011* (the WHS Act). The Authority demonstrated its commitment to maintaining a safe and healthy working environment for our staff, volunteers, visitors, contractors and clients, as part of everyday business practices. During the 2017-18 reporting period, the Authority:

- established and operated a WHS Committee, comprising management and staff, which met eight times during the 2017-18 reporting period;
- participated in the WHS Committee of the Suburban Land Agency, in order to share learnings in WHS across the two land entities;
- appointed an employee to coordinate WHS matters and provide secretariat functions for the WHS Committee (this employee also commenced a Certificate IV in WHS);
- conducted a WHS awareness session for Authority Board members;
- implemented a regime of reporting on WHS matters to the Board and to the Audit and Risk Committee; and
- commenced the development of a WHS Management System, to be consistent with the ACT Public Service whole of Government work safety and injury management system.

Under the Authority's service agreement with the EPSDD, the Directorate provided a range of WHS related services, including:

- inclusion of Authority representatives on the 'Healthy You' Committee and the WHS Portfolio Network;
- health and wellbeing prevention initiatives;
- case management administration and support;
- WHS technical advice and assistance; and
- WHS post incident investigations.

### Workplace Injury

There were no workplace injuries reported during the 2017-18 reporting period.

### Improvement, Prohibition or Non-Disturbance Notices

During the 2017-18 reporting period the Authority was not issued with any improvement, prohibition or non-disturbance notices under Part 10 of the WHS Act.

### Enforceable Undertakings

During the 2017-18 reporting period no enforceable undertakings were made to the Authority under Part 11 of the WHS Act.

### Failure to Comply with a Safety Duty

During the 2017-18 reporting period no findings of a failure to comply with a safety duty were made against the Authority under Part 2 (Divisions 2.2, 2.3 and 2.4) of the WHS Act.

**Further information can be obtained from:**

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**

## B.8. – HUMAN RESOURCES MANAGEMENT

### Overview

Authority staff are employed under, and subject to the conditions of, the *Public Sector Management Act 1994* as executives or officers of the ACT Public Service. Employee conditions are articulated in the applicable enterprise agreements (see the ACT Public Service Employment Portal) or, where applicable, individual contracts and agreements.

As a newly established body, the Authority's initial workforce was drawn from existing or discontinued ACT public sector bodies. During the 2017-18 reporting period, additional staff were recruited to fill vacant establishment positions in the Authority. The Authority's workforce profile evolved to reflect its forward work program. This included the reallocation of an existing executive level position to create the new position of Director, Design and Place Strategy, reflecting the Authority's emphasis on achieving good design outcomes in the Precinct.

The Authority's human resource services were provided by the EPSDD under a Service Agreement. These services covered:

- recruitment and on-boarding of staff;
- probation administration;
- management of personnel records;
- facilitation of induction programs;
- supporting performance management programs;
- coordination of learning and development programs;
- preparation of people and capability reports;
- administration of the Graduate program;
- facilitation of injury management ;
- coordination of misconduct and grievances complaints; and
- advising officers responsible for respect, equity and diversity matters, fire safety, and first aid.

The Authority was responsible for providing timely advice to the EPSDD on these matters to support effective human resources management.

### ACT Public Service Graduate Program

The Authority participated in the 2017 ACT Public Service Graduate Program by providing short-term rotation placements to suitable participants of the Program. Two of these graduates were placed into permanent positions with the Authority on completion of their Graduate Program year.

The Authority participated in the 2018 Graduate Program by providing a rotation placement to a suitable program participant.

### Learning and Development Programs

Training opportunities offered by the Authority in 2017-18 reflected the Authority's status as a new

Government entity, with a focus on effective governance. This included:

- All available staff attended a training session in October 2017 on the *Freedom of Information Act 2016* (which came into effect on 1 January 2018) to understand the requirements of the new legislation.
- 15 staff participated in a training session conducted by the EPSDD in October 2017 on effective records management practices.
- 16 staff completed the Australian Institute of Company Director's Course on "*Reporting to the Board*" in March 2018, this course intended to improve the preparation of reports to the Board and to the Audit and Risk Committee.
- 22 staff completed a "*Fraud and Ethics Awareness*" course held in April and May 2018, as part of a whole-of-EPSDD portfolio response to the Auditor-General findings into the Dickson Block 30 sale.

In addition to 'all staff' training opportunities, staff members undertook training in accordance with their individual Performance Management Plans.

Under its Service Agreement with the Authority, the EPSDD managed training nominations, arranged bulk-attendance courses, arranged and conducted induction courses, and arranged any specialist courses as required. The EPSDD also managed the Authority's staff training records through the *MyLearning* platform.

## Future Training Opportunities

In the first half of Financial Year 2018-19 all staff involved in making procurement decisions, including tender processes, will be required to attend the ACT Government in-house course on *Introduction to Government Procurement*, unless they have completed the course since January 2017.

## Staffing Profile

On 30 June 2018, the Authority had a headcount of 24 people. The following tables describe the workforce.

### FTE and Headcount by Division

Branch/Division	FTE	Headcount
Office of the Chief Executive Officer	1.0	1
Business Operations	3.8	4
Development	7.6	8
Communications and Engagement	5.0	5
Design and Place Strategy (includes City Activation)	6.0	6
<b>Total</b>	<b>23.4</b>	<b>24</b>

### FTE and Headcount by Gender

	Female	Male	Total
FTE by Gender	11.4	12.0	23.4
Headcount by Gender	12	12	24
% of Workforce	50.0%	50.0%	100.0%


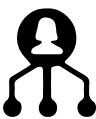




### Headcount by Classification Group and Gender

Classification Group	Female	Male	Total
Administrative Officers	4	1	5
Executive Officers	0	3	3
Senior Officers	8	8	16
<b>Total</b>	<b>12</b>	<b>12</b>	<b>24</b>

### Headcount by Classification Group and Gender

Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	8	8	16
Permanent Part-time	3	0	3
Temporary Full-time	1	4	5
Temporary Part-time	0	0	0
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>24</b>

### Diversity Profile

Representation	Headcount	% of staff
	12	50% Staff are female
	0	0% Female senior executive management
	3	12.5% Staff are 55 years or over
	0	0% Staff identify as an Indigenous Australian
	0	0% Staff identify as having a disability
	1	4.2% Staff are from a non-English speaking background



### Headcount by age and gender

Age Group	Female	Male	Total
Under 25	1	0	1
25-34	4	2	6
35-44	3	3	6
45-54	3	5	8
55 and over	1	2	3

### Average length of service

Gender	Female	Male	Total
Average years of service	6.3	3.9	5.1

### Recruitment and Separation Rates by Classification Group

Classification Group	Recruitment Rate	Separation Rate
Administrative Officers	20.2%	0.0%
Senior Officers	15.6%	7.8%
Executive Officers	67.5%	33.8%
<b>Total</b>	<b>16.8%</b>	<b>5.6%</b>

### Attraction and Retention Initiatives (ARIns) as at 30 June 2018

Description	Total
Total number of ARIns at 30 June 2018	0
Number of new ARIns entered into during the period	0
Number of ARIns terminated during the period	0
Number of ARIns transferred from Special Employment Arrangements in the period	0
Number of ARIns providing for privately plated vehicles	0

### Further information can be obtained from:

**Malcolm Snow**  
**Chief Executive Officer**  
**02 6205 1805**

## B.9. – SUSTAINABLE DEVELOPMENT

The Authority is committed to delivering exemplary sustainable development and has a legislated obligation to promote urban renewal that is socially and environmentally sustainable and applies innovative environmental building and public domain design.

The Authority developed a sustainability strategy to provide clear direction and measurable targets to support our legislated obligations. The strategy is a key element of the Authority's comprehensive Urban Renewal Program for the Precinct, with its primary aim being to encourage and support positive social and environmental sustainability outcomes by:

- delivering programs that support statutory greenhouse gas emissions targets;
- promoting innovative building and public domain design;
- nurturing social connectedness and a more equitable city; and
- achieving environmentally sustainable development through urban design

### Sustainable Development Performance

The following table provides information on the Authority's energy, water, transport fuel and waste consumption, and the associated greenhouse gas emissions. Consumption is reported for the Authority's office accommodation and external usage for Authority controlled sites. As 2017-18 was the Authority's first year of operation, comparative data is not available.

ACT Property Group provides accommodation services on behalf of the ACT Government. The accommodation occupied by the Authority is covered by a formal Green Lease between ACT Government and the private building owner. This provides an effective forum for tenants and owner to identify and manage sustainability performance (for example energy and water efficiency) of the accommodation on a regular basis.

Authority staff are supported to adopt sustainable workplace practices in a number of ways including:

- Staff use a range of sustainable travel options for work trips including accessing workplace MyWay Cards for bus travel, electric bikes as well as walking to meetings and work activities. The majority of Authority staff have undertaken the ACT Government e-bike induction. Where car travel is required, the Authority has access to the hybrid and electric vehicles via the shared ACT Government fleet.
- The Authority office location is Actsmart Business (recycling) accredited – with general and shared comingled waste bins within workspaces and the kitchen to help separate recyclables including organics and paper and cardboard and therefore minimise waste to landfill.
- The Authority office location provides a range of additional options to capture valuable resources for reuse including: battery recycling, mobile phone recycling and toner recycling.
- 100 per cent recycled paper is used and smart (swipe card) printing has been deployed along with printer default settings (double sided and black and white) to help minimise the impact of paper use where possible.

Indicator as at 30 June 2018 <sup>1</sup>	Unit	Current FY	Previous FY	Percentage change
<b>Directorate/ public sector body staff and area</b>				
Directorate/public sector body staff	FTE	23.4	N/A	N/A
Workplace floor area	Area (m <sup>2</sup> )	405.28	N/A	N/A
<b>Stationary energy usage</b>				
Electricity use <sup>2</sup>	Kilowatt hours	35,757	N/A	N/A
Natural gas use <sup>2</sup>	Megajoules	101,052	N/A	N/A
Diesel	Kilolitres	0	N/A	N/A
<b>Transport fuel usage</b>				
Electric vehicles	Number	0	N/A	N/A
Hybrid vehicles	Number	0	N/A	N/A
Other vehicles (that are not electric or hybrid)	Number	0	N/A	N/A
Total number of vehicles	Number	0	N/A	N/A
Total kilometres travelled <sup>3</sup>	Kilometres	0	N/A	N/A
Fuel use - Petrol <sup>3</sup>	Kilolitres	0	N/A	N/A
Fuel use - Diesel <sup>3</sup>	Kilolitres	0	N/A	N/A
Fuel use - Liquid Petroleum Gas <sup>3</sup> (LPG)	Kilolitres	0	N/A	N/A
Fuel use - Compressed Natural Gas (CNG) <sup>3</sup>	Cubic Metres (Cm <sup>3</sup> )	0	N/A	N/A
<b>Water usage</b>				
Water use <sup>2</sup>	Kilolitres	184.01	N/A	N/A
<b>Resource efficiency and waste</b>				
Reams of paper purchased	Reams	140	N/A	N/A
Recycled content of paper purchased	Percentage	100	N/A	N/A
Waste to landfill <sup>2,4</sup>	Litres	17,677	N/A	N/A
Co-mingled material recycled <sup>2,4</sup>	Litres	6,795	N/A	N/A
Paper & Cardboard recycled (incl. secure paper) <sup>2,4</sup>	Litres	17,144	N/A	N/A
Organic material recycled <sup>2,4</sup>	Litres	7,800	N/A	N/A
<b>Greenhouse gas emissions</b>				
Emissions from stationary energy use <sup>2,4</sup>	Tonnes CO <sub>2</sub> -e	21.48	N/A	N/A
Emissions from transport <sup>3</sup>	Tonnes CO <sub>2</sub> -e	0	N/A	N/A
Total emissions <sup>3</sup>	Tonnes CO <sub>2</sub> -e	21.48	N/A	N/A

Notes:

<sup>1</sup> Data is provided from external sources at the end of the reporting period.

<sup>2</sup> The Authority moved office locations in September 2017, from TransACT House to the Canberra Nara Centre. Data from TransACT House is not available. The data included in the table is an estimate, based on a percentage of the total for the Canberra Nara Centre over the 2017-18 reporting period.

<sup>3</sup> Authority staff used the hybrid and electric vehicles via the shared ACT Government fleet. Usage data for these vehicles for the 2017-18 reporting period is included in the report of the Chief Minister, Treasury and Economic Development Directorate.

<sup>4</sup> Waste figures are reported based on invoiced information for the number of bins collected for a particular waste / recycling stream. Unless all bins were full, the reported figures may not be the actual amount of waste produced but are the best estimate available at this point in time.

**Further information can be obtained from:**

**Malcolm Snow**

**Chief Executive Officer**

**02 6205 1805**



*Crying Dinghy sculpture, Henry Rolland Park, West Basin*



A large white boat, possibly a ferry or a tugboat, is docked on a stone pier. The boat has several gold-colored metal fixtures, including a large ring and a smaller one. The pier is made of large, flat stones. In the background, there is a body of water and a hillside with trees. The sky is blue with many white, fluffy clouds. A black rectangular box is overlaid on the right side of the image, containing the text "SECTION C".

## SECTION C

# FINANCIAL MANAGEMENT REPORTING

# C.1. – FINANCIAL MANAGEMENT ANALYSIS

## Management Discussion and Analysis City Renewal Authority For the Year Ended 30 June 2018

### Objectives

The City Renewal Authority was established on 1 July 2017 under Section 7 of the *City Renewal Authority and Suburban Land Agency Act 2017*. As this is the first reporting year since the establishment of the City Renewal Authority, 2016-17 financial information is not available in the financial statements for prior year comparison.

The City Renewal Authority was transferred assets, rights and liabilities from the former Land Development Agency, on 1 July 2017 by way of a Minister's declaration in accordance with Division 9.6 of the *Financial Management Act 1996*.

The City Renewal Authority was created to lead, manage, facilitate and undertake urban renewal projects in declared urban renewal precincts. The first declared area is the City Renewal Precinct (the Precinct). The City Renewal Authority relies on the Environment, Planning and Sustainable Development Directorate for core business functions such as human resources, governance oversight, information and records management, freedom of information, legal support services, ICT systems, government services and fleet management. In addition the City Renewal Authority relies on the Suburban Land Agency for financial services.

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 key objectives of the City Renewal Authority are to:

- encourage and promote a vibrant city through the delivery of design-led, people-focussed urban renewal;
- include the community in the design and delivery of urban renewal;
- encourage and promote social and environmental sustainability and diversity; and
- achieve operational effectiveness, delivering value for money using sound risk practices.

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

In partnership with the community, private-sector and other government agencies, the City Renewal Authority will create a vibrant and vital city heart. It 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. It will also activate the Precinct with events, interventions and attractions that bring people into the centre of the city and enliven the experience for residents, workers and visitors.

## Public Trading Enterprise

The City Renewal Authority is a Public Trading Enterprise. Consistent with the ACT Government's policy statement on competitive neutrality (Competitive Neutrality in the ACT, October 2010), the City Renewal Authority applies similar costing and pricing principles, taxation, debt guarantee requirements and regulations as a fully corporatised business, including:

- the transfer of unleased rural land for development from the Environment, Planning and Sustainable Development Directorate is on a commercial basis;
- land holding cost payments;
- stamp duty equivalency payments;
- application of the National Tax Equivalents Regime; and
- providing a commercial return to the ACT Government through the development and sale of the land.

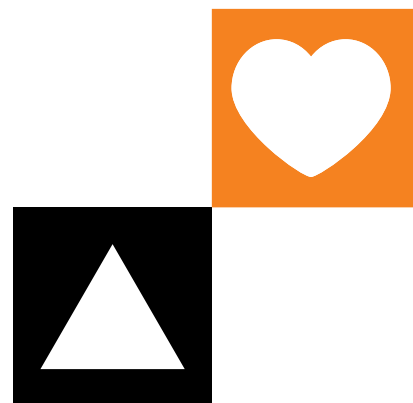
The total return to the ACT Government from the City Renewal Authority's activities consists of:

- payment for the transfer of unleased Territory land from the Environment, Planning and Sustainable Development Directorate;
- capital distributions to the Government;
- payment of national tax equivalents;
- payment of dividends based on operating profit after tax;
- payment of land holding costs and stamp duty equivalents; and
- payment of payroll tax

## City Centre Marketing and Improvements Levy

The City Renewal Authority commenced administering the City Centre Marketing and Improvements Levy (CCMIL) on 1 January 2018 under a funding arrangement with the ACT Government represented by the Environment, Planning and Sustainable Development Directorate. Under this funding arrangement the City Renewal Authority receives Government funding, equal to the levies collected by Access Canberra to manage and implement the CCMIL program.

In the 2017-18 year, the City Renewal Authority received \$1.760 million from the ACT Government to administer the City Centre Marketing and Improvements Levy program. At 30 June 2018, the City Renewal Authority has incurred expenditure of \$0.527 million, with \$1.233 million unspent and to carried over to the 2018/19 Financial Year.



## Returns to the Territory

The City Renewal Authority was established on 1 July 2017 and 2017-18 is its first year of reporting. There are no prior year comparative information available to be disclosed.

Detailed variances between the 2017-18 result and the 2017-18 Budget (Statement of Intent) are provided below.

Table 1 below compares the total returns to the Territory in 2017-18 with the 2017-18 Budget (Statement of Intent).

**Table 1: Comparison of Returns to the Territory**

	<b>Actual 2018 \$'m</b>	<b>Budget 2018 \$'m</b>
Dividends declared	1.229	(0.027)
National tax equivalent payments	0.526	(0.011)
Payroll tax	0.129	0.168
<b>Total Returns to the Territory</b>	<b>1.884</b>	<b>0.130</b>



## Financial Performance

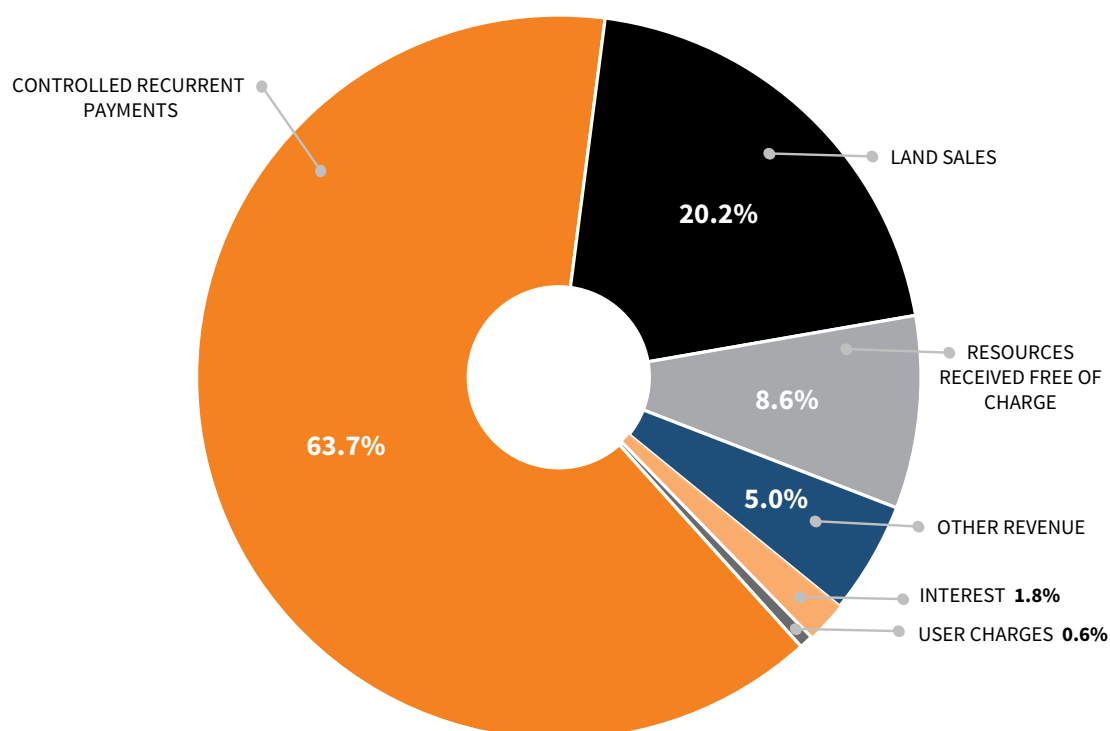
The financial information provided below is based on the audited 2017-18 Financial Statements.

