

**LDC** | LAND  
DEVELOPMENT  
CORPORATION  
**Annual Report 06-07**



# Letter to the Minister

16 October 2007

The Hon Kon Vatskalis MLA  
Minister for Business and Economic Development  
Parliament House  
DARWIN NT 0800

Dear Minister

I have pleasure in presenting you with the fourth Annual Report of the Land Development Corporation. The report describes the activities and operations of the corporation for the year ending 30 June 2007 in accordance with section 28 of the *Public Sector Employment and Management Act* and section 32 of the *Land Development Corporation Act*.

In doing so I advise that, to the best of my knowledge and belief, the system of internal control provides reasonable assurance that:

- (a) proper records of all transactions affecting the corporation are kept and employees under my control observe the provisions of the *Financial Management Act*, the *Financial Management Regulations* and Treasurer's Directions
- (b) procedures within the corporation afford a proper internal control and a current description of such procedures is recorded in the accounting and property manual prepared in accordance with the requirements of the *Financial Management Act*
- (c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records
- (d) the internal audit capacity available to the corporation is adequate and the results of internal audits have been reported to me in accordance with the requirements of section 15 of the *Financial Management Act*
- (e) the financial statements included in the report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions where appropriate
- (f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied.

RICHARD GALTON  
Chief Executive Officer

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## Our Role

The Land Development Corporation was established on 1 July 2003 to develop and manage Northern Territory Government-owned land identified for industry development. It is a commercially driven statutory authority created to support economic growth by providing strategic industrial land. The corporation is overseen by a five member Advisory Board, including four representatives from the private sector appointed by the Minister and the Chief Executive of the Department of Business, Economic and Regional Development. Its main focus is to develop and manage the Darwin Business Park - a purpose-built industrial estate at East Arm. The corporation is also involved in the early planning stages for other strategic industrial areas throughout the Northern Territory. These industrial estates provide serviced land for businesses that want to capitalise on the opportunities provided by major developments and projects such as the AustralAsia Railway, East Arm Port and container terminal, development of Timor Sea oil and gas, gas-based manufacturing and processing, and Defence deployment in the Northern Territory.

## Our Vision

To provide industrial land that will facilitate economic growth in the Northern Territory, for the benefit of all Territorians.

## Our Objectives

The corporation's objectives are to:

- ensure the Northern Territory's strategic industrial land needs are met, when and where required
- respond to industry's short and long-term requirements with acquisition terms suited to market conditions
- be resourced to initiate, undertake, facilitate and/or manage new developments
- build strong links with other business and development agencies to provide comprehensive project support
- optimise returns on the corporation's property assets
- be ethical, open and accountable to the people of the Northern Territory.

## Our Priorities

The corporation's priorities are to:

- continue the development of the Darwin Business Park by securing investment commitment to the East Arm Freight Logistics Precinct
- plan for the development of the Wickham Industrial Estate at Middle Arm
- plan and develop the Defence Support Hub
- deliver appropriate land and infrastructure to industry
- develop innovative land transaction models
- establish the brand and profile of the Land Development Corporation and its estates.

# Chairman's Report

The Land Development Corporation has had a year of change with Richard Galton being appointed as the new CEO and John Coleman as the new General Manager. I welcome the changes made by the new management team and the corporation now has a refreshed outlook and approach.

While not involved in operational matters of the corporation, the Board has endorsed significant changes made by the new CEO and General Manager in the second half of the financial year.

Board members underwent a change in their periods of appointment, staggering the terms so the experience of the Board isn't lost due to a common termination and/or renewal date.

One of the barometers of our economy is the number of transactions and take-up of strategic industrial land. In the past six months the Land Development Corporation's Darwin Business Park has sold more than \$5.6 million of land with development worth more than \$16 million. A higher income is expected in the coming financial year with an estimated income of more than \$9 million.

The Board has provided guidance on a new five-year plan, market analysis methodology, lease and tenure arrangements, marketing plans and on several development proposals at East Arm.

The past six months has been an exciting and refreshing period for the corporation's Board and I look forward to more achievements in the coming year.

STEVE MARGETIC  
Chair

# Chief Executive Officer's Report

Engagement of a new general manager in February 2007 has resulted in significant and welcome changes in operations for the Land Development Corporation. Apart from internal practices in record and financial management, the corporation now has a different outlook in dealing with other agencies and its client base.

The corporation is developing a "one stop shop" service where proponents seeking strategic industrial land consistent with the development (DV) zoning can visit the corporation and gain expert advice on their land requirements. A town planner started in March 2007 providing on the spot planning advice and guidance on proposals.

