ANNUAL REPORT 2013/14

LAND DEVELOPMENT CORPORATION

Northern Territory Government

LETTER TO MINISTER

17 November 2014

The Honourable Adam Giles MLA
Chief Minister

Minister for Economic Development and Major Projects
Parliament House
DARWIN NT 0800

Dear Minister,

I have pleasure in presenting you with the annual report of the Land Development Corporation (the Corporation). The report describes the activities and operations of the Corporation for the year ending 30 June 2014 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 that 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 are such that they afford a proper internal control and a current description of such procedures is recorded in the accounting and property manual, which has been 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) in accordance with the requirements of section 15 of the Financial Management Act, the internal audit capacity available to the Corporation is adequate and the results of internal audits have been reported to myself

e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions, where appropriate

f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied.

JOHN COLEMAN
CHIEF EXECUTIVE

CONTENTS

THE LAND DEVELOPMENT CORPORATION

OUR PURPOSE

TO DELIVER STRATEGIC LAND TO THE NORTHERN TERRITORY MARKET IN A COMMERCIAL MANNER.

WHAT WE DO

- Ensure sufficient strategic land is available to stimulate economic growth and create opportunities to meet market demand.
- Set industry standards for quality industrial land developments that aim to protect and manage natural systems, landform and biodiversity.
- Provide strategic advice to the Government on land release required to support government policy.
- Reduce risk through due diligence and the timely release of well-planned and located land to meet industry needs.
- Investigate and develop innovative approaches to land development and act as an incubator for new ideas.
- Maintain appropriate links with the private sector and industry bodies.

OUR PRIORITIES

- Continue forward planning to make industrial land available in the East Arm Logistics Precinct, Marine Industry Park, Transport Industry Precinct, Defence Support Hub and Middle Arm Industrial Precinct.
- Develop other areas of industrial land suitable for use by industries associated with oil and gas, including fabrication and offshore supply facilities, marine and Defence support and industries that support the Darwin Port and AustralAsia Railway.
- Develop Aboriginal land in collaboration with traditional owners for the economic benefit of their broader communities.
- Undertake residential and commercial development projects as directed by Government to meet its housing and land release objectives.
- Investigate and help achieve innovative subdivision and land release models.
- Foster and promote partnerships and strategic alliances with private industry, government and stakeholders.
- Continue to develop the Corporation as a well governed, capable, influential and collaborative organisation.

CHARTER OF OPERATIONS

THE LAND DEVELOPMENT CORPORATION WILL WORK TO MEET THE NORTHERN TERRITORY'S STRATEGIC INDUSTRIAL LAND NEEDS AND RESPOND TO INDUSTRY'S SHORT AND LONG TERM REQUIREMENTS.

STRATEGIC DIRECTION

The Land Development Corporation contributes to the economic growth of the Northern Territory by innovatively developing and managing industrial and other strategic land developments in the Northern Territory, individually, or in partnership with the private sector.

The Corporation will:

- work to meet the Northern Territory's strategic industrial land requirements and respond to industry's short and long term requirements
- apply its resources to initiate, undertake, facilitate and manage new developments
- develop Aboriginal land in collaboration with traditional owners for the economic benefit of their broader communities
- facilitate the release of specific residential land projects to market as directed by the Government when the market is not in a position to deliver
- build strong links with the property industry and development-focussed government and semi-government agencies throughout Australia to support the Corporation's projects and project partners
- pursue opportunities to optimise returns on the Corporation's assets while operating within the guidelines for a Government Business Division.

GOVERNANCE PRINCIPLES

The Land Development Corporation will be accountable and act commercially in accordance with:

- the *Land Development Corporation Act* and its regulations
- relevant Northern Territory and Australian government legislation
- Ministerial and Cabinet directions pursuant to section 8 of the *Land Development Corporation Act*
- sound business and financial management practices, including a program of internal and external audit
- Northern Territory Government policies and objectives for the conduct of its Government Business Divisions including, importantly, the principle of competitive neutrality
- prudent risk management practices, including implementing an effective risk minimisation strategy through regular due diligence reviews.

SCOPE OF OPERATIONS

The scope of services provided by the Corporation to, or on behalf of, the Northern Territory Government encompasses:

a) developing and promoting land authorised by the Government for strategic industrial, commercial and residential uses
b) providing services, facilities and general assistance to help the establishment and conduct of industry regarding the land vested in the Corporation
c) activities required to manage the Corporation's land, including commercial, recreational, heritage and environmental conservation activities
d) developing Aboriginal land in collaboration with traditional owners, land councils and Aboriginal communities
e) ensuring well designed solutions for the urban development projects being carried out by the Corporation
f) identifying land solutions for businesses to increase the industrial capability of the Northern Territory
g) participate in joint ventures, partnerships and other arrangements to develop strategic industrial, commercial and residential land in the Northern Territory.