### Income

#### Components of Income

As shown in Figure 1 below, the City Renewal Authority derived 63.7% of its total income (\$10.516 million) for the year ended 30 June 2018 from Controlled Recurrent Payments (\$6.700 million), 20.2% from Land Sales (\$2.126 million), 8.6% from Resources Received Free of Charge (\$0.905 million), 5.0% from Other Revenue (\$0.527 million), 1.8% from Interest (\$0.194 million) and 0.6% from User Charges Non-ACT Government (\$0.064 million).

**FIGURE 1: COMPONENTS OF INCOME**



#### Comparison to 2017-18 Budget

Actual income of \$10.516 million was \$3.562 million (51.2%) higher than the budgeted amount of \$6.954 million due mainly to:

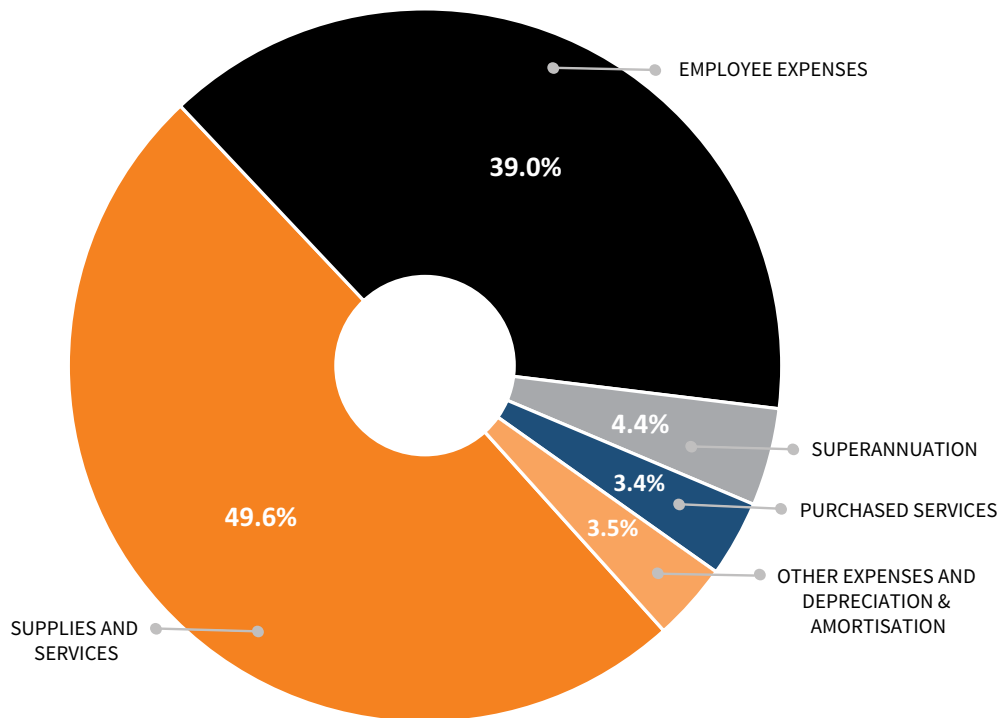
- actual Controlled Recurrent Payments of \$6.700 million was \$1.942 million (40.8%) higher than the budgeted amount of \$4.758 million. The higher Controlled Recurrent Payments is predominantly associated with additional operational funding which was funded in the mid-year Budget Review; and
- actual Land Sales of \$2.126 million was \$1.694 million (392.1%) higher than the budgeted amount of \$0.432 million. The higher Land Sales revenue is due to higher than expected revenue received from the sale city blocks during 2017-18.

## Total Expenses

### Components of Expenses

Total expenses for the year ended 30 June 2018 (as shown in Figure 2) were predominantly for Supplies and Services (\$4.349 million), which was 49.6% of the total and Employee Expenses (\$3.413 million) which were 39.0%. The remaining balance of total expenses was for Superannuation Expenses (\$0.388 million) 4.4%, Purchased Services (\$0.302 million) 3.4%, Other Expenses and Depreciation and Amortisation (\$0.309 million) 3.5%.

**FIGURE 2: COMPONENTS OF EXPENDITURE**



### Comparison to 2017-18 Budget

Actual expenses of \$8.761 million were higher than the budget amount of \$6.992 million by \$1.769 million (25.3%) due mainly to:

- higher Supplies and Services expense is due additional expenditure incurred including expenses such as consultancy fees, maintenance and financial, sales and marketing and estate management support which was funded in the mid-year Budget Review and through the City Centre Marketing and Improvements Levy program which the City Renewal Authority commenced administering on 1 January 2018; and
- higher Employee Expenses is associated five additional staff compared to the Original Budget which was funded in the mid-year Budget Review. The additional staff were required to align the City Renewal Authority's focus with the Government's Statement of Expectations and to undertake its governance function.

Actual National Tax Equivalents expense of \$0.526 million is higher than the budget amount due to the higher than expected operating result for 2017-18, primarily due to higher land sales revenue received.

## Dividends

The City Renewal Authority operates under a policy of returning 100% of operating surplus as a dividend to the ACT Government. The dividend declared for the 2017-18 year was \$1.229 million. This is higher compared to the budget of negative \$0.027 million due to the increased operating result of the City Renewal Authority for 2017-18 primarily due to increased land sales revenue received.

## Financial Position

Key indicators of the health of the City Renewal Authority's financial position are the ability to sustain its asset base, to pay debts as they fall due and to maintain long-term liabilities at prudent levels.

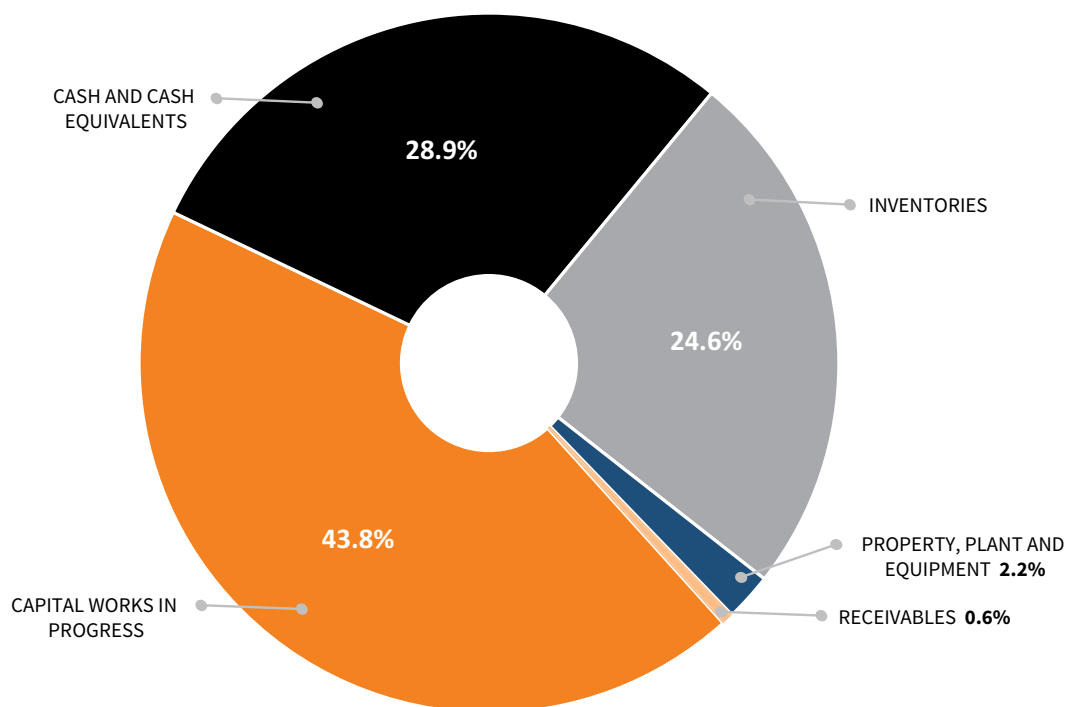
## Total Assets

### Components of Total Assets

In 2017-18 the City Renewal Authority maintained a strong net asset position due to its capital works, cash and inventory holdings in comparison with its liabilities.

Total assets (\$45.343 million) at 30 June 2018 (as shown in Figure 3) comprise Capital Works in Progress 43.8% (\$19.840 million), Cash 28.9% (\$13.099 million), Inventories 24.6% (\$11.155 million), Property, Plant and Equipment 2.2% (\$0.998 million) and Receivables 0.6% (\$0.251 million).

**FIGURE 3: COMPONENTS OF TOTAL ASSETS**



## Comparison to Budget at 30 June 2018

The City Renewal Authority's total asset position at 30 June 2018 of \$45.343 million was higher than the budget amount of \$35.015 million by \$10.328 million (29.5%) mainly due to higher than expected:

- Cash of \$5.265 million primarily due to higher Land Sales revenue being received (\$1.694 million) and City Centre Marketing and Improvements Levy funding received which were not included in the original budget (\$1.760 million);
- Capital Works in Progress due predominantly to the unanticipated transfer of Capital Works in Progress balances from the Chief Minister, Treasury and Economic Development Directorate to the City Renewal Authority (\$10.111 million); and
- Property, Plant and Equipment \$0.998 million due primarily to assets transferred to the City Renewal Authority from the former Land Development Agency were not included in the original budget.

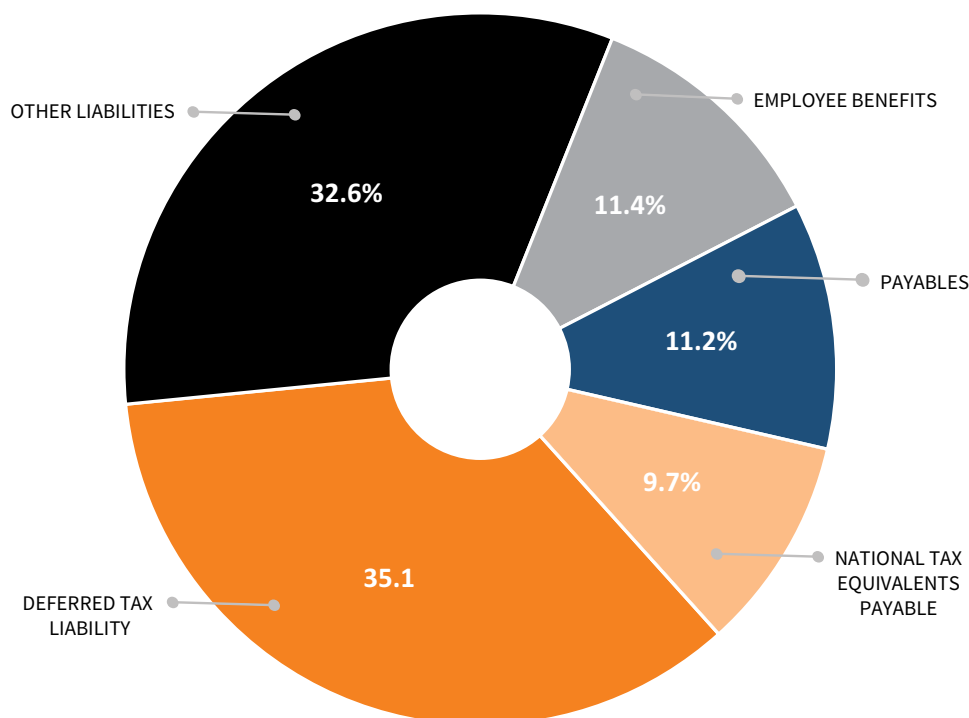
These were partially offset by lower than anticipated development costs (\$1.479 million) on inventory during 2017-18.

## Total Liabilities

Figure 4 illustrates the City Renewal Authority's total liabilities (\$8.034 million) comprising Deferred Tax Liability 35.1% (\$2.820 million), Other Liabilities 32.6% (\$2.620 million), Employee Benefits 11.4% (\$0.914 million), Payables 11.2% (\$0.898 million) and National Tax Equivalents Payable 9.7% (\$0.782 million).

Other Liabilities relates to City Centre Marketing and Improvements Levy funding received in advance, Dividends Payable to the Territory and revenue received in advance for an exchange block and land. Payables relates to accrued expenses and Goods and Services Tax payable. Employee Benefits consist mostly of long service leave and annual leave.

**FIGURE 4: COMPONENTS OF TOTAL LIABILITIES**





## Comparison to Budget at 30 June 2018

The City Renewal Authority's total liability position at 30 June 2018 of \$8.034 million was higher than the budget amount of \$0.817 million by \$7.217 million (883.35%) mainly due to:

- \$2.820 million of Deferred Tax Liability recognised primarily relating to unanticipated re-recognition of the Deferred Tax Liability associated with the net assets transferred to the City Renewal Authority from the former Land Development Agency;
- \$1.233 million of Other Liabilities recognised during 2017-18 relating to amounts received from the Environment, Planning and Sustainable Development Directorate representing unbudgeted Government funding for the City Centre Marketing and Improvements Levy funding received in advance;
- \$1.229 million of Other Liabilities relates to the recognition of higher than expected Dividends Payable to the Territory at 30 June 2018;
- \$0.832 million of Payables recognised relating to unpaid outstanding supplies and services and civil works completed up to 30 June 2018, which was not anticipated in the budget; and
- \$0.782 million recognised for National Tax Equivalents Payable due to the higher than expected operating result for 2017-18, primarily due to higher land sales revenue received.

## Liquidity

Liquidity refers to the ability of the City Renewal Authority to satisfy its short-term debts as they fall due. This ability is demonstrated by the City Renewal Authority's 'current ratio' (set out in Table 2 below), which compares the ability to fund short-term liabilities from short-term assets. The current ratio of 2.6 shows that the City Renewal Authority is able to meet its short-term debts at 30 June 2018.

**Table 2: Current Assets to Current Liabilities**

	Actual	Budget	Budget	Budget	Budget
at 30 June	2017-18	2018-19	2019-20	2020-21	2021-22
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Current Assets	13,350	41,808	66,941	68,460	34,434
Total Current Liabilities	5,176	785	636	646	654
<b>Current Ratio</b>	<b>2.6</b>	<b>53.3</b>	<b>105.3</b>	<b>106.0</b>	<b>52.7</b>

## C.2. – FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

### INDEPENDENT AUDIT REPORT

#### CITY RENEWAL AUTHORITY

#### To the Members of the ACT Legislative Assembly

##### Audit opinion

I am providing an **unqualified audit opinion** on the financial statements of the City Renewal Authority for the year ended 30 June 2018. The financial statements comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

In my opinion, the financial statements:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the City Renewal Authority and results of its operations and cash flows.

##### Basis for the audit opinion

The audit was conducted in accordance with Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

##### Responsibility for preparing and fairly presenting the financial statements

The Governing Board of the City Renewal Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the City Renewal Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

##### Responsibility for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the City Renewal Authority.

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Level 4, 11 Moore Street Canberra City ACT 2601      PO Box 275 Civic Square ACT 2608  
T 02 6207 0833 F 02 6207 0826 E [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au) W [www.audit.act.gov.au](http://www.audit.act.gov.au)

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Governing Board; and
- assessed the going concern\* basis of accounting used in the preparation of the financial statements.

(\*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

#### **Limitations on the scope of the audit**

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the City Renewal Authority;
- adequacy of controls implemented by the City Renewal Authority; or
- integrity of the audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Mr Tim Larnach  
Acting Director, Financial Audits  
19 September 2018

# **City Renewal Authority**

## **Financial Statements**

**For the Year Ended**

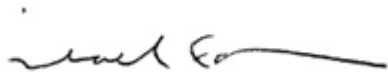
**30 June 2018**



**City Renewal Authority  
Financial Statements  
For the Year Ended 30 June 2018**

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the City Renewal Authority's accounts and records and fairly reflect the financial operations of the City Renewal Authority for the year ended 30 June 2018 and the financial position of the City Renewal Authority on that date.



Dr Michael Easson AM

Board Chair

City Renewal Authority

2018

**City Renewal Authority  
Financial Statements  
For the Year Ended 30 June 2018**

**Statement by Chief Executive Officer**

In my opinion, the financial statements are in agreement with the City Renewal Authority's accounts and records and fairly reflect the financial operations of the City Renewal Authority for the year ended 30 June 2018 and the financial position of the City Renewal Authority on that date.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Malcolm Snow

Chief Executive Officer

City Renewal Authority

18 September 2018

**City Renewal Authority  
Financial Statements  
For the Year Ended 30 June 2018**

**Statement by the Chief Financial Officer**

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the City Renewal Authority's accounts and records and fairly reflect the financial operations of the City Renewal Authority for the year ended 30 June 2018 and the financial position of the City Renewal Authority on that date.

A handwritten signature in black ink, appearing to be 'J Lee', written over a horizontal line.

Joseph Lee  
Chief Financial Officer  
City Renewal Authority  
18 September 2018

**City Renewal Authority**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2018**

		Actual 2018 \$'000	Original Budget 2018 \$'000
<b>Income</b>			
Controlled Recurrent Payments	3	6,700	4,758
Land Sales	4	2,126	432
User Charges- Non-ACT Government		64	-
Interest		194	-
Resources Received Free of Charge	5	905	1,764
Other Revenue	6	527	-
<b>Total Income</b>		<b>10,516</b>	<b>6,954</b>
<b>Expenses</b>			
Employee Expenses	7	3,413	3,038
Superannuation Expenses	8	388	389
Supplies and Services	9	4,349	3,133
Depreciation and Amortisation		23	-
Purchased Services		302	182
Cost of Land Sold		-	250
Other Expenses	10	286	-
<b>Total Expenses</b>		<b>8,761</b>	<b>6,992</b>
<b>Operating Surplus/(Deficit) before National Tax Equivalents</b>		<b>1,755</b>	<b>(38)</b>
National Tax Equivalents	12	526	(11)
<b>Operating Surplus/(Deficit)</b>		<b>1,229</b>	<b>(27)</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>1,229</b>	<b>(27)</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes and appendices as outlined in the Note Index.

**City Renewal Authority**  
**Balance Sheet**  
**As at 30 June 2018**

	<b>Note No.</b>	<b>Actual 2018 \$'000</b>	<b>Original Budget 2018 \$'000</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	13	13,099	7,834
Receivables		251	-
Inventories	14	-	11,715
Capital Works in Progress	16	-	9,500
<b>Total Current Assets</b>		<b>13,350</b>	<b>29,049</b>
<b>Non-Current Assets</b>			
Inventories	14	11,155	5,966
Property, Plant and Equipment	15	998	-
Capital Works in Progress	16	19,840	-
<b>Total Non-Current Assets</b>		<b>31,993</b>	<b>5,966</b>
<b>Total Assets</b>		<b>45,343</b>	<b>35,015</b>
<b>Current Liabilities</b>			
Payables	17	898	-
Employee Benefits	18	876	603
National Tax Equivalents Payable	19	782	-
Other Liabilities	20	2,620	188
<b>Total Current Liabilities</b>		<b>5,176</b>	<b>791</b>
<b>Non-Current Liabilities</b>			
Employee Benefits	18	38	26
Deferred Tax Liability	21	2,820	-
<b>Total Non-Current Liabilities</b>		<b>2,858</b>	<b>26</b>
<b>Total Liabilities</b>		<b>8,034</b>	<b>817</b>
<b>Net Assets</b>		<b>37,309</b>	<b>34,198</b>
<b>Equity</b>			
Contributed Equity		37,309	34,198
Retained Profits		-	-
<b>Total Equity</b>		<b>37,309</b>	<b>34,198</b>

The above Balance Sheet should be read in conjunction with the accompanying notes and appendices as outlined in the Note Index.