In early 2007 the corporation reached agreement with the Department of Planning and Infrastructure (DPI) to take on the administration of all Northern Territory Government held areas at East Arm and its immediate surrounds north to Tiger Brennan Drive. Now proponents deal with only one agency to identify suitable land in the East Arm area. The corporation provides a clear outline of the direction for clients with expert advice.

New 'term' sheets have been developed which clearly set out the project requirements and responsibilities.

New contracts and development lease documentation provide a clear schedule for construction and site requirements.

Work on a five-year plan has started and will be available in the coming financial year. This plan will provide a direction to develop areas within the corporation's estates such as transport service areas, commercial development and waterfront industrial precincts.

The DPI has assisted the corporation via a Service Level Agreement to provide database design, Crown land legal services and map production.

Underlying these developments is a rigorous approach to information management.

# Land Development Corporation

The Land Development Corporation operates under the *Land Development Corporation Act 2003* and through an Advisory Board, and as of 11 July 2005, reports to the Minister for Business and Economic Development.

## Functions of the corporation

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The functions of the corporation are to:

- develop the corporation's land for industrial businesses to use
- promote the corporation's land for use by industrial businesses
- provide services, facilities and general assistance to establish and facilitate industry conduct on the corporation's land
- carry out or facilitate other activities associated with managing the corporation's land and its use by industrial businesses, including commercial and recreational activities and activities relating to heritage and environmental conservation.

## Powers of the corporation

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The corporation has power to:

- negotiate and enter into contracts, agreements, schemes and arrangements
- purchase, lease or otherwise acquire and hold real or personal property
- sell, grant leases of, or otherwise dispose of, real or personal property
- acquire, hold and dispose of rights, privileges, permits, licences and authorities
- occupy, use, control and manage land or a building
- erect buildings and construct wharves, roads, railways, pipelines, bridges or other facilities
- purchase, lease or hire plant, machinery, equipment or other things for the purpose of conducting its functions
- impose and collect fees and charges for, or in respect of, the use of its land or a facility on that land
- accept, hold and enforce undertakings, indemnities, bonds or securities protecting it against loss
- regulate and prohibit the conduct of persons on its land and set the conditions on which persons may enter or be excluded from a part or parts of its land
- regulate and prohibit the presence, use and removal of vehicles and animals on its land or a part of its land
- employ or engage staff, engage consultants and appoint agents and legal representatives
- charge for work, services, goods and information done, supplied or published by the corporation and for admission onto its land
- perform any other functions imposed on it under the Act.

## Corporate Governance Advisory Board

The Minister appointed four private sector members for three years, starting on 8 January 2004. Richard Galton, Chief Executive of the Department of Business, Economic and Regional Development (DBERD), was appointed as CEO of the corporation from 23 October 2006 and became the fifth member of the Advisory Board. Richard replaces Mike Burgess, who was appointed CEO and Board member from 11 July 2005.

The Land Development Corporation's Board consists of:



**Steve Margetic**  
Chair

Steve Margetic is Managing Director of the Territory's largest privately owned building contractor, Sitzler Bros, and is a past president of the Territory Construction Association. A Fellow of the Australian Institute of Company Directors, he has been a director of Master Builders Australia (MBA) Inc and Chairman of MBA Inc National Contracts Committee. Steve has more than 20 years' experience in property development in the Territory and has helped develop a number of large retail shopping centres and a broad range of commercial and industrial developments.



**Margaret Michaels**  
Deputy Chair

Margaret Michaels has a broad background in commercial litigation and practices in corporate and property law with a strong emphasis on:

- energy and resources
- construction, projects and infrastructure
- government
- property development.

Margaret has been involved in a number of significant energy and infrastructure projects in the Northern Territory and acts for government and private sector clients. Margaret regularly advises on construction, mining, electricity, gas projects and contracts, and the regulatory regimes in which energy and resource companies operate.

## Corporate Governance Advisory Board



**Philip Duval**  
Member

Philip Duval is the Managing Director of Realty Solutions Australia Pty Ltd, an Adelaide-based, independent property consulting firm he formed after 21 years (including 10 as Managing Director) with CB Richard Ellis (South Australia) Pty Ltd. Philip holds valuation and town planning qualifications and has extensive experience in major commercial and industrial projects. He has undertaken recent assignments for the South Australia Government's Land Management Corporation, Department of Environment and Heritage, Adelaide Airport Ltd, and Port Adelaide Maritime Corporation.

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**Marek Petrovs**  
Member

Marek Petrovs is a Melbourne-based property consultant providing advice to public and private sectors within Australia and overseas. He has been the Deputy Chair of the New South Wales Growth Centres Commission and Chairman of the former Urban and Regional Land Corporation of Victoria - now merged with the Docklands Authority to become VicUrban. Marek has facilitated national forums for the Victorian, South Australian, New South Wales, Australian Capital Territory and Western Australian land corporations.