COMPETITIVE BASE

The Corporation is committed to undertaking developments that are otherwise impractical for the private sector to provide on their own, and developments which are required by Government to increase the supply of land where short supply threatens the economic wellbeing of the Northern Territory.

THE LAND DEVELOPMENT CORPORATION IS COMMITTED TO UNDERTAKING DEVELOPMENTS THAT ARE OTHERWISE IMPRACTICAL FOR THE PRIVATE SECTOR TO PROVIDE ON THEIR OWN.

CHIEF EXECUTIVE'S REPORT

THE 2013–14 FINANCIAL YEAR HAS SEEN A NUMBER OF CHANGES FOR THE LAND DEVELOPMENT CORPORATION. CHANGES TO THE NORTHERN TERRITORY GOVERNMENT CABINET PORTFOLIOS DURING 2013 SAW THE CHIEF MINISTER ASSUME RESPONSIBILITY FOR THE LAND DEVELOPMENT CORPORATION THROUGH HIS NEW ROLE AS MINISTER FOR ECONOMIC DEVELOPMENT AND MAJOR PROJECTS.

Early in 2014 a new General Manager, Andrew Kirkman, was appointed to ensure the Corporation continued to deliver strong results for the Government through strategic land development and land release in the industrial, commercial and residential sectors.

In the industrial sector, the Corporation sought and received endorsement from Government for a proposed 130-hectare Marine Industry Park to be developed on waterfront land at East Arm. Over the past year the Corporation has planned for this important strategic project by starting the environmental approval process and undertaking further engineering studies. We will continue to actively seek foundation tenants and underlying investment partners in 2015.

During the year, the Corporation's core business to provide strategic industrial land to the market through the Darwin Business Park proved successful, with six industrial lots settled, securing revenue of about $14.1 million. Growing demand for similar size lots has seen remaining stock in Dawson Street either sold or under contract, which will see the park expand next year. Planning for this expansion has already begun with engineering design well underway for an additional 13 lots off Export Drive.

Opening new doors to attract investment in the Northern Territory, the Corporation, in conjunction with the Tiwi Land Council, began consulting traditional owners on the suitability of leasing specific land areas on the Tiwi Islands for a range of developments. This initiative will help generate new regional investment in agriculture, aquaculture, industrial and tourism industries and residential developments which will help existing Tiwi businesses grow. It is intended Tiwi people from Bathurst and Melville Islands will be employed by the Corporation to help deliver these investments. Through the Corporation's endeavours, the Northern Territory Government has forged a new partnership with Tiwi Island traditional owners.

The Corporation has been given the go ahead to develop land for downstream gas-related industry and support other local industries on approximately 1000 hectares at Middle Arm Peninsula. The Middle Arm Industrial Precinct includes a comprehensive product corridor network for the transmission of utilities, gas, feedstock and product. The Corporation has finalised corridor easements with INPEX and Energy Infrastructure Investments Pipelines, associated with gas infrastructure.

This exciting opportunity will underpin the Top End's industrial growth over the next decade. Significant development proponents have already come forward to secure sites at this precinct.

A Transport Industry Precinct will be developed on about 70 hectares between Berrimah Road, Tiger Brennan Drive and Wishart Road. Planning has started on engineering and subdivision design for more than 85 industrial and commercial lots, which are centrally located to Darwin's major transport routes. The Corporation has continued negotiations with Power Water Corporation and the Australian Government's Bureau of Meteorology during the past year to secure a financial agreement to acquire additional land in this precinct.

On the residential and commercial front, the Corporation has finalised master planning over the past year to develop Maluka Views into a vibrant inner central business district estate in Palmerston. Work will begin on the first stage with a new multi-level hotel during the second half of 2014 and other local developers have agreed to undertake upmarket commercial and residential estates at this site.

Phase 1 of the Zuccoli Joint Venture between Urbex and the Corporation has seen 143 single dwelling lots successfully completed which have now all been released to the market and sold. The development of Zuccoli has produced a net surplus of $12.5 million during the 2013–14 financial year.

Expanding the Corporation's activities throughout the Northern Territory, the Chief Minister announced in June 2014, on behalf of the Corporation, that local builder Sitzler Bros was awarded the $2.6 million subdivision contract for Alice Springs' newest suburb of Kilgariff. Stage 1 of this residential development will include 30 single dwellings lots and three medium density lots, with a further 47 lots in the next stage. Sales to date have been very positive, with 21 lots sold before June 2014.

JOHN COLEMAN

DEVELOPMENTS AT A GLANCE

LAND DEVELOPMENT IS AN INTEGRAL DRIVER OF THE NORTHERN TERRITORY ECONOMY.