**City Renewal Authority**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2018**

		Contributed Equity Actual 2018 \$'000	Retained Profits Actual 2018 \$'000	Total Equity Actual 2018 \$'000	Original Budget 2018 \$'000
<b>Balance at 1 July 2017</b>		-	-	-	-
<b>Comprehensive Income/(Loss)</b>					
Operating Surplus/(Deficit)		-	1,229	1,229	(27)
<b>Total Comprehensive Income/(Loss)</b>		-	1,229	1,229	(27)
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Capital Injections		10,176	-	10,176	9,500
Net Assets transferred in as part of an Administrative Restructure	25	30,209	-	30,209	24,698
Re-recognition of Deferred Tax Liability		(3,076)	-	(3,076)	-
Dividends Approved		-	(1,229)	(1,229)	27
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>37,309</b>	<b>(1,229)</b>	<b>36,080</b>	<b>34,225</b>
<b>Balance at 30 June 2018</b>		<b>37,309</b>	<b>-</b>	<b>37,309</b>	<b>34,198</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes and appendices as outlined in the Note Index.

**City Renewal Authority**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2018**

	Note No.	Actual 2018 \$'000	Original Budget 2018 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Controlled Recurrent Payments		6,700	4,758
Land Sales		2,126	432
User Charges-Non-ACT Government		57	-
Interest		194	-
Other Revenue		1,760	-
Goods and Services Tax (GST) Collected from Customers		55	-
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		1,079	-
<b>Total Receipts from Operating Activities</b>		<b>11,971</b>	<b>5,190</b>
<b>Payments</b>			
Employee		3,254	3,038
Superannuation		386	389
Supplies and Services		2,928	1,369
Purchased Services		277	182
Goods and Services Tax Paid to Suppliers and Remitted to the Australian Taxation Office		1,313	-
National Tax Equivalent Payments		-	(11)
Related to Cost of Goods Sold		-	1,479
<b>Total Payments from Operating Activities</b>		<b>8,158</b>	<b>6,446</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	26	<b>3,813</b>	<b>(1,256)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Payments</b>			
Purchase of Property, Plant and Equipment		17	9,500
Related to Capital Infrastructure Works		10,066	-
<b>Total Payment from Investing Activities</b>		<b>10,083</b>	<b>9,500</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(10,083)</b>	<b>(9,500)</b>

**City Renewal Authority**  
**Cash Flow Statement - Continued**  
**For the Year Ended 30 June 2018**

	Note No.	Actual 2018 \$'000	Original Budget 2018 \$'000
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Capital Injections		10,176	9,500
Receipts of Transferred Cash Balances		9,193	9,034
<b>Total Receipts from Financing Activities</b>		<b>19,369</b>	<b>18,534</b>
<b>Payments</b>			
Payment of Dividend		-	(56)
<b>Total Payment from Financing Activities</b>		<b>-</b>	<b>(56)</b>
<b>Net Cash Inflows from Financing Activities</b>		<b>19,369</b>	<b>18,590</b>
<b>Net Increase in Cash and Cash Equivalents Held</b>		<b>13,099</b>	<b>7,834</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		-	-
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	26	<b>13,099</b>	<b>7,834</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes and appendices as outlined in the Note Index.

# City Renewal Authority

## Statement of Appropriation

### For the Year Ended 30 June 2018

	Original Budget 2018 \$'000	Total Appropriated 2018 \$'000	Appropriation Drawn 2018 \$'000
<b>Appropriation</b>			
Controlled Recurrent Payments	4,758	8,052	6,700
Capital Injections	9,500	20,531	10,176
<b>Total Appropriation</b>	<b>14,258</b>	<b>28,583</b>	<b>16,876</b>

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

#### Column Heading Explanations

The Original Budget column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount also appears in the Cash Flow Statement.

The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.

The Appropriation Drawn is the total amount of appropriation received by the Authority during the year. This amount appears in the Cash Flow Statement.

Variances between 'Original Budget', 'Total Appropriated' and 'Appropriation Drawn'.

#### Reconciliation of Appropriation for 2017-18

	Controlled Recurrent Payments \$'000	Capital Injections \$'000
<b>Original Budget</b>		
Original Appropriation for 2017-18	4,758	9,500
Supplementary Appropriation	2,472	2,750
Rollovers of Undisbursed Appropriation (FMA s.16B)	22	331
2018-19 Budget Technical Adjustments	800	7,950
<b>Total Appropriated <sup>(a)</sup></b>	<b>8,052</b>	<b>20,531</b>
Undrawn amounts	(1,352)	(10,355)
<b>Controlled Appropriation Drawn <sup>(b)</sup></b>	<b>6,700</b>	<b>10,176</b>

a) The difference between the Original Budget and the Total Appropriated is predominately due to implementation of controlled recurrent and capital injection initiatives funded in the 2017-18 Budget Review. As this is the City Renewal Authority's first year of operation, the Original Budget was developed based on an early understanding of staffing and functions transferred from other Government Agencies. Following the Government endorsement of the Statement of Expectations and Statement of Operational Intent, the City Renewal Authority sought additional funding to enable itself to deliver against Government's expectations.

b) The difference between the Total Appropriated and the Appropriation drawn down is largely due delays in funding being made available and delays in the commencement of capital projects outside of the City Renewal Authority's control resulting in undrawn amounts for 2017-18.

# City Renewal Authority

## Financial Statements for the year ended 30 June 2018

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**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 1 OBJECTIVES OF THE CITY RENEWAL AUTHORITY**

**(a) Operations and Principal Activities**

The City Renewal Authority was established on 1 July 2017 under Section 7 of the *City Renewal Authority and Suburban Land Agency Act 2017*. As this is the first reporting year since the establishment of the City Renewal Authority, 2016-17 financial information is not available in the financial statements for prior year comparison.

The City Renewal Authority was transferred assets, rights and liabilities from the former Land Development Agency, on 1 July 2017 by way of a Minister's declaration in accordance with Division 9.6 of the *Financial Management Act 1996*.

The City Renewal Authority was created to lead, manage, facilitate and undertake urban renewal projects in declared urban renewal precincts. The first declared area is the City Renewal Precinct (the Precinct). The City Renewal Authority relies on the Environment, Planning and Sustainable Development Directorate for core business functions such as human resources, governance oversight, information and records management, freedom of information, legal support services, ICT systems, government services and fleet management. In addition the City Renewal Authority relies on the Suburban Land Agency for finance services.

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 key objectives of the City Renewal Authority are to:

- encourage and promote a vibrant city through the delivery of design-led, people-focussed urban renewal;
- include the community in the design and delivery of urban renewal;
- encourage and promote social and environmental sustainability and diversity; and
- achieve operational effectiveness, delivering value for money using sound risk practices.

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

In partnership with the community, private-sector and other government agencies, the City Renewal Authority will create a vibrant and vital city heart. It 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. It will also activate the Precinct with events, interventions and attractions that bring people into the centre of the city and enliven the experience for residents, workers and visitors.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 1 OBJECTIVES OF THE CITY RENEWAL AUTHORITY - CONTINUED**

**(b) Public Trading Enterprise**

The City Renewal Authority is a Public Trading Enterprise. Consistent with the ACT Government's policy statement on competitive neutrality (Competitive Neutrality in the ACT, October 2010), the City Renewal Authority applies similar costing and pricing principles, taxation, debt guarantee requirements and regulations as a fully corporatised business, including:

- the transfer of unleased land for development from the Environment, Planning and Sustainable Development Directorate is on a commercial basis;
- land holding cost payments;
- stamp duty equivalency payments;
- application of the National Tax Equivalents Regime; and
- providing a commercial return to the ACT Government through the development and sale of the land.

The total return to the ACT Government from the City Renewal Authority's activities consists of:

- payment for the transfer of unleased Territory land from the Environment, Planning and Sustainable Development Directorate;
- capital distributions to the Government;
- payment of national tax equivalents;
- payment of dividends based on operating profit after tax;
- payment of land holding costs and stamp duty equivalents; and
- payment of payroll tax.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 3 CONTROLLED RECURRENT PAYMENTS**

Controlled Recurrent Payments are revenue received from the ACT Government to fund the costs of delivering outputs.

	<b>2018 \$'000</b>
<b>Revenue from the ACT Government</b>	
Controlled Recurrent Payments	6,700
<b>Total Controlled Recurrent Payments</b>	<b>6,700</b>

**NOTE 4 LAND SALES**

	<b>2018 \$'000</b>
Land Sales <sup>(a)</sup>	2,126
<b>Total Land Sales</b>	<b>2,126</b>

(a) The City Renewal Authority completed two sales related to city blocks in 2017-18. The above revenue relates predominately to the sale of air and subterranean rights. The sale of air and subterranean rights includes the right of construction of balconies and basement car parking over and under Territory land.

**NOTE 5 RESOURCES RECEIVED FREE OF CHARGE**

Resources Received Free of Charge relates to goods and/or services being provided free of charge from other entities within the ACT Government.

	<b>2018 \$'000</b>
<b>Resources Received from ACT Government Entities</b>	
Environment, Planning and Sustainable Development Directorate <sup>(a)</sup>	736
Transport Canberra and City Services Directorate <sup>(b)</sup>	162
ACT Government Solicitor <sup>(c)</sup>	7
<b>Total Resources Received Free of Charge</b>	<b>905</b>

(a) Services including people and capability, governance oversight, information management, legal services, ICT, facilities and fleet were provided by the Environment, Planning and Sustainable Development Directorate free of charge.

(b) Land and infrastructure relating to the sale of a city block provided by Transport Canberra and City Services Directorate free of charge.

(c) Legal services were provided by the ACT Government Solicitor free of charge.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 6 OTHER REVENUE**

Other Revenue arises from levy monies managed by the City Renewal Authority.

	<b>2018</b>
	<b>\$'000</b>
<b>Revenue from ACT Government Entities</b>	
Other Revenue <sup>(a)</sup>	527
<b>Total Other Revenue</b>	<b>527</b>

(a) Amounts received from the Environment, Planning and Sustainable Development Directorate representing Government funding for the City Centre Marketing and Improvements Levy being administered by the City Renewal Authority from 1 January 2018.

**NOTE 7 EMPLOYEE EXPENSES**

	<b>2018</b>
	<b>\$'000</b>
Wages and Salaries	3,150
Payroll Tax	129
Long Service Leave - Movement in Provision	21
Annual Leave - Movement in Provision	94
Workers' Compensation Insurance Premium	17
Fringe Benefit Tax	2
<b>Total Employee Expenses</b>	<b>3,413</b>

The City Renewal Authority employed an average of 21.2 full time equivalent (FTE) staff during the year ended 30 June 2018.

**NOTE 8 SUPERANNUATION EXPENSES**

	<b>2018</b>
	<b>\$'000</b>
Superannuation Contributions to the Territory Banking Account	160
Superannuation to External Providers	211
Productivity Benefit	17
<b>Total Superannuation Expenses <sup>(a)</sup></b>	<b>388</b>

(a) Employees of the City Renewal Authority have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment. Refer to Appendix B: Significant Accounting Policies for further details.



**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 9 SUPPLIES AND SERVICES**

	<b>2018</b>
	<b>\$'000</b>
Contractors and Consultants <sup>(a)</sup>	1,419
Resources Provided Free of Charge <sup>(b)</sup>	736
Advertising and Marketing Costs <sup>(c)</sup>	665
Board Member Remuneration	342
Office Services <sup>(d)</sup>	205
Asset Management <sup>(e)</sup>	181
Payment to Shared Services <sup>(f)</sup>	181
Operating Lease Rental Payments <sup>(g)</sup>	177
Insurance <sup>(h)</sup>	101
Staff Development	96
Office Equipment and Consumables	71
Other <sup>(i)</sup>	175
<b>Total Supplies and Services</b>	<b>4,349</b>

(a) Contractors and Consultants expenses relate to items such as business operations consultancy, design and planning services and feasibility works.

(b) Resources Provided Free of Charge by Environment Planning and Sustainable Development under a service agreement. A breakdown of the costs under this service agreement are detailed in the below table.

	<b>2018</b>
	<b>\$'000</b>
Governance, compliance and legal	487
Due diligence	143
People and capability	62
Information management	38
Communications	3
Government services	2
Fleet management	1
<b>Total Resources Provided Free of Charge</b>	<b>736</b>

(c) Advertising and Marketing costs includes marketing and promotion of the City Renewal Authority's community and city revitalisation programs, corporate marketing and advertising, in addition to partnering and sponsorship of other events in the City.

(d) Office Services includes expenditure such as office accommodation outgoings, software licences, telecommunications and records management.

(e) Asset Management includes expenses associated with the maintenance of land held by the City Renewal Authority whilst under construction for future sale or infrastructure works.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 9 SUPPLIES AND SERVICES - CONTINUED**

- (f) Payment to Shared Services includes expenditure for services. A breakdown of the costs under this service agreement are detailed in the below table.

	<b>2018</b>
	<b>\$'000</b>
Information Technology	103
Finance	41
Procurement	30
Human Resources	7
<b>Total Payment to Shared Services</b>	<b>181</b>

- (g) Operating Lease Rental Payments are expenses incurred relating to office accommodation.
- (h) Insurance includes ACT Insurance Authority premiums for property and business operations, public liability and contract works insurance.
- (i) Other Supplies and Services expenses includes travel expenses, payments under the City Grants scheme through the City Centre Marketing and Improvements Levy and Building and Construction Training Levy.

**NOTE 10 OTHER EXPENSES**

	<b>2018</b>
	<b>\$'000</b>
Write down in Inventory <sup>(a)</sup>	162
Transfer of Assets to other ACT Government Entities <sup>(b)</sup>	124
<b>Total Other Expenses</b>	<b>286</b>

- (a) During 2017-18 there were no actual land costs attributable to the sale of city blocks with the costs transferred to the City Renewal Authority from Transport Canberra and City Services Directorate free of charge relating to infrastructure. The infrastructure transferred to the City Renewal Authority has been devalued during 2017-18 and recognised as an inventory write-down in Other Expenses.
- (b) The City Renewal Authority transferred a structural roof and shipping containers from the Westside Container Village to other ACT Government Entities at no cost due to the decommissioning of the Westside Container Village.

**NOTE 11 AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the City Renewal Authority by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit.

	<b>2018</b>
	<b>\$'000</b>
<b>Audit Services</b>	
Fees relating to the audit of the 2017-18 Financial Statements	49
<b>Total Audit Fees</b>	<b>49</b>

No other services were provided by the ACT Audit Office.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 12 NATIONAL TAX EQUIVALENTS**

The City Renewal Authority is a Territory owned Public Trading Enterprise and is listed in the National Tax Equivalent Regime (NTER) entity register to participate in the NTER.

NTER is an administrative arrangement with the ATO. Under this arrangement, relevant taxation laws will be applied notionally to the NTER entities as if they were subject to those laws. Each NTER entity will be assessed annually as to its income tax equivalent liability and will be required to pay instalments of the (expected) liability to the Territory.

The primary objective of the NTER is to promote competitive neutrality, through a uniform application of income tax laws, between the NTER entities and their privately held counterparts.

	<b>2018</b>
	<b>\$'000</b>
<b>National Tax Equivalents</b>	
The major components of National Tax Equivalents are:	
Provision for Current Year National Tax Equivalents	526
<b>Total National Tax Equivalents</b>	<b>526</b>
<b>Numeric Reconciliation of National Tax Equivalents to Prima Facie Tax Payable</b>	
Operating Surplus before National Tax Equivalents	1,755
National Tax Equivalents calculated at 30%	526
<b>National Tax Equivalents</b>	<b>526</b>

**NOTE 13 CASH AND CASH EQUIVALENTS**

The City Renewal Authority holds a bank account with the Westpac Bank as a part of the ACT Whole-of-Government banking arrangement. As part of these arrangements, the City Renewal Authority receives interest on the account.

	<b>2018</b>
	<b>\$'000</b>
Cash at Bank	13,099
<b>Total Cash and Cash Equivalents</b>	<b>13,099</b>

City Renewal Authority currently invests surplus cash in the Westpac transaction account (Cash at Bank), as it has a more favourable interest rate than the Territory Banking Account cash facility (Investment with the Territory Banking Account).

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 14 INVENTORIES**

	<b>2018</b> <b>\$'000</b>
<b>Non-Current Inventories</b>	
Land Being Developed - Work in Progress	
Transferred Land Acquisition Costs <sup>(a)</sup>	5,966
Transferred Development Costs <sup>(b)</sup>	5,189
Total Land Being Developed - Work in Progress	<u>11,155</u>
<b>Total Non-Current Inventories</b>	<u><b>11,155</b></u>
<b>Total Inventories</b>	<u><u><b>11,155</b></u></u>

All Inventory held by the City Renewal Authority at 30 June 2018 has been disclosed as non-current, as it is not anticipated that the sales associated with the inventory balances will settle in the next 12 months.

Write downs of inventory amounted to \$162k in 2017-18 and was recognised as an expense and included in Note 10: Other Expenses.

(a) Transferred Land Acquisition Costs relate to Acton Blocks 13, 16 of Section 33 and City Block 24 of Section 65 which were transferred to the City Renewal Authority from the former Land Development Agency.

(b) Transferred Development Costs relate to Parkes Block 6 of Section 3 and Dickson Block 30 of Section 34 which were transferred to the City Renewal Authority from the former Land Development Agency.

**NOTE 15 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment includes the following classes of assets.

	<b>2018</b> <b>\$'000</b>
<b>Infrastructure</b>	
Infrastructure at Cost <sup>(a)</sup>	1,004
Less: Accumulated Depreciation	<u>(23)</u>
<b>Total Written-Down Value of Infrastructure</b>	<u><b>981</b></u>
 <b>Plant and Equipment</b>	
Plant and Equipment at Cost <sup>(b)</sup>	17
Less: Accumulated Depreciation	<u>-</u>
<b>Total Written-Down Value of Plant and Equipment</b>	<u><b>17</b></u>
 <b>Total Written-down Value of Property, Plant and Equipment</b>	<u><u><b>998</b></u></u>

(a) Infrastructure includes the West Basin Boardwalk.

(b) Plant and Equipment includes electronic office equipment.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 15 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of Property, Plant and Equipment at 30 June 2018**

The following table shows the movement of Property, Plant and Equipment in 2017-18.

	Infrastructure \$'000	Plant and Equipment \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	-	-	-
Additions	-	17	17
Depreciation	(23)	-	(23)
Acquisition through Administrative Restructure	1,139	-	1,139
(Disposal) from Transfers	(135)	-	(135)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>981</b>	<b>17</b>	<b>998</b>

**NOTE 16 CAPITAL WORKS IN PROGRESS**

Assets under construction include infrastructure assets.

	2018 \$'000
Infrastructure Works in Progress <sup>(a)</sup>	19,840
<b>Total Capital Works in Progress</b>	<b>19,840</b>

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Capital Works in Progress during 2017-2018.

	Infrastructure Works in Progress \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	-
Additions	9,729
Transfer through Administrative Restructure	10,111
<b>Carrying Amount at the End of the Reporting Period</b>	<b>19,840</b>

(a) Infrastructure works in progress amounts relate to works being undertaken by the City Renewal Authority on behalf of the ACT Government for capital infrastructure projects. These include infrastructure projects such as Henry Rolland Park, West Basin Boardwalk and Public Realm Improvements in London Circuit, Civic and Braddon.