He is a non-executive director of Austcorp Group Limited, Quotable Value Australia Pty Limited and Tourism Hotels and Leisure Limited.

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**Richard Galton**  
CEO and Member

Richard arrived in the NT in 1982 to oversee the construction of the Channel Island and Elizabeth River Bridge. In the early nineties he project managed the Northern Territory Government's State Square Project.

Since then he has held executive management positions in numerous boards and departments - most recently in the Power and Water Corporation, the Department of Planning and Infrastructure and the Department of Corporate and Information Services. He joined DBERD in October last year.

Richard has degrees in Civil Engineering and Business Administration and is a Fellow of Engineers Australia and the Australian Institute of Company Directors.

# Performance in Detail

## Darwin Business Park

In the past six months the Land Development Corporation sold three lots valued at more than \$5.6 million, which will result in \$16 million worth of new development at East Arm. These developments include distribution centres for John Bains Westrans Freighters and Shaw's Transport, and an import and pre-fabrication facility by Gwelo Investments.

The corporation has:

- arranged with DPI to take on the responsibility for all remaining Crown land at East Arm and the immediate surrounds to enable businesses seeking strategic industrial land to negotiate sales with one office rather than multiple agencies
- engaged its first on-site town planner. The corporation can now help land applicants secure land with more certainty of the planning outcome. The planner also provides advice on land processes and facilitates negotiations with external agencies
- developed new planning arrangements in consultation with the DPI, which allow sales off the plan to be lodged with the department's Development Assessment Services rather than the previous multi-agency review process
- developed new term sheets, which clearly set out the project requirements and responsibilities for strategic and land sales off the plan. These are given to clients when negotiations start, in order to provide a clear process and timeline for clients and corporation staff
- designed new development leases for long and short term periods allowing for rental options in particular circumstances, in conjunction with the Department of Justice. The leases provide clear development requirements and, depending on the location, a shorter period for the conversion to either freehold or strategic importance status to the corporation
- started to develop a new five-year plan to set out types of development activities in particular areas. The plan is expected to be available in the new financial year and will nominate areas suitable for transport industries, waterfront industry, waterfront commercial areas and pre-assembly module areas
- completed the industrial land supply study and began the next stage of market analysis to understand not only the current market situation but also the scenario for the next two to three years
- implemented a rigorous information system and entered into a Service Level Agreement with DPI so it can provide mapping services, Crown documentation and settlements, and database design
- joined with DPI and the Power and Water Corporation to develop a comprehensive, visual land system for East Arm to provide land tenure, planning, status information and the location of existing and planned services. This system will be available to corporation staff in the coming financial year.

# Performance in Detail

## Defence Support Hub

A 60 hectare site near Robertson Barracks, previously identified for the development of a new Defence Support Hub, was rezoned development (DV) so the next stage of the process can start. A subdivision application for the whole site was lodged in May, with an outcome expected early in the next financial year.

DPI will then transfer the title to the Land Development Corporation, which will start a staged subdivision soon after.

## Performance Measures

	2006-07 Estimate	2006-07 Actuals	2007-08 Estimate
<b>Industrial Land Development</b>			
<i>Quantity</i>			
Number of land sales	3	1	4
Tenancies managed	9	10	11
<i>Quality</i>			
Stakeholder survey	Nm		95%
<i>Timeliness</i>			
Rents collected on time	95%		95%

# Performance Reporting

## Financial Statement Overview Land Development Corporation For the Year Ended 30 June 2007

The Land Development Corporation is a commercially driven statutory authority established on 1 July 2003 to develop and manage Northern Territory Government-owned land identified for industry development. The financial statements provide information about the financial performance, financial position and cash flows of the Agency.

### Operating Statement - Overview of Performance

The Agency recorded a net surplus of \$261 000 at 30 June 2007 compared to a net surplus of \$266 000 for the year ended 30 June 2006. Although total income was higher for the current year, largely due to an increase in rental income, a marginally lower surplus was realised as a result of a corresponding slight increase in total expenditure for the year.

The improved performance against a budgeted deficit of \$691 000 is largely due to gains from the sale of land occurring earlier than originally anticipated and increases in rental income, as well as lower than budgeted operating expenses due to delays in recorded expenditure against planned projects, repairs and maintenance.

Total operating revenue for the year was \$2.449 million. This comprised output revenue of \$1.458 million and Agency revenue of \$991 000, including notional revenue of \$54 000 for services provided free of charge by the Department of Corporate and Information Services (DCIS).

Total operating expenses for the year was \$2.188 million. This included employee expenses of \$534 000 and administrative expenditure of \$1.599 million. Included in the administrative expenditure is an amount of \$55 000 representing DCIS notional service charges.

### Balance Sheet - Overview of Position

The net asset position of the Agency as at 30 June 2007 is \$51.532 million. This compares to the net asset position as at 30 June 2006 of \$66.313 million. The overall reduction of \$14.781 million is mainly due to a decrease in property plant and equipment as a result of an infrastructure transfer back to DPI valued at \$15.044 million.

### Statement of Changes in Equity

The Balance of Equity at 30 June 2007 is \$51.532 million. This balance reflects the net equity position after taking into account movement in the capital accounts attributable to the infrastructure transfer back to the DPI of \$15.044 million, an equity injection of \$56 000 and the operating surplus of \$261 000.

# Performance Reporting

## Cash Flow Statement

The Cash Balance as at 30 June 2007 is \$8.059 million. This is an improvement on the prior year balance due to increased land sales in 2007. This exceeds the budgeted cash balance of \$7.188 million for the year ended 30 June 2007 by \$871 000. This variance to budget is due to increased land sales and rental income receipts, as well as lower than budgeted operating expenses due to delays in recorded expenditure against planned projects, repairs and maintenance.

## Key Financial Data

	2007 \$'000	2006 \$'000
<b>Operating Statement</b>		
Total Revenue	2 449	2 366
Total Expenses	2 188	2 100
<b>Net Surplus/(Deficit)</b>	<b>261</b>	<b>266</b>

	2007 \$'000	2006 \$'000
<b>Balance Sheet</b>		
Total Assets	52 096	66 605
Total Liabilities	564	292
<b>Equity</b>	<b>51 532</b>	<b>66 313</b>

## Certification of the Financial Statements

We certify that the attached financial statements for the Land Development Corporation have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2007 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



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RICHARD GALTON  
Chief Executive  
31/08/2007



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TRACEY SCOTT  
Chief Financial Officer  
31/08/2007

# Land Development Corporation

## Operating Statement

For the year ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
<b>INCOME</b>			
Output Revenue		1 458	1 445
Sales of Goods and Services		660	536
Goods and Services Received Free of Charge (1)	4	54	53
Gain on Disposal of Assets	5	197	285
Other Income		80	47
<b>TOTAL INCOME</b>	<b>3</b>	<b>2 449</b>	<b>2 366</b>
<b>EXPENSES</b>			
Employee Expenses		(534)	(507)
<i>Administrative Expenses</i>			
Purchases of Goods and Services		(1 388)	(1 349)
Repairs and Maintenance		(118)	(142)
Depreciation and Amortisation	9	(93)	(41)
Other Administrative Expenses (1)		(55)	(61)
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>(2 188)</b>	<b>(2 100)</b>
<b>NET SURPLUS</b>	<b>13</b>	<b>261</b>	<b>266</b>

The Operating Statement is to be read in conjunction with the notes to the financial statements.

(1) Includes DCIS Free of Charge service charges.

**Balance Sheet**

As at 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	7	8 059	2 187
Receivables	8	12	65
Pre payments		6	0
<b>Total Current Assets</b>		<b>8 077</b>	<b>2 252</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	44 019	64 353
<b>Total Non-Current Assets</b>		<b>44 019</b>	<b>64 353</b>
<b>TOTAL ASSETS</b>		<b>52 096</b>	<b>66 605</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits Held	10	358	9
Payables	11	147	214
Provisions	12	43	60
<b>Total Current Liabilities</b>		<b>548</b>	<b>283</b>
<b>Non-Current Liabilities</b>			
Provisions	12	16	9
<b>Total Non-Current Liabilities</b>		<b>16</b>	<b>9</b>
<b>TOTAL LIABILITIES</b>		<b>564</b>	<b>292</b>
<b>NET ASSETS</b>		<b>51 532</b>	<b>66 313</b>
<b>EQUITY</b>			
Capital	13	49 982	64 970
Reserves		819	819
Accumulated Funds		731	524
<b>TOTAL EQUITY</b>		<b>51 532</b>	<b>66 313</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

# Statement of Changes in Equity

For the year ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
<b>BALANCE OF EQUITY AT 1 JULY</b>	13	66 313	51 182
<b>Capital</b>			
Balance at 1 July		64 970	50 105
Equity Injections		56	15,044
Equity Withdrawals		(15 044)	(179)
Balance at 30 June		49 982	64 970
<b>Reserves</b>			
Balance at 1 July		819	819
Balance at 30 June		819	819
<b>Accumulated Funds</b>			
Balance at 1 July		524	258
Correction of Prior Period Errors		(54)	0
Surplus for the Period		261	266
Balance at 30 June		731	524
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>51 532</b>	<b>66 313</b>