**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 17 PAYABLES**

	2018 \$'000
<b>Current Payables</b>	
Other Payables <sup>(a)</sup>	66
Accrued Expenses <sup>(b)</sup>	832
<b>Total Current Payables</b>	<u>898</u>
<b>Total Payables</b>	<u><u>898</u></u>

	2018 \$'000
<b>Payables are aged as follows:</b>	
Not Overdue	898
<b>Total Payables</b>	<u><u>898</u></u>

**Classification of ACT Government/Non-ACT Government Payables**

<b>Payables with ACT Government Entities</b>	
Accrued Expenses	222
<b>Total Payables with ACT Government Entities</b>	<u>222</u>
<b>Payables with Non-ACT Government Entities</b>	
Other Payables <sup>(a)</sup>	66
Accrued Expenses <sup>(b)</sup>	610
<b>Total Payables with Non-ACT Government Entities</b>	<u>676</u>
<b>Total Payables</b>	<u><u>898</u></u>

(a) Other Payables relate to Goods and Services Tax payable.

(b) Accrued expenses relating to unpaid outstanding supplies and services and civil works completed up to 30 June 2018, with Non-ACT Government Entities.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 18 EMPLOYEE BENEFITS**

	<b>2018</b>
	<b>\$'000</b>
<b>Current Employee Benefits</b>	
Long Service Leave	442
Annual Leave	376
Accrued Salaries and Superannuation	51
Accrued Payroll Tax	7
<b>Total Current Employee Benefits</b>	<b>876</b>
<b>Non-Current Employee Benefits</b>	
Long Service Leave	38
<b>Total Non-Current Employee Benefits</b>	<b>38</b>
<b>Total Employee Benefits</b>	<b>914</b>
<b>Estimate of when Leave is Payable</b>	
<b>Estimated Amount Payable within 12 months</b>	<b>2018</b>
	<b>\$'000</b>
Long Service Leave	94
Annual Leave	193
Accrued Salaries and Superannuation	51
Accrued Payroll Tax	7
<b>Total Employee Benefits Payable within 12 months</b>	<b>345</b>
<b>Estimated Amount Payable after 12 months</b>	
Long Service Leave	386
Annual Leave	183
<b>Total Employee Benefits Payable after 12 months</b>	<b>569</b>
<b>Total Employee Benefits</b>	<b>914</b>

At 30 June 2018, the City Renewal Authority employed 23.4 full time equivalent (FTE) staff.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 19 NATIONAL TAX EQUIVALENTS PAYABLE**

	2018 \$'000
<b>Opening Balance</b>	-
National Tax Equivalents Expense for Current Year <sup>(a)</sup>	526
Instalments Paid for Current Year's National Tax Equivalents	-
Transferred from Deferred Tax Liability	256
<b>Total National Tax Equivalents Payable</b>	<b>782</b>

(a) National Tax Equivalents Expense incurred for 2017-18 is predominantly a result of land sales revenue received.

**NOTE 20 OTHER LIABILITIES**

	2018 \$'000
<b>Current Other Liabilities</b>	
Dividend Payable <sup>(a)</sup>	1,229
Revenue Received in Advance <sup>(b)</sup>	1,391
<b>Total Current Other Liabilities</b>	<b>2,620</b>
<b>Total Other Liabilities</b>	<b>2,620</b>

(a) The City Renewal Authority pays the Territory a dividend of 100% of net profits after tax.

(b) Revenue Received in Advance relates to sales deposits received for blocks that have not yet settled and amounts received in advance from the Environment, Planning and Sustainable Development Directorate representing Government funding for the City Centre Marketing and Improvements Levy program being administered by the City Renewal Authority.

**Reconciliation of Dividends Receivable**

Dividends Payable at the Beginning of the Reporting Period	-
Dividends Declared during the Reporting Period	1,229
Dividends Paid during the Reporting Period for Current Year	-
<b>Dividend Payable at the End of the Reporting Period</b>	<b>1,229</b>

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 21 DEFERRED TAX LIABILITY**

Deferred Tax Liabilities are the amounts of National Tax Equivalents payable in future periods relating to taxable temporary differences between the calculation of the carrying amount of an asset or liability in the balance sheet and its tax base.

	<b>2018</b>
	<b>\$'000</b>
The balance comprises temporary differences attributable to:	
<b>Opening Balance</b>	-
<b>Re-recognition of Deferred Tax Liability <sup>(a)</sup></b>	<b>3,076</b>
(Decrease) in Employee Benefits	(35)
Accelerated Depreciation	(13)
Other	(208)
<b>Current year movements</b>	<b>(256)</b>
<b>Net Deferred Tax Liability</b>	<b>2,820</b>

(a) This relates to the re-recognition of the Deferred Tax Liability relating to the net assets the City Renewal Authority acquired from the former Land Development Agency. As per the *Financial Management (Land Development Agency Transfer to City Renewal Authority) Declaration 2017*, some assets and liabilities were transferred to the City Renewal Authority. The City Renewal Authority assumed that former Land Development Agency's tax attributes relating to these net assets and is required to recognise the corresponding Deferred Tax Liability. The re-recognition of the Deferred Tax Liability was made through Contributed Equity.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 22 FINANCIAL INSTRUMENTS**

Details of significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed at Note 2 (see Appendix B): 'Significant Accounting Policies'.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The City Renewal Authority's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The City Renewal Authority expects to collect all financial assets that are not past due or impaired.

The City Renewal Authority's credit risk mainly includes the investment of excess cash. Credit risk is managed by the City Renewal Authority by only investing surplus funds in a commercial bank account or with the Territory Banking Account, which has appropriate investment criteria for the external fund manager engaged to manage the Territory's surplus funds.

**Liquidity Risk**

Liquidity risk is the risk that the City Renewal Authority will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the City Renewal Authority ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time the City Renewal Authority has a sufficient amount of current financial assets to meet its current financial liabilities.



**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 22 FINANCIAL INSTRUMENTS - CONTINUED**

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	<b>Note No.</b>	<b>Carrying Amount 2018 \$'000</b>	<b>Fair Value Amount 2018 \$'000</b>
<b>Financial Assets</b>			
Cash and Cash Equivalents	13	13,099	13,099
Receivables <sup>(a)</sup>		6	6
<b>Total Financial Assets</b>		<b>13,105</b>	<b>13,105</b>
<b>Financial Liabilities</b>			
Payables <sup>(a)</sup>	17	832	832
<b>Total Financial Liabilities</b>		<b>832</b>	<b>832</b>
			<b>2018 \$'000</b>
<b>Reconciliation of Receivables as Financial Assets:</b>			
<b>Total Receivables</b>			<b>251</b>
<i>Less:</i>			
Statutory Charges - Goods and Services Tax <sup>(a)</sup>			245
<b>Total Receivables as Financial Assets</b>			<b>6</b>
<b>Reconciliation of Payables as Financial Liabilities:</b>			
<b>Total Payables</b>			<b>898</b>
<i>Less:</i>			
Statutory Charges - Goods and Services Tax <sup>(a)</sup>			66
<b>Total Payable as Financial Liabilities</b>			<b>832</b>

(a) The amounts reported are net of Statutory Charges – Goods and Services Tax which does not meet the definition of a Financial Instrument under the Australian Accounting Standards AASB 139: 'Financial Instruments: Recognition and Measurement'.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 22 FINANCIAL INSTRUMENTS – CONTINUED**

**Maturity Analysis**

The following table sets out the City Renewal Authority's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2018. Financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2018	Note No	Weighted Average Rate	Floating Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing	Total
				1 Year or Less	Over 1 to 5 Years	More than 5 Years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Instruments</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	13	2.35%	13,099	-	-	-	-	13,099
Receivables <sup>(a)</sup>			-	-	-	-	6	6
<b>Total Financial Assets</b>			<b>13,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>13,105</b>
<b>Financial Liabilities</b>								
Payables <sup>(a)</sup>	17		-	-	-	-	832	832
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>832</b>	<b>832</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>13,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(826)</b>	<b>12,273</b>

**Carrying Amount of Each Category of Financial Asset and Financial Liability**

	2018 \$'000
<b>Financial Assets</b>	
Loans and Receivables Measured at Amortised Cost <sup>(a)</sup>	13,105
<b>Financial Liabilities</b>	
Financial Liabilities Measured at Amortised Cost <sup>(a)</sup>	832

(a) The amounts reported are net of Statutory Charges – Goods and Services Tax which does not meet the definition of a Financial Instrument under the Australian Accounting Standards AASB 139: 'Financial Instruments: Recognition and Measurement'.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 23 COMMITMENTS**

**2018**  
**\$'000**

**Operating Leases Commitments**

Non-Cancellable operating lease commitments are payable as follows:

Within one year	217
Later than one year but not later than five years	229
Later than five years	4
<b>Total Operating Lease Commitments <sup>(a)</sup></b>	<b>450</b>

(a) Operating leases include:

- the lease of the Nara House office accommodation from ACT Property Group, Chief Minister, Treasury and Economic Development Directorate; and
- IT equipment and mobile phones leased from Shared Services ICT, Chief Minister, Treasury and Economic Development Directorate.

**NOTE 24 CONTINGENT LIABILITIES**

**Contingent Liabilities**

Legal Claims

The ACT Government Solicitor's Office acts on behalf of the City Renewal Authority in litigation matters. At 30 June 2018 the current estimate of potential claims is \$20,000.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 25 ADMINISTRATIVE RESTRUCTURE**

On 1 July 2017, a restructuring of administrative arrangements occurred upon the cessation of the Land Development Agency on 30 June 2017. Upon the cessation of the Land Development Agency a portion of the assets and liabilities were transferred to the City Renewal Authority in accordance with the *Financial Management (Land Development Agency to City Renewal Authority) Declaration 2017*.

In addition as a result of the restructuring of administrative arrangements, Capital Works in Progress balances were transferred to the City Renewal Authority from the Chief Minister, Treasury and Economic Development Directorate.

The asset and liabilities transferred as part to the administrative restructure at the dates of transfer were as follows:

	Land Development Agency	Chief Minister, Treasury and Economic Development Directorate	Total
	\$'000	\$'000	\$'000
<b>Assets</b>			
Cash and Cash Equivalents	9,193	-	9,193
Receivables	7	-	7
Inventory	11,155	-	11,155
Property, Plant and Equipment	1,139	-	1,139
Capital Works in Progress	-	10,111	10,111
<b>Total Assets</b>	<b>21,494</b>	<b>10,111</b>	<b>31,605</b>
<b>Liabilities</b>			
Payables	476	-	476
Employee Benefits	761	-	761
Other Liabilities	159	-	159
<b>Total Liabilities</b>	<b>1,396</b>	<b>-</b>	<b>1,396</b>
<b>Net Assets</b>	<b>20,098</b>	<b>10,111</b>	<b>30,209</b>

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 26 CASH FLOW RECONCILIATION**

	2018 \$'000
<b>(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet</b>	
Total Cash and Cash Equivalents Recorded in the Balance Sheet	13,099
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<u><b>13,099</b></u>
<b>(b) Reconciliation of the Operating Surplus to the Net Cash Inflows From Operating Activities</b>	
Operating Surplus	1,229
<b>Add/(Less) Non-Cash Items</b>	
Depreciation and Amortisation	23
Resources Received Free of Charge	(743)
Land Transferred in Free of Charge	(162)
Write down of Inventory (Related to Land Transferred in Free of Charge)	162
Expenses related to Resources Received Free of Charge	743
Other Expenses	135
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<u><b>1,387</b></u>
<b>Changes due to Administrative Restructure</b>	
Decrease in Net Assets due to Administrative Restructure	362
<b>Net Changes due to Administrative Restructure</b>	<u><b>362</b></u>
<b>Changes in Operating Assets and Liabilities</b>	
(Increase) in Receivables	(253)
(Increase) in Property, Plant and Equipment	(998)
(Decrease) in Deferred Tax Liability	(528)
Increase in Employee Entitlements	913
Increase in Payables	757
Increase in National Tax Equivalents Payable	782
Increase in Other Liabilities	1,391
<b>Net Changes in Operating Assets and Liabilities</b>	<u><b>2,064</b></u>
<b>Net Cash inflows from Operating Activities</b>	<u><b>3,813</b></u>

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 27 RELATED PARTY DISCLOSURES**

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the City Renewal Authority, directly or indirectly.

KMP of the City Renewal Authority are the Portfolio Minister, Chief Executive Officer, Chief Financial Officer, Director - Development, Director - Design and Place Strategy and Board Members.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT government and therefore related parties of the City Renewal Authority.

This note does not include typical citizen transactions between the KMP and City Renewal Authority that occur on terms and conditions no different to those applying to the general public.

All KMP of the City Renewal Authority completed related party disclosure collection forms as requested.

**(A) CONTROLLING ENTITY**

The City Renewal Authority is an ACT Government controlled entity.

**(B) KEY MANAGEMENT PERSONNEL**

**B.1 Compensation of Key Management Personnel**

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2018.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's financial statements for the year ended 30 June 2018.

One of the KMP of the City Renewal Authority is an employee of the Suburban Land Agency and is compensated by the Suburban Land Agency.

Compensation by the City Renewal Authority to KMP is set out below

	<b>2018</b>
	<b>\$'000</b>
Short-term employee benefits	1,070
Post employment benefits	120
Other long-term benefits	24
Board member fees	342
<b>Total Compensation by the City Renewal Authority to KMP</b>	<b>1,556</b>

**B.2 Transactions with Key Management Personnel**

There were no transactions with KMP that were material to the financial statements of the City Renewal Authority.

**B3. Transactions with parties related to Key Management Personnel**

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the City Renewal Authority.

**(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT ENTITIES**

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of the City Renewal Authority.



**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 28 BUDGETARY REPORTING**

Statement of Comprehensive Income Line Items	Actual 2017-18 \$'000	Original Budget 2017-18 <sup>(1)</sup> \$'000	Variance \$'000	Variance %
<b><u>Controlled Recurrent Payments</u></b>	6,700	4,758	1,942	40.82
The higher Controlled Recurrent Payments is predominantly associated with additional operational funding which was funded in the mid-year Budget Review.				
<b><u>Land Sales</u></b>	2,126	432	1,694	392.13
The higher Land Sales revenue is due to higher than anticipated revenue received from the sale of city blocks during 2017-18.				
<b><u>Employee Expenses</u></b>	3,413	3,038	375	12.34
The higher Employee Expenses is associated with five additional staff compared to the Original Budget which was funded in the mid-year Budget Review. The additional staff were required to align the City Renewal Authority's focus with the Government's Statement of Expectations and to provide support to the Governing Board.				
<b><u>Supplies and Services</u></b>	4,349	3,133	1,216	38.81
The higher Supplies and Services expense is due additional expenditure incurred including expenses such as consultancy fees, maintenance and financial, sales and marketing and estate management support which was funded in the mid-year Budget Review and through the City Centre Marketing and Improvements Levy program which the City Renewal Authority commenced administering on 1 January 2018.				

<sup>(1)</sup> Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 28 BUDGETARY REPORTING – CONTINUED**

Balance Sheet Line Items	Actual 2017-18 \$'000	Original Budget 2017-18 <sup>(1)</sup> \$'000	Variance \$'000	Variance %
<b><u>Cash and Cash Equivalents</u></b>	13,099	7,834	5,265	67.21
The higher Cash and Cash Equivalents balance is due to higher than anticipated land sales revenue being received (\$1.853 million) and Government funding to administer the City Centre Marketing and Improvements Levy program which were not included in the original budget (\$1.760 million), partially offset by lower expenditure in 2017-18 on inventory development (\$1.479 million).				
<b><u>Current Inventories</u></b>	-	11,715	(11,715)	(100.00)
The lower Current Inventories is due to the reclassification of inventory balance from current to non-current at 30 June 2018. This reclassification is a directly related to the expectation that the sales associated with the inventory balances will not settle in the next 12 months.				
<b><u>Non-Current Inventories</u></b>	11,155	5,966	5,189	86.98
The higher Non-Current Inventories is due to the reclassification of inventory balances from current to non-current at 30 June 2018. No capital inventory development costs have been incurred during the year and as such the total inventory closing balance reflects the actual balance transferred from the Land Development Agency.				
<b><u>Non-Current Capital Works in Progress</u></b>	19,840	-	19,840	#
The higher Non-Current Capitals Works in Progress balance is due in part to the reclassification of Capital Works in Progress balances from current to non-current at 30 June 2018. The remainder of the variance is predominately due to the unanticipated transfer of Capital Works in Progress balances from the Chief Minister, Treasury and Economic Development Directorate to the City Renewal Authority (\$10.111 million).				
<b><u>Current Payables</u></b>	898	-	898	#
The higher Current Payables is due to no current payables being anticipated in the Original Budget. However at 30 June 2018 the City Renewal Authority accrued expenditure for the 2017-18 financial year and had Goods and Services Tax amounts payable to the Australian Taxation Office.				
<b><u>Current Employee Benefits</u></b>	876	603	273	45.27
The higher Current Employee Benefits is associated with five additional staff compared to the Original Budget which was funded in the mid-year Budget Review. The additional staff were required to align the City Renewal Authority's focus with the Government's Statement of Expectations and to provide support to the Governing Board				

<sup>(1)</sup> Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**Note:** # in the Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 28 BUDGETARY REPORTING - CONTINUED**

Cash Flow Statement Line Items	Actual 2017-18 \$'000	Original Budget 2017-18 <sup>(1)</sup> \$'000	Variance \$'000	Variance %
<b><u>National Tax Equivalents Payable</u></b>	782	-	782	#
The higher National Tax Equivalents Payable is primarily due to the higher than anticipated operating result for 2017-18. The increased operating result is primarily due to higher Land Sales Revenue received from the sale of city blocks during 2017-18.				
<b><u>Current Other Liabilities</u></b>	2,620	188	2,432	1,293.62
The higher Other Liabilities is due to the higher than expected recognition of a dividend payable to the Territory for the 2017-18 year, resulting from the higher operating results and recognition of revenue received in advance for City Centre Marketing and Improvement levy funding received from the Environment, Planning and Sustainable Development Directorate in 2017-18				
<b><u>Non-Current Employee Benefits</u></b>	38	26	12	46.15
The higher Non-Current Employee Benefits is associated with five additional staff compared to the Original Budget which was funded in the mid-year Budget Review. The additional staff were required to align the City Renewal Authority's focus with the Government's Statement of Expectations and to provide support to the Governing Board				
<b><u>Non-Current Deferred Tax Liability</u></b>	2,820	-	2,820	#
The higher Deferred Tax Liability is associated with the unanticipated re-recognition of Deferred Tax Liability relating to the net assets the City Renewal Authority acquired from the former Land Development Agency				

<sup>(1)</sup> Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**Note:** # in the Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.

**City Renewal Authority**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2018**

**NOTE 28 BUDGETARY REPORTING – CONTINUED**

Cash Flow Statement Line Items	Actual 2017-18 \$'000	Original Budget 2017-18 <sup>(1)</sup> \$'000	Variance \$'000	Variance %
<b><u>Controlled Recurrent Payments</u></b>	6,700	4,758	1,942	40.82
The higher Controlled Recurrent Payments cash flow is predominantly associated with additional operational funding which was funded in the mid-year Budget Review.				
<b><u>Land Sales</u></b>	2,126	432	1,694	392.13
The higher Land Sales cash flow is predominately due to higher than expected revenue received from the sale city blocks during 2017-18.				
<b><u>Other Revenue</u></b>	1,760	-	1,760	#
The higher Other Revenue cash flow is due to the receipt of funds in advance from the Environment, Planning and Sustainable Development Directorate to administer the City Centre Marketing and Improvements Levy program for 2017-18.				
<b><u>Supplies and Services</u></b>	2,928	1,369	1,559	113.88
The higher Supplies and Services expense cash flow is due additional expenditure incurred including expenses such as consultancy fees, maintenance and financial, sales and marketing and estate management support which was funded in the mid-year Budget Review and through the City Centre Marketing and Improvements Levy program which the City Renewal Authority commenced administering on 1 January 2018.				
<b><u>Goods and Services Tax Paid to Suppliers</u></b>	1,313	-	1,313	#
The higher cash flow for Goods and Services Tax is primarily due to Goods and Services Tax not included in the original budget, in accordance with budget preparation policy.				
<b><u>Capital Infrastructure Works</u></b>	10,066	-	10,066	#
The higher capital infrastructure works cash flow is due to the reclassification of cash outflows associated with capital works in progress from purchase of property, plant and equipment to capital infrastructure works.				