*This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.*

# Land Development Corporation

## Cash Flow Statement

For the year ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Output Revenue Received		1 458	1 445
Receipts from Sales of Goods and Services		994	745
<b>Total Operating Receipts</b>		<b>2 452</b>	<b>2 190</b>
<b>Operating Payments</b>			
Payments to Employees		(547)	(503)
Payments for Goods and Services		(1 778)	(1 482)
<b>Total Operating Payments</b>		<b>(2 325)</b>	<b>(1 985)</b>
<b>Net cash From/(Used In) Operating Activities</b>	14	<b>127</b>	<b>205</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales	5	5 396	1 287
<b>Total Investing Receipts</b>		<b>5 396</b>	<b>1 287</b>
<b>Net cash From/(Used In) Investing Activities</b>	14	<b>5 396</b>	<b>1 287</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Deposits Received		349	(4)
<b>Total Financing Receipts</b>		<b>349</b>	<b>(4)</b>
<b>Financing Payments</b>			
Equity Withdrawals	13	0	(179)
<b>Total Financing Payments</b>		<b>0</b>	<b>(179)</b>
<b>Net cash From/(Used In) Financing Activities</b>		<b>349</b>	<b>(183)</b>
Net increase/(decrease) in Cash Held		5 872	1 309
Cash at Beginning of Financial Year		2 187	878
<b>CASH AT END OF FINANCIAL YEAR</b>	7	<b>8 059</b>	<b>2 187</b>

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

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## I OBJECTIVES AND FUNDING

The Land Development Corporation develops and manages Northern Territory Government-owned land identified for strategic industry development. It operates under the *Land Development Corporation Act* and through an Advisory Board, and reports to the Minister for Business and Economic Development.

The role of the corporation as a commercially oriented land developer is to position the Northern Territory and its industries to capitalise on major developments and industrial projects. The Land Development Corporation administers the Darwin Business Park at East Arm and other nearby sites.

The corporation is predominantly funded by parliamentary appropriations and some revenue from commercial rent.

In the process of reporting on the Agency as a single entity, all intra-Agency transactions and balances have been eliminated.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Land Development Corporation to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of Agency financial statements is to include:

- (i) a Certification of the Financial Statements
- (ii) an Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The form of Agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Territory Government entities.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra Agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Agency and Territory Items

The financial statements of the Land Development Corporation include income, expenses, assets, liabilities and equity over which the corporation has control (Agency items). Certain items, while managed by the Agency, are controlled and recorded by the Territory rather than the Agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### **Central Holding Authority**

The Central Holding Authority is the 'parent body' that represents the Northern Territory Government's ownership interest in Government controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by Agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to Agencies as well as certain Territory liabilities that are not practical or effective to assign to individual Agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the Agency's financial statements.

### (c) Comparatives

Where necessary, comparative information for the 2005-06 financial year has been reclassified to provide consistency with current year disclosures.

### (d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

### (e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2006-07 as a result of management decisions.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

### (g) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

#### **Output Revenue**

Output revenue represents Government funding for Agency operations and is calculated as the net cost of Agency outputs after taking into account funding from Agency income. The net cost of Agency outputs for Output Appropriation purposes does not include any allowance for major non-cash costs such as depreciation.

Revenue in respect of this funding is recognised in the period in which the Agency gains control of the funds.

#### **Grants and Other Contributions**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Sale of Goods*

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

### *Rendering of Services*

Revenue from rendering services is recognised on a stage of completion basis.

### *Interest Revenue*

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

### *Disposal of Assets*

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to note 5.

### *Contributions of Assets*

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the Agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

### **(h) Repairs and Maintenance Expenses**

Funding is received for repairs and maintenance works associated with Agency assets as part of Output Revenue. Costs associated with repairs and maintenance works on Agency assets are expensed as incurred.

### **(i) Interest Expenses**

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

### **(j) Cash and Deposits**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid, short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner - refer also to note 19.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Inventories

General inventories are all inventories other than those held for distribution and are carried at the lower of cost and net realisable value. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Inventories held for distribution are those inventories distributed at no or nominal consideration, and are carried at the lower of cost and current replacement cost.

### (l) Receivables

Receivables include accounts receivable and other receivables, and are recognised at fair value less any allowance for uncollectible amounts. The collectability of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

### (m) Property, Plant and Equipment

#### *Acquisitions*

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

#### *Complex Assets*

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

#### *Subsequent Additional Costs*

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Construction (Work in Progress)*

As part of the *Financial Management Framework*, DPI is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for most Agency capital works is provided directly to DPI and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Agency.

### *Revaluations*

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets
- heritage and cultural assets
- biological assets
- intangibles.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms length transaction. Other classes of non-current assets are not subject to revaluation and are measured at cost.

The unique nature of some of the heritage and cultural assets may preclude reliable measurement. Such assets have not been recognised in the financial statements.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Depreciation and Amortisation*

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2007	2006
Buildings	10 - 50 Years	10 - 50 Years
Infrastructure Assets	8 - 50 Years	8 - 50 Years
Plant and Equipment	5 - 15 Years	5 - 15 Years
Leased Plant and Equipment	Over term of lease	Over term of lease

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

### *Assets Held for Sale*

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next twelve months.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Impairment of Assets*

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible Agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve. Note 13 provides additional information in relation to the Asset Revaluation Reserve.

### (n) **Leased Assets**

Leases under which the Agency substantially assumes all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### *Finance Leases*

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments, are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

#### *Operating Leases*

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space are recognised as an integral part of the consideration for the use of the leased asset. The lease incentive is recognised as a deduction of the lease expense over the term of the lease.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Payables

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Agency. Accounts payable are normally settled within 30 days.

### (p) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve months of the reporting date, are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the Government long term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the *Financial Management Framework*, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the Land Development Corporation and as such no long service leave is recognised in agency financial statements.

### (q) Superannuation

Employees' superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The Agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in Agency financial statements.

## 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Contributions by and Distributions to Government

The Agency may receive contributions from Government where the Government is acting as owner of the Agency. Conversely, the Agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the Agency as adjustments to equity.

The Statement of Changes in Equity and note 13 provide additional information in relation to contributions by, and distributions to, government.

### (s) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 16 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

Commitments are those contracted as at 30 June 2007 where the amount of the future commitment can be reliably measured.

# Notes to the Financial Statements

For the year ended 30 June 2007

## 3 OPERATING STATEMENT BY OUTPUT GROUP

	NOTE	2007 \$'000	2006 \$'000
<b>Industrial Land Development</b>			
<b>INCOME</b>			
Output Revenue		1 458	1 445
Sales of Goods and Services		660	536
Goods and Services Received Free of Charge	4	54	53
Gain on Disposal of Assets	5	197	285
Other Income		80	47
<b>TOTAL INCOME</b>		<b>2 449</b>	<b>2 366</b>
<b>EXPENSES</b>			
Employee Expenses		(534)	(507)
<i>Administrative Expenses</i>			
Purchases of Goods and Services		(1 388)	(1 349)
Repairs and Maintenance		(118)	(142)
Depreciation and Amortisation	9	(93)	(41)
Other Administrative Expenses (1)		(55)	(61)
<b>TOTAL EXPENSES</b>		<b>(2 188)</b>	<b>(2 100)</b>
<b>NET SURPLUS</b>	13	<b>261</b>	<b>266</b>

This Operating Statement by Output Group is to be read in conjunction with the notes to the financial statements.

(1) Includes DCIS Free of Charge service charges.

# Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
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## 4 GOODS AND SERVICES RECEIVED FREE OF CHARGE

Corporate and Information Services	54	53
	<b>54</b>	<b>53</b>

## 5 GAIN ON DISPOSAL OF ASSETS

Net proceeds from the disposal of non-current assets	5 396	1 287
Less: Carrying value of non-current assets disposed	(5 199)	(1 002)
Gain on the disposal of non-current assets	<b>197</b>	<b>285</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
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## 6 PURCHASES OF GOODS AND SERVICES

The net surplus has been arrived at after charging the following expenses:

<b>Goods and Services Expenses:</b>		
Consultants <sup>(1)</sup>	213	468
Advertising <sup>(2)</sup>	0	3
Marketing and Promotion <sup>(3)</sup>	27	54
Document Production	3	3
Legal Expenses <sup>(4)</sup>	67	22
Recruitment <sup>(5)</sup>	2	0
Training and Study	6	4
Official Duty Fares	9	5
Travelling Allowance	0	1

(1) Includes marketing, promotion and information technology consultants.

(2) Does not include recruitment advertising or marketing and promotion advertising.

(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

(4) Includes legal fees, claim and settlement costs.

(5) Includes recruitment related advertising costs.