<sup>(1)</sup> Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**Note:** # in the Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.

**City Renewal Authority**  
**APPENDIX - A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**LEGISLATIVE REQUIREMENT**

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for Territory authorities. The FMA and the *Financial Management Guidelines* issued under the Act, requires the City Renewal Authority's financial statements to include:

- a Statement of Comprehensive Income for the reporting period;
- a Balance Sheet at the end of the reporting period;
- a Statement of Changes in Equity for the reporting period;
- a Cash Flow Statement for the reporting period;
- a Statement of Appropriation for the reporting period;
- the significant accounting policies adopted for the reporting period; and
- other statements as necessary to fairly reflect the financial operations of the City Renewal Authority during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards;
- (ii) International Financial Reporting Standards; and
- (iii) ACT Accounting and Disclosure Policies.

**ACCRUAL ACCOUNTING**

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to the historical cost convention, except for assets such as those included in property, plant and equipment valued at fair value in accordance with the valuation policies applicable to the City Renewal Authority during the reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**CURRENCY**

These financial statements are presented in Australian dollars.

**INDIVIDUAL REPORTING ENTITY**

The City Renewal Authority is an individual reporting entity.

**City Renewal Authority**  
**APPENDIX - A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS  
CONTINUED**

**REPORTING PERIOD**

These financial statements state the financial performance, changes in equity and cash flows of the City Renewal Authority for the year ended 30 June 2018 together with the financial position of the City Renewal Authority as at 30 June 2018.

**COMPARATIVES FIGURES**

**Budget Figures**

The *Financial Management ACT 1996* requires the statement to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

**Prior Year Comparatives**

The City Renewal Authority was established on 1 July 2017 and 2017-18 is its first year of reporting. There are no prior year comparatives available to be disclosed.

**ROUNDING**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents amounts equal to or rounded down to zero. Tables and notes may not add due to rounding.

Use of "#" in the Variance % column of Note 28: Budgetary Reporting represents a variance that is greater than 999 per cent or less than -999 per cent.

**GOING CONCERN**

The 2017-18 financial statements have been prepared on a going concern basis as the City Renewal Authority has been funded in the 2018-19 Budget and the Budget Papers include forward estimates for the City Renewal Authority.

The City Renewal Authority receives income from multiple sources such as land sales revenue and ACT Government appropriations. Due to the nature of the City Renewal Authority's income streams it is not considered to be a liquidity risk as its cash needs are funded by the ACT Government.



**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**

**SIGNIFICANT ACCOUNTING POLICIES – INCOME**

**REVENUE RECOGNITION**

Revenue is recognised at the fair value of the consideration received or receivable in the Statement of Comprehensive Income. In addition the following specific recognition criteria must also be met before revenue is recognised.

**NOTE 3 CONTROLLED RECURRENT PAYMENTS**

Controlled Recurrent Payments are recognised as revenue when the Authority gains control over the funding. Control over appropriated funds is normally obtained upon receipt of cash.

**NOTE 4 LAND SALES**

Land sales revenue is recognised when the significant risks and rewards of ownership of the land or rights are transferred to the purchaser. Whilst the point of recognition for one sale may differ from another depending on the individual terms of each contract of sale, in most cases, sales completed via auction, direct grant, ballot or over the counter will be recognised on settlement.

Proceeds from land sales may comprise both cash related transactions and the value of infrastructure required to be provided by the purchaser as part of the Deed of Agreement associated with the sale of land. The Right to Receive Infrastructure from the purchaser is recognised as revenue and a receivable at the time of settlement.

**NOTE 5 RESOURCES RECEIVED FREE OF CHARGE**

Resources received free of charge or provided free of charge are recorded as a revenue or as an expense in the Statement of Comprehensive Income at fair value. The revenue is separately disclosed under resources received free of charge, with the expense being recorded in the line item to which it relates. Goods and services received free of charge from ACT Government agencies are recorded as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Statement of Comprehensive Income if they can be reliably measured and would have been purchased if not provided to the City Renewal Authority free of charge.

The City Renewal Authority also receives Territory-owned land from other ACT Government entities free of charge, which it prepares for sale on behalf of the Territory. In this case, the revenue is disclosed under resources received free of charge, with the land being recorded as an asset in the Balance Sheet.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**SIGNIFICANT ACCOUNTING POLICIES – EXPENSES**

**NOTE 7 EMPLOYEE EXPENSES**

Employee benefits include:

- Short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 18 Employee Benefits if longer than 12 months) after the end of the annual reporting period in which the employees render the related services;
- Other long-term benefits such as long service leave and annual leave; and
- Termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

**NOTE 8 SUPERANNUATION EXPENSES**

Employees of the City Renewal Authority will have different superannuation arrangements to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Section Superannuation Scheme (PSS) the City Renewal Authority makes employer superannuation contribution payments to the Territory Banking Account (TBA) at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The City Renewal Authority also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) the City Renewal Authority makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

**Superannuation Liability Recognition**

For the City Renewal Authority employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**NOTE 9 SUPPLIES AND SERVICES**

**Insurance**

All major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

**Repairs and Maintenance**

Maintenance expenses, which do not increase the service potential of an asset, are expensed.

**Operating Leases**

Operating lease payments are recorded as an expense in the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

**Contractors and Consultants**

Contractors and consultants include financial management and accounting services and advice, project management services, legal expenses (excluding conveyancing), valuations and other professional services.

**NOTE 10 OTHER EXPENSES**

**Write-Down of Inventory**

Inventories held for sale are valued at the lower of cost and net realisable value. The difference between the cost and net realisable value is recorded as a Write-Down of Inventory. This included the write down of land following the transfer from other ACT Government agencies and inventory costs written off for discontinued projects where the criteria for an asset is no longer met due to the lack of expected future economic benefits.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**NOTE 12 NATIONAL TAX EQUIVALENTS**

**Taxation**

The City Renewal Authority is registered with the National Tax Equivalent Regime, and is required to calculate income tax in accordance with the *Income Tax Assessment Act 1997* and to account for the resulting amounts under the requirements of Australian Accounting Standard AASB 112 '*Income Taxes*'.

The charge for the current national tax equivalent expense is based on the surplus/ (deficit) for the year adjusted for any non-assessable or non-deductible items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The Deferred Tax Liabilities was de-recognised from the Balance Sheet when the former Land Development Agency ceased operating as a separate entity as at 30 June 2017. As per the *Financial Management (Land Development Agency Transfer to City Renewal Authority) Declaration 2017*, a portion of the former Land Development Agency's liabilities and assets were transferred to the City Renewal Authority. The City Renewal Authority assumed the former Land Development Agency's tax attributes on the liabilities and assets transferred and recognised the corresponding deferred tax liability.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The City Renewal Authority applies the margin scheme for land which is improved at the date of sale, which allows the sellers of real property to pay Goods and Services Tax (GST) equal to one-eleventh of the 'margin' rather than one-eleventh of the sale price. The 'margin' is generally the difference between the sale price and a valuation of the property at the relevant date. Where permitted, the City Renewal Authority sells unimproved land 'GST-Free' consistent with the GST-free supply provisions of *A New Tax System (Goods and Services Tax) Act 1999*.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**SIGNIFICANT ACCOUNTING POLICIES – ASSETS**

**ASSETS - CURRENT AND NON-CURRENT**

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

**Significant Accounting Judgements and Estimates - Fair Value of Assets**

The City Renewal Authority has made a significant estimate regarding the fair value of its assets. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

**NOTE 13 CASH AND CASH EQUIVALENTS**

Cash includes cash at bank, cash on hand and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are not subject to price risk.

**NOTE 14 INVENTORIES**

Inventories held for sale include Developed Land and Land Being Developed - Work in Progress, and are valued at the lower of cost and net realisable value. Land Being Developed - Work in Progress is transferred to Developed Land when operational acceptance is provided by Environment, Planning and Sustainable Development Directorate and the land becomes available for sale. The cost of Developed Land includes land acquisition and land development costs. Land transferred from the Environment, Planning and Sustainable Development Directorate is recognised in Inventories – Land Being Developed - Work in Progress when custodianship of land is received by the City Renewal Authority.

**Capitalised Development Costs**

Costs of development are costs that directly relate to preparing sites for sale as serviced land. These include expenditure associated with the implementation of estate planning, demolition, and relocation or construction of infrastructure services. Costs associated with marketing and selling activities are not considered to be directly related to the preparation of the sites for sale as serviced land, and are expensed as incurred. Land sites held for development and sale are classified as current assets when they are expected to be sold within 12 months.

**Bi-annual review of project costing**

On a bi-annual basis, the City Renewal Authority undertakes a detailed review of its estimated project costs to determine remaining funding requirements. During this process estimates of project contingency costs are also reviewed. Any adjustments as a result of the Bi-Annual Reviews has an impact on the value of inventory and cost of land sold.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**NOTE 15 PROPERTY, PLANT AND EQUIPMENT**

**Acquisition and Recognition of Property, Plant and Equipment**

Property, Plant and Equipment are initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item). Where Property, Plant and Equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. The City Renewal Authority capitalises all Property, Plant and Equipment with a value of \$5,000 or more. Land acquisitions that are long term in nature and not readily identifiable for development are recorded as land under Property, Plant and Equipment as disclosed in Note 15.

**Measurement of Property, Plant and Equipment after Initial Recognition**

Infrastructure assets are revalued every three years. However, if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Infrastructure assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to fair value. Any accumulated depreciation relating to assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revaluated amount of the asset.

**SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES**

**Liabilities - Current and Non-Current**

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the City Renewal Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

**NOTE 17 PAYABLES**

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Statement of Comprehensive Income.

Payables include Trade Payables, Accrued Expenses and Other Payables.



**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**NOTE 18 EMPLOYEE BENEFITS**

Employee Benefits are listed in Appendix B - Note 7 Employee Expenses.

**Wages and Salaries**

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

**Annual and Long Service Leave**

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period, when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2017-18 the rate used to estimate the present value of future:

- annual leave payments is 99.1%;
- payments for long service leave is 90.5%.

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the City Renewal Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**City Renewal Authority**  
**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**NOTE 18 EMPLOYEE BENEFITS - CONTINUED**

**Significant Judgements and Estimates – Employee Benefits**

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However, it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

**NOTE 20 OTHER LIABILITIES**

**Revenue Received in Advance**

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

**NOTE 21 DEFERRED TAX LIABILITY**

Deferred tax liabilities are the amounts of national taxes equivalents payable in future periods relating to taxable temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

**SIGNIFICANT ACCOUNTING POLICIES – EQUITY**

**Equity Contributed by the ACT Government**

Contributions made by the ACT Government through its role as owner of the City Renewal Authority are treated as contributions of equity.

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

**SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES**

**NOTE 28 BUDGETARY REPORTING**

**Significant Judgements and Estimates – Budgetary Reporting**

Significant judgements have been applied in determining what variances are considered ‘major variances’. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

**City Renewal Authority**  
**APPENDIX C - IMPACT OF ACCOUNTING STANDARDS**  
**ISSUED BUT YET TO BE APPLIED**  
**Forms Part of Note 2 of the Financial Statements**  
**For the Year Ended 30 June 2018**

**APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. This standards and interpretations are applicable to future reporting periods and are effective from the first full reporting period after the application date. The City Renewal Authority does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

The following new and revised accounting standards and interpretations have been assessed and it has been determined that they are not expected to have a material impact upon the City Renewal Authority:

- AASB 9 *Financial Instruments* (December 2014) (Application date 1 January 2018);
- AASB 15 *Revenue from Contracts with Customers* (application date 1 January 2018 for for-profit entities, 1 January 2019 for not-for-profit entities);
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2018);
- AASB 2016-3 Amendments to Australian Accounting Standards- Clarifications to AASB 15 (application date 1 January 2018); and
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and editorial Corrections (application date 1 January 2018).

The City Renewal Authority will make a detailed assessment of the impact of the following new and revised accounting standards and interpretations over the next 12 months, however it is not anticipated that there will be a material impact upon the City Renewal Authority:

- AASB 16 *Leases* (application date 1 January 2019)

## C.3. – CAPITAL WORKS

Capital Works Table

Projects	Estimated Completion Date	Original Project Value (\$'000)	Revised Project Value (\$'000)	Prior Year Expenditure (\$'000)	2017-18 Actual Expenditure (\$'000)	Total Expenditure to date (\$'000)
<b>New capital works</b>						
City Precinct Improvements	Jun-20	7,500	7,500	-	1,299	1,299
Initial Works Package	Jun-19	2,000	1,200	-	347	347
Canberra's Lakeside	Jun-21	37,388	37,388	-	216	216
<b>Works in progress</b>						
West Basin Infrastructure	Jun-19	13,598	13,598	6,484	6,700	13,184
West Basin Public Waterfront	Jun-19	-	3,470	3,099	311	3,410
Civic and Braddon public realm improvements	Dec-18	1,500	1,500	528	853	1,381
New Civic Pool	Jun-19	400	200	-	-	-

No capital works project were completed during the 2017-18 financial year.

### Reconciliation Schedules

Reconciliation of Current Year Capital Works Program Financing to Capital Injection as per Cash Flow Statement	\$'000
Original Capital Works Financing	9,500
Add: Net Capital Works transferred through instruments	8,281
Add: Supplementary Appropriation	2,750
Less: Net Reprofiting of funding from 2017-18 budget to future years	(7,650)
<b>Revised Capital Works Financing</b>	<b>12,881</b>
Less: Provision for Capital Injection rollovers from 2017-18 to future years	(2,705)
<b>Capital Injection Funding</b>	<b>10,176</b>
Capital Injections per Cash Flow Statement	10,176
Variance	-

<b>Reconciliation of Current Year Expenditure to Capital Injection</b>		<b>\$'000</b>
<b>Total Current Year Capital Works Expenditure</b>		<b>9,729</b>
Add: Net Accrued Capital Expense and Other Movements		447
<b>Total Capital Expenditure</b>		<b>10,176</b>
Capital Injections per Cash Flow Statement		10,176
Variance		-

**Further information can be obtained from:**

**Joseph Lee**  
**Chief Financial Officer**  
**02 6205 3367**

## C.4. – ASSET MANAGEMENT

### Assets Managed

The Authority managed assets with a total value of \$0.998 million as at 30 June 2018. Assets managed are shown in the table below.

<b>Asset Type</b>	<b>Comprising</b>	<b>Value \$'000</b>
Infrastructure	West Basin Boardwalk	981
Plant and Equipment	Electronic Office Equipment	17

### Assets Maintenance and Upgrade

During the 2017-18 reporting period, the Authority managed and maintained land in West Basin and Glebe Park. There were no asset upgrades in 2017-18.

The Authority conducted no audits (condition, hazardous materials, building etc) of its assets in the 2017-18 reporting period.

### Office Accommodation

As at 30 June 2018, the Authority accommodated 28 employee positions and contractors occupying 405.28m<sup>2</sup> in Nara House, 1 Constitution Avenue, Canberra City. The average area occupied by each person was 14.47m<sup>2</sup>. The staffing number reflected above will not be the same as the staffing numbers (either FTE or headcount) listed in Section B.8. - Human Resource Management. The number above reflects the workpoint utilisation at the Authority's office and included seconded officers, contractors, and consultants, as well as employees.

**Further information can be obtained from:**

**Joseph Lee**  
**Chief Financial Officer**  
**02 6205 3367**

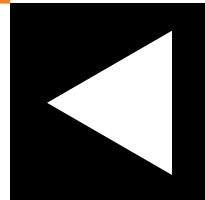
## C.5. – GOVERNMENT CONTRACTING

Contract Number	Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Supplier	Amount (incl GST)	Execution Date	Expiry Date	Small to Medium Enterprise
CRA 2017-004	London Circuit and Akuna Street Public Realm Improvements	Public Tender	Works	No	Acclaim Contractors Pty Ltd	2,268,371.66	21-Dec-17	31-Dec-19	Yes
CRA2018-001	Performance and Accountability Framework for the City Centre Marketing and Improvements Levy	Quotation	Consultancy	No	ACIL Allen Consulting Pty Ltd	74,330.00	03-May-18	30-Jun-18	No
2017.28525.110	Elouera Street Upgrade Stage 1 Design & Superintendence	Public Tender	Consultancy	No	AECOM Australia	251,262.65	07-Apr-17	31-Dec-18	No
CR180150	London Circuit Review	Single Select	Consultancy	Yes	AECOM Australia	42,900.00	10-Jan-18	30-Jun-18	No
2016.25766.200	West Basin Point Park Principal's Authorised Person (PAP)	Public Tender	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	375,797.00	10-Aug-16	30-Nov-18	No
25766.110	West Basin Point Park - Design and Construction	Public Tender	Works	No	Chincivil Pty Ltd	14,540,045.83	30-Nov-15	31-Jul-18	Yes
CRA 2017.011	Dickson Place Planning and Design Services	Quotation	Consultancy	No	D H Snyder & T Yuen Pty Ltd	154,339.72	04-May-18	04-Jan-20	Yes
CR180307	Outdoor Furniture for Medium to Long Term Public Use Tables and Benches	Public Tender	Goods	No	Design Craft Furniture Pty Ltd	138,748.50	20-Jun-18	20-Dec-18	Yes
CRA/BO/1801	Business Advisory Consultancy Service	Quotation	Consultancy	No	Development Strategic Advisory Pty Ltd	110,000.00	16-Apr-18	30-Jun-18	Yes

Contract Number	Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Supplier	Amount (incl GST)	Execution Date	Expiry Date	Small to Medium Enterprise
CR180231	City Place Activation Strategy	Quotation	Consultancy	No	Dolphinium Pty Ltd ATF GR Family Trust T/A Village Well	116,380.00	08-Apr-18	30-Oct-18	No
CR180327	Henry Rolland Park Boardwalk Cleaning	Quotation	Works	No	Ecoway (Aust) Pty Ltd	25,000.00	15-Jun-18	15-Jul-18	Yes
CR180092	Odgers and Verity Lanes Waste Enclosures - Structural Design & Engineering Services	Quotation	Consultancy	No	El-Ansary, Tarek Mustafa	25,250.00	31-Oct-17	31-Dec-17	Yes
2018.002 CRA	Urban Art Strategy	Quotation	Consultancy	No	Form Building a State of Creativity Inc.	125,446.68	07-Jun-18	07-Apr-19	Yes
CRA 2017-001C	West Basin Foreshore Stage 1 Artwork	Quotation	Consultancy	No	Hoyne, Johanna Eva	110,000.00	24-Jan-18	30-Jun-18	No
CRA 2017-003	West Row Park - Power supply	Single Select	Works	Yes	Pyramid Corporation Pty Ltd	44,000.00	29-Nov-17	30-Jun-18	Yes
CR180156	Braddon Place Making and Implementation Plan	Quotation	Consultancy	No	Right Angle Communication Pty Ltd	188,975.12	04-May-18	30-Aug-19	No
2018.007CRA	City Precinct Strategic Renewal Program Assistance	Single Select	Consultancy	Yes	SGS Economics and Planning Pty Ltd	81,930.00	03-May-18	29-Jun-18	Yes
CR180089	Odgers & Verity Lanes Waste Enclosures - Underground Services Investigations & Variation	Single Select	Consultancy	No	SMEC Australia Pty Ltd	32,752.40	25-Oct-17	31-Dec-17	No



Contract Number	Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Supplier	Amount (incl GST)	Execution Date	Expiry Date	Small to Medium Enterprise
CRA 2017-002	Civic and Braddon Public Realm Improvements 2018-2020	Public Tender	Consultancy	No	SMEC Australia Pty Ltd	1,096,528.71	22-Dec-17	31-Jul-19	No
CR180237	Event Concept Development and Event Management Services for a Winter Festival	Quotation	Services (Non-Consultancy)	No	Stoller Holdings Pty Ltd T/A Logistics Events Australia	269,630.00	14-May-18	14-Nov-18	No
2017.005CRA	City Renewal Sustainability Strategy	Quotation	Consultancy	No	Strategy Policy Research Pty Ltd	165,154.00	19-Jan-18	19-Jul-18	Yes
CR180195	City Renewal Visual Identity Design	Single Select	Consultancy	Yes	Swell Design Group Pty Ltd	57,000.00	28-Apr-18	28-Apr-18	No
L170173	Haig Park Masterplan and CMP Consultancy Contract	Quotation	Consultancy	No	The Expert Client Pty Ltd T/A Tait Network	201,987.75	22-Feb-17	22-Aug-18	Yes
CRA 2018-009	Northbourne Avenue Landscape Master Plan	Select Tender	Works	No	Taylor & Cullity Pty Ltd	160,606.90	04-Apr-18	28-Dec-18	Yes
ECP Peak Stuff	Engagement of UC to provide artwork and research as part of the Enlighten City Precinct 2018.	Single Select	Works	Yes	University of Canberra	32,945.00	09-Feb-18	05-May-18	Yes



## C.6. – STATEMENT OF PERFORMANCE



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

### REPORT OF FACTUAL FINDINGS

#### CITY RENEWAL AUTHORITY

To the Members of the ACT Legislative Assembly

##### Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the City Renewal Authority for the year ended 30 June 2018.