## 7 CASH AND DEPOSITS

Cash on Hand	1	1
Cash at Bank	8 058	2 186
<b>Total Cash And Deposits</b>	<b>8 059</b>	<b>2 187</b>

## Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2007 \$'000
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## 8 RECEIVABLES

### Current

Accounts Receivable	14	41
Less: Allowance for Doubtful Accounts Receivable	(2)	6
	12	47
GST Receivables	0	18
<b>Total Receivables</b>	<b>12</b>	<b>65</b>

## 9 PROPERTY, PLANT AND EQUIPMENT

### Land

At fair value	42 469	47 668
	<b>42 469</b>	<b>47 668</b>

### Buildings

At fair value	2 458	2 503
Less: Accumulated depreciation	(958)	(862)
	<b>1 500</b>	<b>1 641</b>

### Infrastructure

At fair value	56	15 044
Less: Accumulated depreciation	(6)	0
	<b>50</b>	<b>15 044</b>

<b>Total Property, Plant and Equipment</b>	<b>44 019</b>	<b>64 353</b>
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# Notes to the Financial Statements

For the year ended 30 June 2007

## 9 PROPERTY, PLANT AND EQUIPMENT (continued)

### Property, Plant and Equipment Valuations

An independent valuation of land and buildings was undertaken by the Australian Valuation Office (AVO) as at 30 June 2005. The fair value of these assets was determined based on any existing restrictions on asset use. Where reliable market values were not available, the fair value of Agency assets was based on their depreciated replacement cost.

### Impairment of Property, Plant and Equipment

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2007. No impairment adjustments were required as a result of this review.

### Infrastructure Assets

Infrastructure assets of \$15.044 million were transferred back to DPI in 2006-07. These assets had been transferred to the Agency in 2005-06, being infrastructure development works at Darwin Business Park to develop land for sale to a marketable state.

### Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2006-07 is set out below:

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (Work in Progress) \$'000	Total \$'000
<b>Carrying amount as at 1 July 2006</b>	<b>47 668</b>	<b>1 641</b>	<b>15 044</b>	<b>0</b>	<b>64 353</b>
Additions	0	0	56	0	<b>56</b>
Disposals	(5 199)	0	0	0	<b>(5 199)</b>
Transferred back to DPI	0	0	(15 044)	0	<b>(15 044)</b>
Depreciation and Amortisation	0	(87)	(6)	0	<b>(93)</b>
Correction Prior Period Errors	0	(54)	0	0	<b>(54)</b>
<b>Carrying Amount as at 30 June 2007</b>	<b>42 469</b>	<b>1 500</b>	<b>50</b>	<b>0</b>	<b>44 019</b>

## Notes to the Financial Statements

For the year ended 30 June 2007

## 9 PROPERTY, PLANT AND EQUIPMENT (continued)

## Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2005-06 is set out below:

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (Work in Progress) \$'000	Total \$'000
<b>Carrying amount as at 1 July 2005</b>	<b>48 670</b>	<b>1 682</b>	<b>0</b>	<b>0</b>	<b>50 352</b>
Disposals	(1 002)	0	0	0	(1 002)
Depreciation and Amortisation	0	(41)	0	0	(41)
Additions/(Disposals) from Asset	0	0	15 044	0	15 044
Revaluation Increments	0	0	0	0	0
<b>Carrying Amount as at 30 June 2006</b>	<b>47 668</b>	<b>1 641</b>	<b>15 044</b>	<b>0</b>	<b>64 353</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
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## I0 DEPOSITS HELD

<b>Current</b>		
Deposits Held	358	9
<b>Total Deposits Held</b>	<b>358</b>	<b>9</b>

## II PAYABLES

Accounts Payable	14	90
Accrued Expenses	133	124
<b>Total Payables</b>	<b>147</b>	<b>214</b>

## Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
<b>I2 PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	30	42
Leave Loading	4	6
<i>Other Current Provisions</i>		
Other Provisions	9	12
	<b>43</b>	<b>60</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	16	9
<b>Total Provisions</b>	<b>59</b>	<b>69</b>

The Agency employed five employees as at 30 June 2007 (2006: five employees).

## Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
<b>13 EQUITY</b>		
Equity represents the residual interest in the net assets of the Agency. The Government's ownership interest in the Land Development Corporation is held in the Central Holding Authority as described in note 2(b).		
<b>Capital</b>		
<b>Balance as at 1 July</b>	<b>64 970</b>	<b>50 105</b>
<i>Equity Injections</i>		
Equity Transfers In	56	15 044
<i>Equity Withdrawals</i>		
Equity Transfers Out	(15 044)	(179)
<b>Balance as at 30 June</b>	<b>49 982</b>	<b>64 970</b>
<b>Reserves</b>		
(i) Nature and Purpose of the Asset Revaluation Reserve		
The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recorded in the Asset Revaluation Reserve.		
(ii) Movements in the Asset Revaluation Reserve		
<b>Balance as at 1 July</b>	<b>819</b>	<b>819</b>
<b>Balance as at 30 June</b>	<b>819</b>	<b>819</b>
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>524</b>	<b>258</b>
Correction of Prior Period Errors	(54)	0
Surplus for the Period	261	266
<b>Balance as at 30 June</b>	<b>731</b>	<b>524</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
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## 14 NOTES TO THE CASH FLOW STATEMENT

### Reconciliation of Cash

The total of Agency Cash and Deposits of \$8,058,446 recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