During the review, no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

##### Basis for the review opinion

The review was conducted in accordance with Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

##### Responsibility for preparing and fairly presenting the statement of performance

The Governing Board of the City Renewal Authority is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

##### Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the City Renewal Authority.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud\* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Governing Board.

(\*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)

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T 02 6207 0833 F 02 6207 0826 E [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au) W [www.audit.act.gov.au](http://www.audit.act.gov.au)

#### **Limitations on the scope of the review**

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide limited assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the City Renewal Authority, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the City Renewal Authority; or
- integrity of the reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.

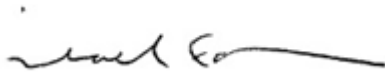


Tim Larnach  
Acting Director, Financial Audits  
21 September 2018

**City Renewal Authority  
Statement of Performance  
For the Year Ended 30 June 2018**

**STATEMENT OF RESPONSIBILITY**

In my opinion, the Statement of Performance is in agreement with the City Renewal Authority's records and fairly reflects the service performance of the City Renewal Authority for the year ended 30 June 2018 and also fairly reflects the judgements exercised in preparing it.



**Dr Michael Easson AM**  
Board Chair  
City Renewal Authority

20 September 2018

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

**Financial Performance Measurement Analysis 2017-18**

The Statement of Performance should be read in conjunction with the accompanying notes.

Financial Performance Indicators	Target 2017-18	Actual 2017-18	Variance from target (%)	Explanation of material variances (≥ +/- 5%)
Land Sales Revenue (million \$)	0.432	2.126	392%	The 2017-18 revenue target of \$0.432m was based on an early estimate of the anticipated revenue to be received from the direct sale of air and subterranean rights for blocks in the City. The actual revenue achieved was significantly higher than the original estimate and was informed by independent market valuations. The sale of air and subterranean rights includes the right of construction of balconies and basement car parking over and under Territory land.
Gross Profit Margin on Sales <sup>1</sup>	42%	100%	138%	<p>The higher gross profit margin on sales was due to:</p> <ul style="list-style-type: none"> <li>- the 2017-18 cost of land sold target of \$0.250m was based on an early estimate of land cost associated with the sale of air and subterranean rights for blocks in the City;</li> <li>- no actual land cost attributable to the sale of air and subterranean rights for blocks in the City; and</li> <li>- costs related to the acquisition of Government infrastructure on the blocks was written off as Other Expenses rather than Cost of Land Sold as the infrastructure was devalued during 2017-18.</li> </ul>

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

<sup>1</sup>Gross Profit Margin on Sales = (Land Sales Revenue – Costs of Land Sold including Duty) / Land Sales Revenue

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 as cost of inventory, which 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.

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

**Non-Financial Performance Measurement Analysis 2017-18**

**Key Performance indicators (Non-Financial)**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
City Renewal Precinct	Plan submitted to Government.	30 June 2018	27 June 2018 <sup>4</sup>	0%	
Haig Park	Master Plan completed.	30 June 2018	Not complete.	(100%)	The final draft of the Haig Park Master Plan (now referred to as the Haig Park Place Plan) was prepared on 28 June 2018. The Place Plan will be subject to a further round of community consultation in the first half of 2018-19 to prioritise projects identified in the Plan.
West Basin Precinct	Stage 2 commenced.	30 June 2018	12 September 2017	0%	
City Bus Interchange	Extension plan implemented.	30 June 2018	Not applicable <sup>5</sup>	Not applicable	

<sup>2</sup> Targets were set on the basis of projects being completed by 30 June 2018. This is consistent with the Government's published Statement of Expectations for the Authority (2017-18), which states that the priorities and projects set out in the Statement of Expectations are to be completed "Over a period of 12 months commencing from the date of the statement". The Statement of Expectations can be accessed at [https://www.act.gov.au/data/assets/pdf\\_file/0004/1126489/Statement-of-Expectations-2017.pdf](https://www.act.gov.au/data/assets/pdf_file/0004/1126489/Statement-of-Expectations-2017.pdf)

<sup>3</sup> Results reflect either the actual date the project was completed, or whether the project was completed by 30 June 2018 (see also Note 2).

<sup>4</sup> The Plan (now referred to as the Precinct Renewal Program) was submitted to Government on 27 June 2018.

<sup>5</sup> The Authority is not responsible for implementing the extension of the City Interchange. The Authority engaged with Transport Canberra and City Services Directorate to support the implementation of their plan. This indicator has been removed from the Authority's 2018-19 Statement of Intent.

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
Sydney and Melbourne Buildings	Revitalisation plan implemented.	30 June 2018	Not complete	(100%)	Implementation of the revitalisation plan is underway. Finalisation of the Plan has been delayed beyond 30 June 2018 to enable further owner and tenant consultation. Stage 1 capital works improvements in the Buildings' laneways are under construction and a common waste collection service has been put in place.
Northbourne Avenue	Guidelines implemented.	30 June 2018	Not applicable <sup>6</sup>	Not applicable	
Dickson Group Centre	Revitalisation project agreed.	30 June 2018	Not complete	(100%)	The revitalisation project will be articulated through a Dickson Place Plan. Finalisation of the Place Plan was delayed beyond 30 June 2018 to enable further consultation with Dickson traders and users to ensure that the Place Plan fully reflected community views. This work will directly inform the preparation of design concepts which will be the subject of further community consultation and the preparation of a business case for funding of the proposed revitalisation projects. The Place Plan is expected to be completed in August 2018.
Asset Recycling Initiative (ARI)	Land sales program met.	30 June 2018	Not applicable <sup>7</sup>	Not applicable	

<sup>6</sup> The indicator relates to the setting of design guidelines for future renewal activities that occur along Northbourne Avenue. The Environment, Planning and Sustainable Development Directorate is the agency with responsibility for establishment of those guidelines. The Authority provided input to guidelines being developed by the Directorate which have been included in the draft City and Gateway Draft Urban Design Framework prepared by the Directorate. This indicator has been revised in the 2018-19 Statement of Intent to reflect the Authority's involvement in Northbourne Avenue redevelopment.

<sup>7</sup> The City Renewal Authority was not the custodian of any sites listed under the Asset Recycling Initiative (ARI) program. ARI sites within the City Renewal Precinct were transferred to the Suburban Land Agency at its inception. The Agency undertook land sales in accordance with the ARI program.



**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
City Activation	Program fully implemented. <sup>8</sup>	30 June 2018	Not complete	(100%)	As 2017-18 was the Authority's first year of operation, a formal City Activation Program was not developed. The Authority undertook eight discrete activations <sup>9</sup> during 2017-18 covering a diversity of activities, with some spanning several weeks. The Authority is developing three year program to guide future activation activities.
Integrated City Centre revitalisation program	Approved Year 1 program fully implemented. <sup>10</sup>	30 June 2018	Not complete	(100%)	A revitalisation program was not developed in 2017-18 pending completion of the Precinct Renewal Program to provide a whole of Precinct approach. The Precinct Renewal Program is currently before Government and, once approved, will inform budget proposals for revitalisation activities. Four revitalisation projects were commenced in 2017-18 from initial budget allocations made to the Authority, and/or through funding provided in the mid-year budget review. These include London Circuit and Akuna Street verge upgrades and construction of waste enclosures in Verity and Odgers Lanes.
New Events	New opportunities identified and supported by Events ACT.	30 June 2018	30 June 2018	0%	

<sup>8</sup> This indicator includes the development of the program, as well as its implementation.

<sup>9</sup> Activation activities included tree frame intervention, Floriade wayfinding, Pic n Mix, rainbow artworks, deck chair installations, 'Create a place', Treeology and Pop up market.

<sup>10</sup> This indicator includes the development of the program, as well as its implementation.

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
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>	30 June 2018	30 June 2018 <sup>11, 12</sup>	0%	

<sup>11</sup> The Board has statutory and fiduciary responsibilities under legislation (including the *City Renewal Authority and Suburban Land Agency Act 2017* (ACT)) and Section 9 of the *Public Sector Management Act 1994* (ACT)) and other ACT legislation, particularly (but not exclusively) relating to work health and safety, and financial management. Board members also have responsibilities under Government policy, including (1) *Governance Principles - Appointments, Board and Committees in the ACT* dated March 2017; and (2) *ACT Public Service Code of Conduct* dated December 2013. The Authority has a responsibility to appropriately manage any breaches of these requirements, either by internal management actions and / or by referral of the matter to the relevant external authorities. During the 2017-18 financial year, there were no breaches of these statutory responsibilities reported by, or to, the Authority, and the Authority had no cause to initiate internal management action relating to any suspected or reported breaches.

<sup>12</sup> The Board and staff are required to comply with ACT Government policies, and portfolio policies of the Environment, Planning and Sustainable Development Directorate. During the 2017-18 financial year, there were no breaches of such policies which had a material effect on the operation of the Government, Directorate or Authority which required reporting by the Authority or which were reported to the Authority. That is, there were no breaches of policy that required formal investigation, reporting to the responsible Minister, reporting to external authorities, and / or other formal action.

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
Internal and external audit of financial management and business systems.	Unqualified audit reports.	30 June 2018	Not complete	(100%)	This indicator reports on whether audit reports received by the Authority are unqualified audits. As 2017-18 was the Authority's first year of operation, there were no internal or external audits completed during the reporting period (noting that audits review past activities). An internal audit program will commence early in 2018-19, and an external audit of Financial Year 2017-18 results will be conducted in the second half of 2018.
Service Agreements	All actions or inactions relating to CRA Service Agreements with ACT Government entities are within the tolerances specified in the relevant Agreement, or otherwise within ACT Government tolerances.	30 June 2018	30 June 2018 <sup>13</sup>	0%	
Risk Framework and Register	Framework and Register approved, implemented and monitored by the Audit and Risk Committee.	30 June 2018	Not complete	(100%)	The Authority's risk framework and register were developed over a series of Board and Audit & Risk Committee meetings. The final documents were submitted to members of the Audit & Risk Committee in late June 2018, for their consideration at the scheduled Committee meeting on 4 July 2018. All documents were endorsed by the Audit & Risk Committee on 4 July 2018, and approved by the Board at its meeting on 5 July 2018.

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<sup>13</sup> During 2017-18 the Authority entered into Service Agreements with the Environment, Planning and Sustainable Development Directorate and the Suburban Land Agency. These Service Agreements placed responsibilities on the Authority to process matters covered by the Agreements in certain ways and / or to meet specified timeframes. The Service Agreements contained procedures for the (1) reporting of suspected issues with, and exceptions from, the agreed performance levels; and (2) escalation of any disputes through resolution by progressively higher levels of management. During the 2017-18 financial year all reported exceptions and issues were within acceptable tolerances as (1) all were dealt with by senior managers and junior executives, (2) none were referred for resolution to the Chief Executive Officer of the Authority or Agency and / or the Director-General of the Directorate, and (3) none were referred to organisations other than the participating entities.

**City Renewal Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

Indicator theme/topic	Indicator	Target 2017-18 <sup>2</sup>	Result 2017-18 <sup>3</sup>	Variance of original target (%)	Explanation of material variances (≥ +/- 5%)
Workplace Health and Safety (WHS)	No breaches of WHS-related legislated or policy requirements.	30 June 2018	30 June 2018 <sup>14</sup>	0%	

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<sup>14</sup> The Board, the Authority, and the Authority's Executives and Officers have responsibilities under the *Work Health and Safety Act 2011* (ACT). During the 2017-18 financial year, there were no breaches of these statutory responsibilities reported by, or to, the Authority, and the Authority had no cause to initiate reporting to external authorities or internal management action relating to any suspected or reported breaches.









## PART 4



# SECTION I – MINISTERIAL AND DIRECTOR-GENERAL DIRECTIONS

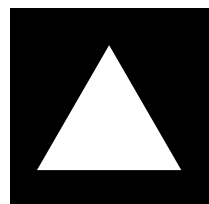
One Ministerial Direction was issued during the reporting year, being the **City Renewal Authority and Suburban Land Agency (City Renewal Authority Land Acquisition) Direction 2017**. The Direction sets out the requirements that apply to the City Renewal Authority in exercising its function of acquiring leases of land on behalf of the Territory from private lessees. No leases of land were acquired by the Authority during 2017-18. A copy of this Direction is provided at Appendix C.

**Further information can be obtained from:**

**Malcolm Snow**

**Chief Executive Officer**

**02 6205 1805**







## PART 5

# SECTION N – COMMUNITY ENGAGEMENT AND SUPPORT

Details of the City Renewal Authority's engagement activities during 2017-18 are reported in the Chief Minister, Treasury and Economic Development Directorate Annual Report as part of whole of ACT Government reporting.

The Authority is committed to engaging effectively with the community in a meaningful, accountable, responsive and equitable way. To support this approach, the Authority has adopted the ACT Whole of Government Communications and Engagement Strategy 2017 – 2019.

Engagement with the community is central to the Authority's work. The level of involvement for projects spans the International Association of Public Participation (IAP2) spectrum:

- **Inform** – inform community and stakeholder of process and decision making as it occurs.
- **Consult** – community and stakeholder input to inform decision.
- **Involve** – community and stakeholder input to review options and guide decision.
- **Collaborate** – active involvement in decision making.
- **Empower** – community and stakeholders determine the final outcome.

The Authority Board established a Communications and Engagement Committee made up of members of the Board. This Committee advised staff on meaningful and effective community engagement activities that enabled the Canberra community to directly contribute to the renewal of the Precinct. The Committee encouraged the application of leading engagement practices, including co-design methods, and supported research into best practice engagement to support implementation of the Precinct Renewal Program.

**Further information can be obtained from:**

**Malcolm Snow**

**Chief Executive Officer**

**02 6205 1805**

# ABBREVIATIONS AND ACRONYMS

Abbreviation / Acronym	Meaning
ARI	Asset Recycling Initiative
ARIns	Attraction and Retention Initiatives
EPSDD	Environment, Planning and Sustainable Development Directorate
FMA	<i>Financial Management Act 1996</i>
WHS	Work Health and Safety

# GLOSSARY OF TECHNICAL TERMS

Term	Meaning
<b>activation</b>	Planning for diverse human activity in a place, ensuring the needs of all potential users are met, and encouraging people to use that place as part of their daily life.
<b>enforceable undertaking</b>	A written undertaking proposed by a person in connection with a matter relating to an alleged contravention by the person of the <i>Work Health and Safety Act 2011</i> . Once accepted by the regulator, a Work Health and Safety undertaking becomes enforceable.
<b>governance</b>	The rules, relationships, policies, systems and processes whereby authority within an organisation is exercised and maintained.
<b>interventions</b>	Temporary short-term (usually from a weekend to three months) activities used to tackle problems and re-imagine solutions to blighted, commercial corridors and lifeless public spaces of historic downtowns and neighborhoods. Often attached to a larger event and momentarily transform the existing built environment with improvements. The interventions aim to address the perception of place, to attract economic and pedestrian activity, and to promote direct community action in the preservation and planning of the existing built environment.
<b>liveability</b>	<p>The quality of space and the built environment. The concept of liveability has been linked to a range of factors, for example, quality of life, health, sense of safety, access to services, cost of living, comfortable living standards, mobility and transport, air quality and social participation.</p> <p>An assessment of what a place is like to live in, using particular criteria, for example, environmental quality, crime and safety, education and health provision, access to shops and services, recreational facilities and cultural activities.</p>
<b>place making</b>	<p>Place - A part of the earth's surface that is identified and given meaning by people, which may be perceived, experienced, understood and valued differently.</p> <p>Placemaking - A multi-faceted approach to the planning, design and management of public spaces. Placemaking capitalizes on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, happiness, and well being.</p>



Term	Meaning
<b>public space / public domain / public realm</b>	A place that is generally open and accessible to people, a place that belongs to everyone. It comprises the streets, squares, parks, green spaces and other outdoor places that require no key to access them and are available, without charge for everyone to use.
<b>risk management</b>	Risk - the effect of uncertainty on objectives, a combination of the consequences of an event and the associated likelihood of occurrence. Risk Management - the architecture (principles, framework and process) for managing risks effectively.
<b>social connectedness</b>	Social connectedness is the measure of how people come together and interact. At an individual level, social connectedness involves the quality and number of connections one has with other people in a social circle of family, friends, and acquaintances. Going beyond these individual-level concepts, it involves relationships with beyond one's social circles and even to other communities. This connectedness, one of several components of community cohesion, provides benefits to both individuals and society.
<b>social inclusion</b>	In a socially inclusive society, everyone theoretically has the opportunity to participate equally – socially, culturally, economically, physically and politically. It is a society where individuals and/or entire communities have access to opportunities, options and choices in life, and have the resources (skills and assets) and appropriate supports, as well as the personal capacity to make the most of them.
<b>streetscape</b>	The collective appearance of all buildings, footpaths, gardens and landscaping along a street. The streetscape is the visual identity of a neighbourhood and plays an important role in facilitating interaction between residents and creating a community.
<b>sustainable / sustainability</b>	An ongoing capacity of an environment to maintain all life, whereby the needs of the present are met without compromising the ability of future generations to meet their needs.
<b>triple bottom line</b>	Considering the social, environmental and economic factors to ensure that decisions are informed by assessments of all potential impacts. The ACT Government Triple Bottom Line Assessment Framework is a logical framework for identifying and integrating social, environmental and economic factors into the policy development cycle and the decision-making process by ensuring that decisions are informed by principles of sustainability.
<b>urban design</b>	The creation of useful, attractive, safe, environmentally sustainable, economically successful and socially equitable places. Good urban design pursues local identity and sense of place, cultural responsiveness and purposeful environmental innovation. It achieves a high level of quality, comfort, safety, equity, beauty and cohesion in the overall, physical outcome of all the development, planning, engineering, architectural and landscape design decisions that contribute to urban change.
<b>urban renewal</b>	Building on the strengths of each place, transforming underused or dilapidated areas, boosting local economies and providing a mix of uses and activities to meet the needs of communities.