### Reconciliation of Net Surplus to Net Cash from Operating Activities

	2007	2006
<b>Net Operating Surplus</b>	<b>261</b>	<b>266</b>
<i>Non-Cash Items</i>		
Depreciation and Amortisation	93	41
(Gain) on Disposal of Assets	(197)	(285)
<i>Changes in Assets and Liabilities</i>		
Decrease/(Increase) in Receivables	53	(28)
Decrease/(Increase) in Prepayments	(6)	0
(Decrease)/Increase in Payables	(67)	209
(Decrease)/Increase in Employee Benefits	(7)	5
(Decrease)/Increase in Other Provisions	(3)	(3)
<b>Net Cash from Operating Activities</b>	<b>127</b>	<b>205</b>

## 15 FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Agency include cash and deposits, receivables, payables and finance leases. The Agency has limited exposure to financial risks as discussed below.

### (a) *Credit Risk*

The Agency has limited credit risk exposure (risk of default). In dealing with organisations external to Government, the Agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral, or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Agency's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

### (b) *Net Fair Value*

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

### (c) *Interest Rate Risk*

The Agency is not exposed to interest rate risk as agency financial assets and liabilities are non-interest bearing. The Agency's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the start of the year.

## Notes to the Financial Statements

For the year ended 30 June 2007

## 15 FINANCIAL INSTRUMENTS (continued)

Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Non-Interest Bearing \$'000	Total \$'000
		Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		

## 2007 Financial Assets

Cash and Deposits	0	0	0	0	8 059	8 059
Receivables	0	0	0	0	12	12
<b>Total Financial Assets</b>	0	0	0	0	8 071	8 071

## Financial Liabilities

Deposits Held	0	0	0	0	358	358
Payables	0	0	0	0	147	147
Employee Benefits	0	0	0	0	50	50
<b>Total Financial Liabilities</b>	0	0	0	0	555	555

## Net Financial Assets

						7 516
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Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Non-Interest Bearing \$'000	Total \$'000
		Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		

## 2006 Financial Assets

Cash and Deposits	0	0	0	0	2 187	2 187
Receivables	0	0	0	0	65	65
<b>Total Financial Assets</b>	0	0	0	0	2 252	2 252

## Financial Liabilities

Deposits Held	0	0	0	0	9	9
Payables	0	0	0	0	214	214
Employee Benefits	0	0	0	0	57	57
<b>Total Financial Liabilities</b>	0	0	0	0	280	280

## Net Financial Assets

						1 972
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# Notes to the Financial Statements

For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
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## 16 COMMITMENTS

### (i) Operating Lease Commitments

The Agency leases property under non-cancellable operating leases expiring from one to five years. Leases generally provide the Agency with a right of renewal at which time all lease terms are re-negotiated. The Agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year	5	5
Later than one year and not later than five years	7	7
	<b>12</b>	<b>12</b>

## 17 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### a) Contingent liabilities

#### *Sale Of Land Under Call Option Deed Arrangements*

Agreements exist concerning the sale of land where the purchaser, as a condition of sale, is required to develop the site purchased within a 24 month period. The Call Option Deed relating to the sale arrangement provides the Agency with the right to force the Call Option Deed and purchase back the property if the purchaser has not developed the property within the set timeframe.

### b) Contingent assets

The Agency had no contingent assets at 30 June 2007 or 30 June 2006.

## 18 EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in, these financial statements.

## Notes to the Financial Statements

For the year ended 30 June 2007

## 19 ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

	Opening Balance 1 July 2006	Receipts	Payments	Closing Balance 30 June 2007
<b>Nature of Trust Money</b>				
Bond Money	9	349	0	358
	<b>9</b>	<b>349</b>	<b>0</b>	<b>358</b>

## 20 WRITE OFFS, POSTPONEMENTS AND WAIVERS

	Land Development Corporation		Land Development Corporation	
	2007 \$'000	No. of Trans.	2006 \$'000	No. of Trans
<b>Write offs, waivers and postponements under the <i>Financial Management Act</i></b>				
Represented by: <u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or the Agency written off			1	2
<b>Total written off, waived and postponed by Delegates</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>
<u>Amounts written off, waived and postponed by the Treasurer</u>				
Irrecoverable amounts payable to the Territory or the Agency written off			6	1
<b>Total written off, waived and postponed by the Treasurer</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1</b>
<b>Total Write Offs, Postponements and Waivers</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3</b>

## Contact Details Land Development Corporation

### Street Address:

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11 Export Drive  
Darwin Business Park  
East Arm, Northern Territory

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### Email:

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### Web:

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### Chairman:

Steve Margetic

### Chief Executive:

Richard Galton

### General Manager:

John Coleman