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# APPENDIX A - Statement of Expectations

Australian Capital Territory

## City Renewal Authority and Suburban Land Agency (City Renewal Authority) Statement of Expectations 2017

Notifiable instrument NI2017–426

made under the

City Renewal Authority and Suburban Land Agency Act 2017, section 17 (Ministerial statement of expectations)

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### 1 Name of instrument

This instrument is the *City Renewal Authority and Suburban Land Agency (City Renewal Authority) Statement of Expectations 2017*.

### 2 Commencement

This instrument commences on the day after its notification day.

### 3 Statement of Expectations

I make the Statement of Expectations as provided in the schedule.

Andrew Barr MLA  
Chief Minister  
13 July 2017

**Schedule**  
(see s3)

# **ACT Government**

## **Statement of Expectations 2017**

### **City Renewal Authority**

This Statement of Expectations (the Statement) is made by the ACT Chief Minister in accordance with section 17 (1)(a) of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act). In accordance with section 17(1)(b) of the Act the Statement will be given to the board of the City Renewal Authority (the Authority).

The purpose of this document is to set out the Government's requirements and priorities in relation to urban renewal in the City Renewal Precinct, which spans Dickson, Northbourne Avenue, Haig Park, the City and West Basin. The Statement includes the Government's expectations of the Authority in delivering the ACT Government's requirements and priorities.

Significantly, this statement forms part of the Government's ongoing commitment to good public sector governance, and ensures effective management of significant land resources under the stewardship of the Authority.

## Vision and objectives

The challenge of providing sustainable, liveable and attractive cities for the future, while responsibly meeting growing demands for critical infrastructure and basic services is one faced by Government's across Australia and more broadly by the global community. Throughout history, city states have been centres of innovation and influence, prestige and power, economic dynamism and inventiveness, as well as of artistic and cultural endeavour.

The Government's *2050 Vision for Canberra to be recognised as one of the world's great innovation, creative and arts cities while remaining the world's most liveable city*<sup>1</sup> gives expression and focus to the themes that will drive and shape Canberra in the future.

The ACT Government has outlined its vision for Canberra this way<sup>2</sup>:

'the path to the Canberra of the future is marked out by transformational urban renewal and innovation, underpinned by the light rail network and the city to the lake vision, all founded on design excellence. This cannot be an exercise in the bland and boring building of "boxes"; it has to be about creating buildings that make statements about this city and excite interest in those living and working in them or just walking past them. They should be destinations as well as useful and modern spaces. They should be able to stand the test of time and have people still talking about them in 50 years.'

It is this vision that underpins the creation of the Authority as a statutory authority operating in conjunction with Government, established to:

- Encourage and promote:
  - a vital city through the delivery of design-led, people-focussed urban renewal;
  - social and environmental sustainability; and
- Operate effectively, in a way that delivers value for money, in accordance with sound risk management practices.

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<sup>1</sup> ACT Government (2016) *Canberra's International Engagement Strategy* Canberra: ACT Government

<sup>2</sup> Barr (2016), p.317

The statutory functions given to the Authority are deliberately broad so as to enable it to lead, manage, facilitate and undertake urban renewal projects in declared urban renewal precincts, consistent with these overarching objectives.

The significance of these responsibilities is reflected in the breadth and depth of experience, skill and expertise demanded from – and provided by - the membership of the Authority's governing board.

The Government strongly believes in the fundamental role of the Authority in delivering the calibre and quality of urban renewal outcomes necessary to firmly embed Canberra's standing as a city of choice, a city of talent, a city of ambition that is open to all.

## **Urban Renewal requirements and priorities**

Over a period of 12 months commencing from the date of the statement, the Government expects the Authority to deliver on the following priorities for urban renewal within the City Renewal Precinct.

### *Cohesive urban renewal*

The Government acknowledges that different areas within the City Renewal Precinct have already been the subject of extensive community engagement and planning in relation to future use whether through ACT Government initiatives or those of the National Capital Authority.

Recognising the work that has occurred to date, an immediate priority for the Authority to address is the delivery of a cohesive, coordinated plan for the renewal of the areas comprising the City Renewal Precinct as a whole.

The Government expects that this work will:

- identify and recommend prioritisation and sequencing of major public infrastructure works within the City Renewal Precinct;
- be developed in consultation with key stakeholders; and
- promote Government, stakeholder and community understanding of, and confidence in, the total program of works to be developed and delivered within the boundaries of the City Renewal Precinct;
- enable, encourage and promote cohesive renewal and development;
- be supported by clear timeframes in which identified renewal works need to be delivered commencing with those of highest productivity value;
- be consistent with the Territory Plan and the strategic planning framework established under the *Planning and Development Act 2007*; and
- reflect and be consistent with the Government's publicly stated policy commitments.

### *Specific projects and initiatives*

The Government expects that the Authority will continue the following specific project works related to the City Renewal Precinct:

- Haig Park
  - Working in consultation with Transport Canberra and City Services to finalise and implement the draft Haig Park Masterplan;
- West Basin
  - Completion of Stage 1 and commencement of Stage 2 of the West Basin Precinct;
- City Bus Interchange
  - Planning of renewal works to enliven and renew the City Bus Interchange;
- Proactively engage with building owners in the City 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 of open boulevard space along Northbourne Avenue to enable safe pedestrian movement and connection to services and facilities along the gateway;
- Continuation of planning and renewal works to establish Dickson as a key community and transport hub connecting the City to surrounding northern suburbs
- Progressing the sale of Asset Recycling Initiative sites within the precinct.

The Government expects the Authority to actively contribute to the liveability and vitality of the City Centre through:

- the 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;
  - Facilitating events and activities in public spaces, including laneways;
- identifying opportunities for large scale festivals or seasonal events to enliven the City Centre and support the development of the Territory's event sector.

### *Stakeholder relationships and community engagement*

The Act enshrines the Government's expectations that the Authority will:



- Consult and establish productive working relationships with key stakeholders, including all levels of Government and other relevant bodies and organisations;
- engage openly and meaningfully with the local community to inform both the design and delivery of works within declared precincts;
- promote cooperation, collaboration and coherent urban renewal with other key entities including the National Capital Authority and the Suburban Land Agency.

To assist the Authority Board to implement this statement and discharge its legislative obligations, the Government draws the Authority's attention to:

- The Government's commitment to the principles of 'Open Government', reflected in the guide *Engaging Canberrans: A guide to community engagement* which requires:
  - Transparency in process and information;
  - Participation by citizens in the governing process;
  - Public collaboration in finding solutions to problems; and
  - Participation in the improved well-being of the community.

The Environment, Planning and Sustainable Development Directorate (the Directorate) has responsibility for providing administrative support and advice to the Chief Minister and the Executive on a wide range of matters including strategic planning, strategic policy regarding environmental sustainability, the built form and land development and management.

Significantly, through its Director-General, the Directorate is responsible for providing advice and support to the Chief Minister on the performance of the framework for delivery of urban renewal and suburban development works established by the Act.

The Government expects that the Directorate and the Authority will maintain a close, collaborative working relationship to enable the provision of timely advice and support to the Chief Minister. The Government expects that the Authority board will facilitate the sharing of information, where appropriate, on urban renewal priorities so that EPSDD can provide timely advice to the Government on urban renewal and suburban development funding decisions.

## Expectations for implementation

The Government requires a high degree of accountability and transparency from the Authority in relation to the decision-making of its board and Chief Executive Officer (CEO) and its engagement with the public and Legislative Assembly in keeping with the principles of 'Open Government'.

The Government expects the Authority's governing board and CEO to ensure that the Authority acts in accordance with all relevant legislation and legal instruments, in particular the following:

- *Work Health and Safety Act 2011* (WHS Act);
- *Financial Management Act 1996* (FM Act);
- *Public Sector Management Act 1994*;

- *Territory Records Act 2002 (TR Act);*
- *Planning and Development Act 2007; and*
- *Environment Protection Act 1997.*

In responding to this statement, and fulfilling its statutory responsibility to follow and support whole-of-government strategies, the Authority should observe and note the following policies, plans and strategies:

- *ACT Government Statement of Ambition*
- *Canberra's International Engagement Strategy*
- *ACT Government Infrastructure Plan 2011-2021*
- *ACT Planning Strategy 2012 and the outcomes from the review currently on underway*
- *Transport Canberra: Public Transport Improvement Plan 2015*
- *Transport for Canberra: Transport for a sustainable city 2012-2031*
- *ACT Affordable Housing Action Plan (Phase III in particular)*
- *People, Place and Prosperity: A Policy for Sustainability in the ACT*
- *ACT Waste Management Strategy 2011-2025: Towards a Sustainable Canberra*
- *Weathering the Change – The ACT Climate Change Strategy 2007-2025*

Over the period of 12 months commencing from the date of the statement the Government expects that the profile of the Authority will be established as an open, responsive and engaged organisation that adopts a collaborative, people-focussed approach to the delivery of urban renewal outcomes characterised by design excellence.

To build this reputation, the Government expects that the Authority's governing board will implement a robust and transparent decision-making framework that is supported by information management practices that:

- Actively promote the timely publication of information consistent with the *ACT Government Digital Strategy*;
- Enable clear and timely reporting on performance across both financial and non-financial objectives and indicators;
- Satisfy the records management responsibilities enshrined in the TR Act, as reflected in the ACT Territory Records' Office *Standards and Guidelines for Records, Information and Data*.

The Government expects that the Authority will pro-actively manage risk through adoption and implementation of an active assurance, risk-based approach that satisfies *AS/NZS ISO 31000:2009* – which provides the internationally accepted basis for best practice risk management.

The Authority should provide the Chief Minister in his capacity as responsible Minister for the entity, with accurate and timely advice on significant issues in its core area of business. Significant issues might include but are not limited to:

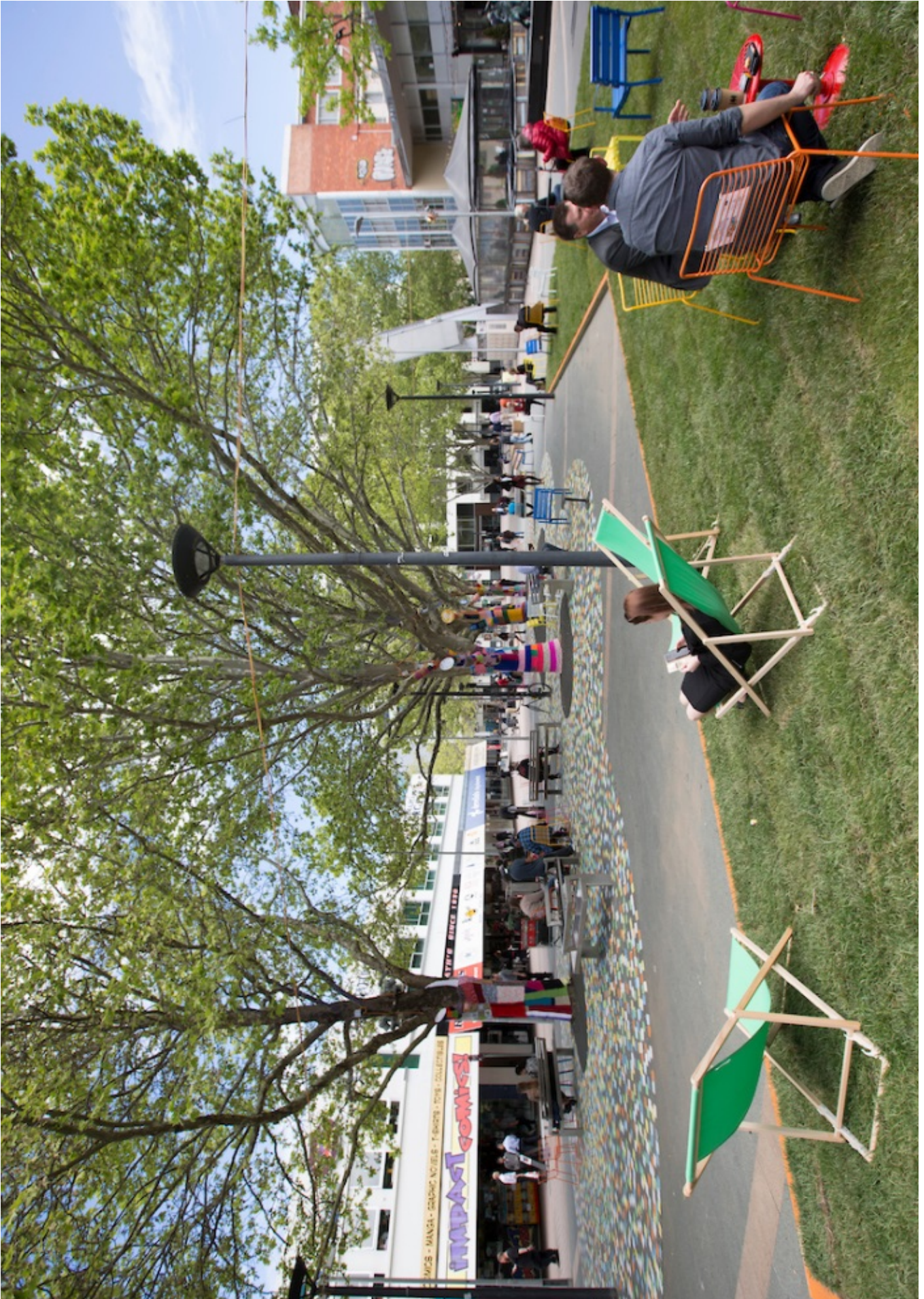
- Matters for which the Government is likely to be accountable in the Legislative Assembly;
- Important operational or budgetary issues, including management of its responsibilities under the WHS Act;
- The Authority's achievement of set housing targets; and
- Matters related to its internal governance, including compliance with the Government's framework for management of risk.



City Renewal Authority  
Statement of Operational Intent 2017-2018









## The City Renewal Authority

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

Working with the community, the Authority recognises that Canberra's civic places are there for the people to live in, enjoy and to deliver a quality of life Canberrans expect and deserve. As defined by the Objects detailed in our Act, we will:

- **encourage and promote a vibrant city through the delivery of design-led, people focussed urban renewal;**
- **encourage and promote social and environmental sustainability; and**
- **operate effectively with sound risk management practices to ensure value for money.**

This Statement of Operational Intent, which focuses on the 2017-18 Budget year, responds to the Government's 2017 Statement of Expectations. Approved by the Board of the Authority, this statement has been developed in the context of establishing a strategic approach over future years' programs and projects.

We look forward to implementing the Government's vision for the Precinct.



**Dr Michael Easson AM**  
Chair, City Renewal Authority Board



**Malcolm Snow**  
Chief Executive Officer, City Renewal Authority





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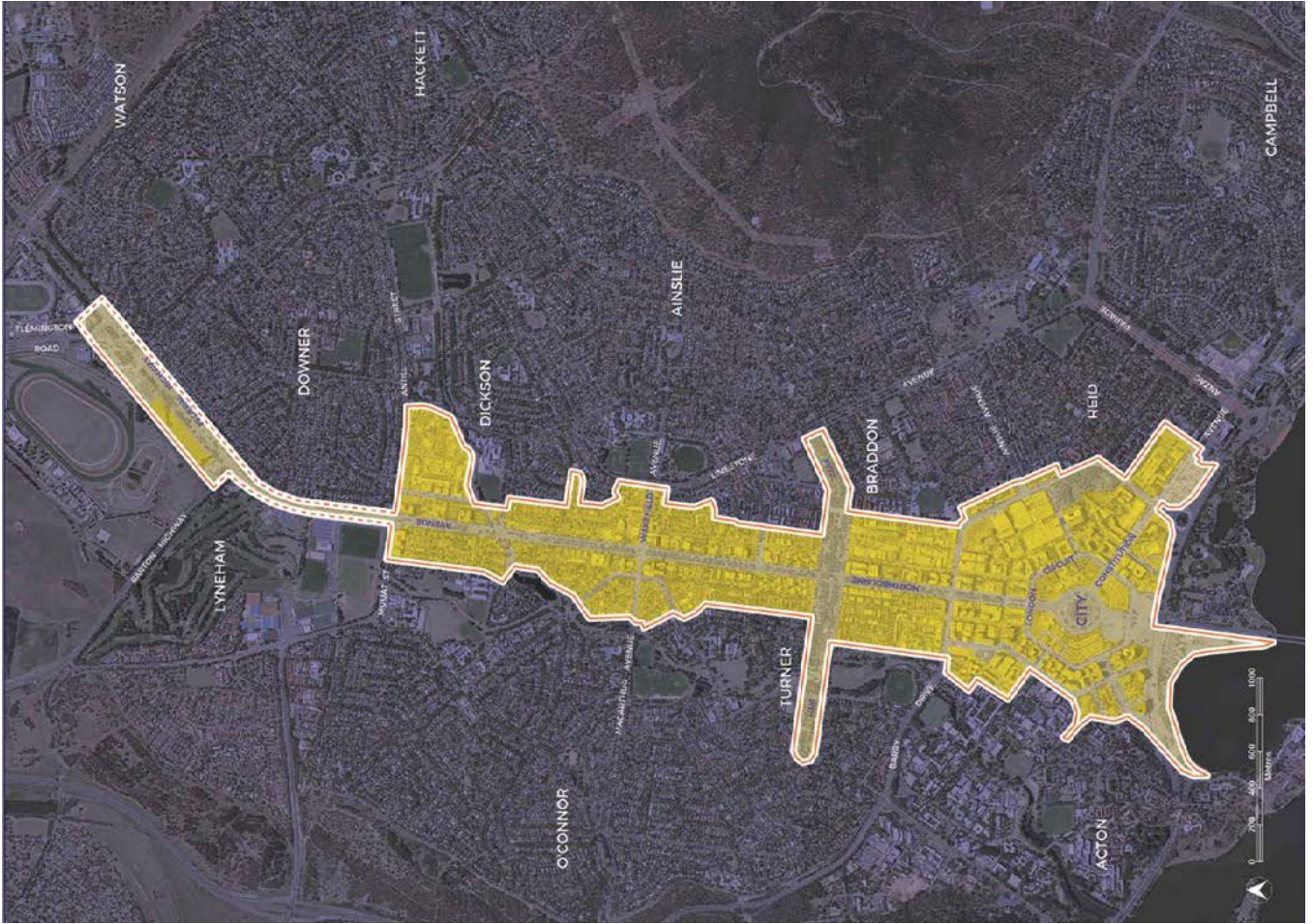
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Plan of the City Renewal Precinct Area

## Preamble

The ACT Government has set out an exciting urban renewal vision that will transform central Canberra to enliven it and make it even more liveable.

Establishment of the City Renewal Authority is a reflection of Canberra's maturity as it continues to evolve from its roots as the seat of Federal Parliament, to a diverse and vibrant city with an urban identity of its own.

Reinforcing that identity will be central to much of the work of the Authority as we continue to engage the community to bring the future of Canberra to life, and deliver on the Government's expectations. Our response to those expectations is set out in this Statement.

The Authority will lead urban renewal in the City Renewal Precinct (the Precinct). To achieve this we will forge strong and constructive partnerships with the community, industry and all stakeholders to create a place for people to live, explore and enjoy.

We will be a champion of excellence. We will work with the community, business and Government to deliver new buildings and places within the Precinct that are of exemplary design quality, excite interest and participation and attract new investment. We will help to create contemporary, vibrant spaces that will generate creativity, innovation and a diversity of possibilities. The Precinct will stand the test of time and be a place that Canberrans will be proud of and visitors will remember.

The Authority will facilitate activities across government to deliver on the Government's ambitions. New opportunities will be identified, barriers removed and processes will be improved through this collaborative approach.

Together, we will create new public buildings, homes, offices and businesses, parks and landscapes.

Our success will be measured by:

- a revitalised precinct that is sustainable, liveable and attractive;
- a diverse and active residential population that has a strong sense of community; and
- the take-up of economic and business incubation opportunities for enterprises, small start-ups and creative people.





## Response to the Government's expectations

We have responded to each element of the Government's Statement of Expectations and our responses are set out at Table 1 below.

### *Our intentions*

This document represents a statement of our aspirations in this, our first year of operation. Our intentions are predicated on what we know now, and we are committed to achieving them. As new opportunities arise, we will take advantage of them.

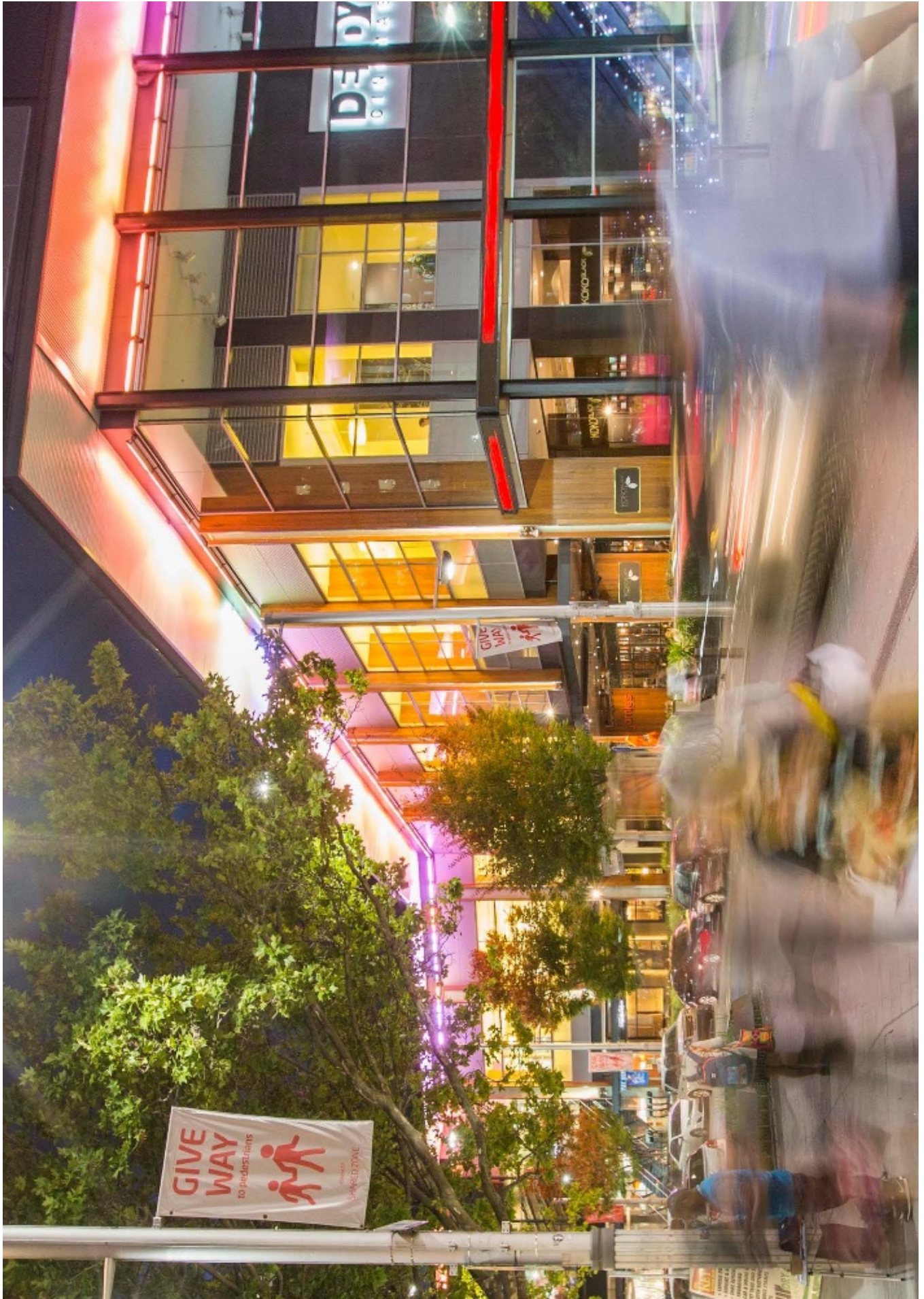
We recognise that many of our activities will, by their nature and scope, involve other parties. The community is our critical partner in all of our work. No-one knows Canberra like Canberrans – ideas and opinions are diverse, and we value and respect them. We will find different ways to engage with the community and always work collaboratively.

### *Recognising the importance of collaboration*

As a new Authority, we are eager to progress innovative, leading edge renewal and revitalisation activities within the Precinct, but in doing so we acknowledge that other stakeholders have an important role in supporting our work. In particular, the National Capital Authority (NCA) has administrative responsibility for control of development on designated land identified in the National Capital Plan, as being "areas of land that have the special characteristics of the national capital."

With many areas in the Precinct identified as designated land, the Authority acknowledges the important role the NCA plays in this regard. We will work closely with the NCA to achieve outstanding built form outcomes that meet our shared objectives for the Precinct.





## Our Operating Framework

The Authority will be an exemplar in its relationships with other government agencies and the community. We will build a strong reputation for compliance, accountability, transparency and good risk management. Our Board has adopted an operating framework to reflect these intentions and this is provided below. This framework will guide the delivery of our responsibilities and achievement of our objectives. We acknowledge that the Authority will receive Corporate, Governance and Finance services through other government entities. We will be a good corporate partner and work closely with those entities to establish effective and measurable service arrangements.

## Further Opportunities

The Authority will actively seek out further opportunities beyond those set out in the Statement of Expectations. These opportunities will be guided by our statutory functions, and the City Precinct Plan will be developed with the community. For 2017-18 those opportunities include:

- a Design Study for the Civic Square Cultural Precinct;
- a Public Realm Strategy;
- an Arts and Cultural Precinct Planning Strategy;
- a Sustainability Strategy; and
- a long term Community Engagement Program.



Table 1

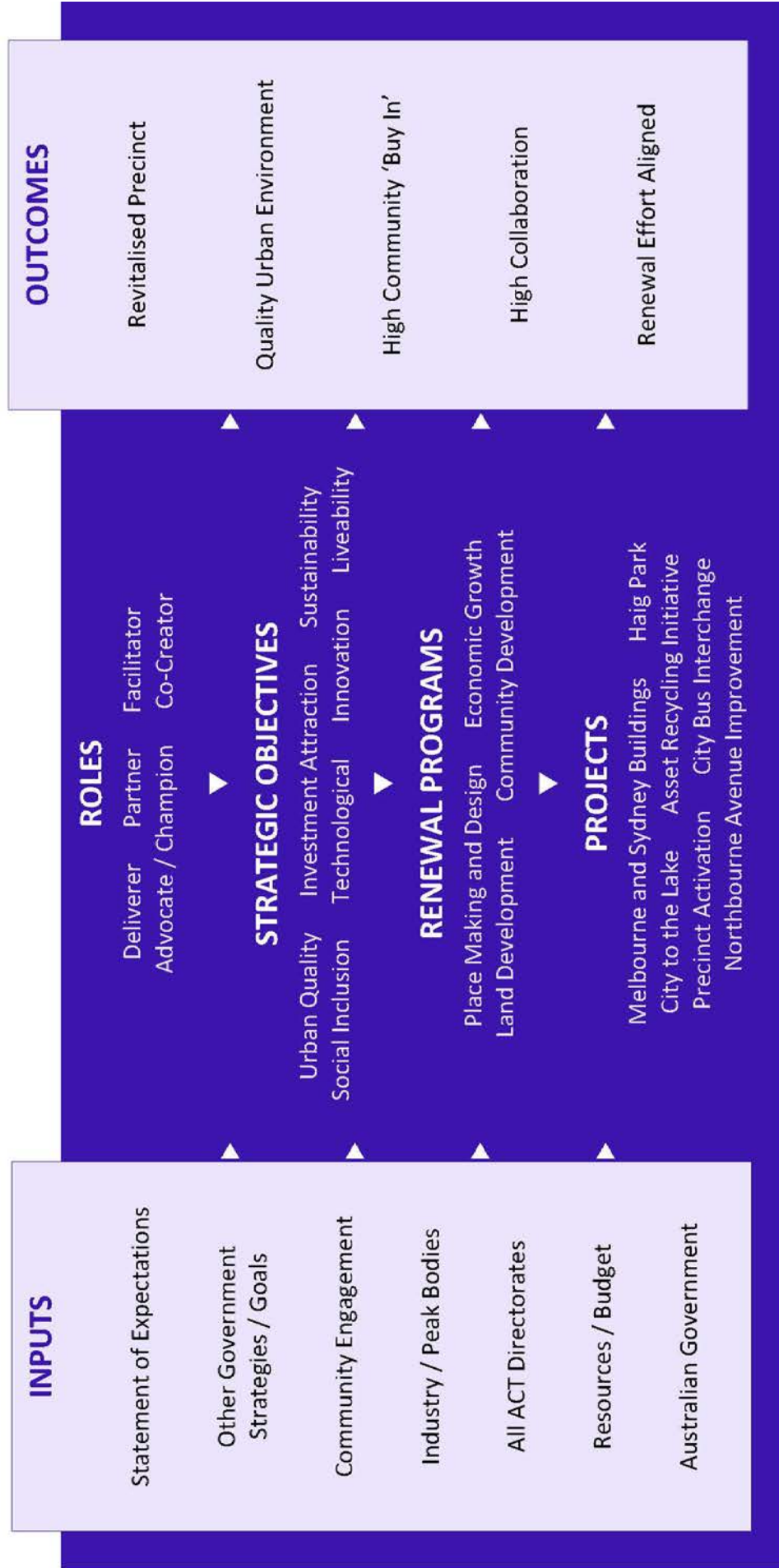
Government Expectation		Our Intention
<b>Deliver a cohesive coordinated plan for the City Renewal Precinct.</b>		We will deliver a plan for revitalisation of the Precinct. The City Precinct Plan will be people-centric with quality urban environment at its heart.
<b>The plan will:</b>		
<ul style="list-style-type: none"> <li>Identify and recommend prioritisation and sequencing of major public infrastructure works within the precinct.</li> </ul>		We will work with Government and the community to identify opportunities for new major public infrastructure within the Precinct.
<ul style="list-style-type: none"> <li>Be developed in consultation with stakeholders.</li> </ul>		We will collaborate to the community and other stakeholders, using a range of different ways for people to become involved. The Board appointed Engagement Committee will oversee this work.
<ul style="list-style-type: none"> <li>Promote Government, stakeholder and community understanding of, and confidence in the total program of works to be developed and delivered within the boundaries of the Precinct.</li> </ul>		Our plans will in large part be the product of our relationship with the community and we will collaborate actively with other stakeholders so as many people as possible can develop a sense of ownership for the program of works. Not everyone will agree with all elements of our plans but we aim for our engagement to engender mutual trust and respect.
<ul style="list-style-type: none"> <li>Enable, encourage and promote cohesive urban renewal and development.</li> </ul>		We will talk to, and work with, government agencies and private developers to seek and secure opportunities for collaboration and co-creation across all our programs. This work will be overseen by the Board appointed Design, Planning and Public Realm Committee.
<ul style="list-style-type: none"> <li>Be supported by clear timeframes in which identified renewal works need to be delivered commencing with those of highest productivity value.</li> </ul>		The City Precinct Plan will set out the priority projects and timeframes, which will be guided by the community and other stakeholders.
<ul style="list-style-type: none"> <li>Be consistent with the Territory Plan and the Strategic Planning Framework established under the Planning and Development Act 2007.</li> </ul>		We will put processes in place to ensure that all of our work fully complies with planning, legislative and procedural requirements.
<ul style="list-style-type: none"> <li>Reflect and be consistent with the Government's publicly stated policy commitments.</li> </ul>		We will require that all proposals developed by the Authority are consistent with the Government's policy commitments.

Government Expectation	Our Intention
<b>Haig Park</b>	
<b>Work in consultation with Transport Canberra and City Services (TCCS) to finalise and implement the draft Haig Park Master Plan.</b>	<p>We will progress finalisation of a Conservation Management Plan (CMP). We will work with TCCS and be guided by the community to finalise the Haig Park Master Plan once the CMP has been approved.</p> <p>We will develop an implementation strategy once the CMP has been approved and the master plan has been finalised.</p>
<b>West Basin Precinct</b>	
<b>Completion of Stage 1 and commencement of Stage 2 West Basin Precinct.</b>	<p>We will complete Stage 1 of the West Basin Precinct.</p> <p>We will work with the Australian Government and other stakeholders to progress West Basin Stage 2, recognising the broad community support and strategic importance of renewing the city's urban waterfront.</p>
<b>City Bus Interchange</b>	
<b>Planning of renewal works to enliven and renew the City Bus Interchange.</b>	We will collaborate with the TCCS to progress improvements to the City Bus Interchange and its important functional interrelationship with the Light Rail Network.
<b>Sydney and Melbourne Buildings</b>	
<p><b>Proactive engagement with building owners in the Precinct to ensure delivery of cohesive renewal and maintenance works.</b></p> <p><b>Act as key liaison between the ACT Government and owners of the iconic Sydney and Melbourne Buildings to encourage support and revitalisation of these significant areas.</b></p>	We will engage with building owners and government agencies to develop a plan for the Sydney and Melbourne buildings that will ensure that these important buildings and the surrounding public realm are revitalised as key heritage and community sites.

Government Expectation	Our Intention
<b>Northbourne Avenue</b>	
Engagement with TCCS to ensure continued delivery of open boulevard space along Northbourne Avenue to enable safe pedestrian movement and connection to services and facilities along the gateway.	We will work with the NCA and TCCS to set guidelines and standards that will ensure the landscape environment along Northbourne Avenue is befitting the primary gateway to the National Capital.
<b>Dickson Group Centre</b>	
Continuation of planning and renewal works to establish Dickson as a key community and transport hub connecting the city to the surrounding northern suburbs.	We will identify opportunities for future development and renewal in the Dickson Group Centre. Place making will be a guiding principle of this work, as it will be throughout the Precinct.
<b>Asset Recycling Initiative</b>	
Progress the sale of Asset Recycling Initiative sites within the Precinct.	We will progress land sales within the Precinct associated with the Asset Recycling Initiative to meet the timeframes that have been agreed by Government.
<b>City Activation</b>	
<p>Actively contribute to the liveability and vitality of the city centre through - planning and delivery of events, capital works upgrades , public realm and amenity improvements and stakeholder partnerships, including:</p> <ul style="list-style-type: none"> <li>• Testing and trialling public space through events and interventions,</li> <li>• Partnering with local event providers and businesses,</li> <li>• Testing regulatory barriers to events and innovation,</li> <li>• Leading the market by demonstrating event styles and locations,</li> <li>• Facilitating events and activities in public spaces, including laneways.</li> </ul> <p>Identifying opportunities for large scale festivals or seasonal events to enliven the city centre and support the development of the Territory's event sector.</p>	<p>We will develop a comprehensive program of place making and activation for the public spaces of the Precinct, including: Floriade interventions, activation at Garema Place, Rabaul Lane, Northbourne Corridor/Haig Park and Dickson Group Centre.</p> <p>We will partner with local businesses and the creative sector to support the cultural capital of the city centre.</p>



# CITY RENEWAL AUTHORITY'S OPERATING FRAMEWORK



FINANCIAL SUSTAINABILITY

RISK MANAGEMENT

GOVERNANCE

# APPENDIX C - Government Direction on land acquisition

Australian Capital Territory

## City Renewal Authority and Suburban Land Agency (City Renewal Authority Land Acquisition) Direction 2017

Disallowable instrument DI2017– 261

made under the

City Renewal Authority and Suburban Land Agency Act 2017, section 63 (Minister must make directions for land acquisition)

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### 1 Name of instrument

This instrument is the *City Renewal Authority and Suburban Land Agency (City Renewal Authority Land Acquisition) Direction 2017*.

### 2 Commencement

This instrument commences the day after it is notified.

### 3 City Renewal Authority - Land Acquisition Direction

I make the directions set out in the schedule in relation to the acquisition of land by the City Renewal Authority.

Andrew Barr MLA  
Treasurer

31 October 2017

## SCHEDULE

### City Renewal Authority - Land Acquisition Direction

#### 1. Application

- 1.1. This direction applies to the City Renewal Authority in exercising its function of acquiring leases of land on behalf of the Territory from private lessees.
- 1.2. This direction does not apply to:
  - a) acquisitions of land previously approved under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* (repealed);
  - b) land transferred from the Territory, other Territory entities or the Commonwealth of Australia to the City Renewal Authority;
  - c) the acquisition of rights, such as easements, over leased territory land by the City Renewal Authority.

#### 2. Land Acquisition – Mandatory Business Cases

- 2.1. The City Renewal Authority must provide to the Minister for endorsement a business case for all proposed land acquisitions to which this direction applies.
- 2.2. Each business case must include an analysis of the following issues:
  - a) the financial implications relating to the proposed acquisition, including provision of:
    - i. any valuation provided to the City Renewal Authority by the seller; and
    - ii. all valuations considered by the City Renewal Authority in accordance with the authorities policies regarding valuations; and
  - b) the current and future status of the land under the Territory Plan, including any conditions on the Crown lease;
  - c) the purpose for which the proposed land is to be acquired, including how the proposed acquisition:
    - i. meets the objects and functions of the City Renewal Authority set out in the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act);
    - ii. meets the requirements of the Territory Plan including the Statement of Strategic Directions, the Statement of Planning Intent (given under s16 of the *Planning and Development Act 2007*) and any other the relevant Government policies relating to land;
    - iii. addresses the Statement of Expectations issued under s 17 of the Act and the Statement of Operational Intent issued in reply under s 18 of the Act;
    - iv. addresses, and is as far as practicable consistent with the City Renewal Authority's Statement of Intent issued under the *Financial Management Act 1996* for the authority; and

- d) how the proposed land acquisition, including the future use of the land:
  - i. represents value for money (as defined in the *Government Procurement Act 2001*) for the Territory;
  - ii. will assist the Government to maximise the community benefits from land development and deliver residential, commercial or industrial development that is in the public interest; and
  - iii. supports development that is environmentally sustainable;
- e) the outcome of consultation with all relevant stakeholders, including the Under Treasurer and Directors-General of Environment, Planning and Sustainable Development and Transport Canberra and City Services, on the proposed land acquisition;
- f) a risk assessment of the proposed acquisition of land; and
- g) any other additional information relevant to the Minister's consideration of the proposed acquisition to which the business case relates.

### **3. Business Case Approval**

- 3.1. Prior to any acquisition of land to which this direction applies, the following approval steps must be satisfied:
  - a) The City Renewal Authority must present a draft business case in accordance with part 2 above, which is provided to the Under Treasurer and the Directors-General of Environment, Planning and Sustainable Development and Transport Canberra and City Services for consultation; and
  - b) Upon completion of consultation required at paragraph 3.1(a), the City Renewal Authority must provide a final business case to be submitted by the Environment, Planning and Sustainable Development Directorate for consideration by the Minister.
- 3.2. The Minister may approve or reject a final business case for the acquisition of land by the City Renewal Authority, following consideration by the Executive.
- 3.3. The City Renewal Authority may only acquire land following the Minister's approval of the final business case in accordance with this Direction.