BY STRATEGICALLY RELEASING LAND, THE NORTHERN TERRITORY GOVERNMENT HAS MADE SIGNIFICANT INVESTMENTS TO GROW THE TERRITORY'S FUTURE BY BUILDING CAPACITY TO SERVICE MAJOR PROJECTS AND LOGISTICS, WHILE HELPING TO PROVIDE MORE HOUSING CHOICES. BROADENING OUR CHARTER, THE CORPORATION WILL ASSIST TO DEVELOP LAND ON THE TIWI ISLANDS IN CONJUNCTION WITH TRADITIONAL OWNERS FOR THE ECONOMIC BENEFIT OF THEIR BROADER COMMUNITIES AND THE TERRITORY.

INDUSTRIAL PROJECTS

- East Arm Logistics Precinct
    - Darwin Business Park
    - Marine Industry Park
- Middle Arm Industrial Precinct
- Transport Industry Precinct
- Defence Support Hub
- Hidden Valley

TIWI ISLANDS LAND DEVELOPMENTS

- Tiwi Islands – Regional Community Project

RESIDENTIAL PROJECTS

- Palmerston
    - Zuccoli Stage 1
    - Maluka Views
- Alice Springs
    - Kilgariff

COMMERCIALLY ASTUTE & IMPARTIAL

THE LAND DEVELOPMENT CORPORATION IS KNOWN FOR ITS PROFESSIONALISM AND BUSINESS ACUMEN.

INDUSTRIAL DEVELOPMENTS

THE LAND DEVELOPMENT CORPORATION DEVELOPS STRATEGIC INDUSTRIAL LAND FOR THE NORTHERN TERRITORY GOVERNMENT.

The Land Development Corporation continued to manage and help develop a number of industrial precincts within the Greater Darwin area, focussing on the Darwin Business Park and the Marine Industry Park within the East Arm Logistics Precinct, Middle Arm Industrial Precinct, Transport Industry Precinct and the Defence Support Hub.

The Corporation has progressed significant environmental and engineering studies within the Marine Industry Park to ensure suitable land is available for development to meet future demand.

The Corporation continued to maintain strong relationships in the public and private sectors by outsourcing design, project management and construction components to deliver civil works during the past year.

INDUSTRIAL DEVELOPMENTS:

- East Arm Logistics Precinct
  - Marine Industry Park
  - Darwin Business Park
- Middle Arm Industrial Precinct
- Transport Industry Precinct
- Defence Support Hub
- Hidden Valley

EAST ARM LOGISTICS PRECINCT

1 MARINE INDUSTRY PARK

WHERE:
South of Berrimah Road
East Arm Logistics
Precinct, Darwin

AREA:
130 hectares

PROPOSAL

The Marine Industry Park is part of the wider East Arm Logistics Precinct and incorporates all of the Corporation-owned land south of Hamaura Road and west of Casey Street. The Marine Industry Park will establish competitive marine maintenance and engineering capabilities in Darwin to attract significant business and investment to the Northern Territory.

Strategically located on premium waterfront land, the Marine Industry Park is dedicated to marine maintenance, logistics, engineering and fabrication and support services for the oil and gas, Defence and marine-related industries.

The Marine Industry Park is made up of a number of areas, each with different intended uses. The key areas include:

- Common User Area
- Multi-User Barge Ramp
- Marine Maintenance Area
- Marine Services Area
- Marine Logistics Area
- Marine-related Development
- Strategic Industrial Land.

A key feature of the Marine Industry Park is the Common User Area, which gives businesses access to hardstand areas within easy reach of key transport nodes, including the Port of Darwin's East Arm Wharf, Marine Supply Base and the AustralAsia Rail Freight Terminal. The Common User Area is available for short to medium term lease arrangements (up to two years) on a first come, first served basis.

The Common User Area is available for businesses to undertake a variety of economic activities, with preferred activities including:

- marine industry services and maintenance
- engineering, fabrication and assembly of a range of building, equipment and modules for the resources sector
- oil and gas services and support
- mining industry services, support and maintenance
- Defence support activities
- transport and logistics.

The Corporation has completed the design for a Multi-User Barge Ramp facility that will improve the capabilities of the Common User Area by providing direct all-tide sea access.

OUR ROLE

The Corporation is finalising the Marine Industry Park's master plan, progressing design and obtaining the approvals necessary to fully develop the park.

The Corporation is seeking an investment partner to help finance and develop the Marine Industry Park. The Corporation continues to engage with industry to secure foundation tenants for the marine maintenance and other areas within the park.

The Common User Area is owned and managed by the Corporation and was an initiative of the Manufacturer's Council, NT Chamber of Commerce and Industry, Darwin Port Corporation, NT Industry Capability Network and the Department of Business.

CURRENT STATUS

The Corporation will finalise the master plan for the Marine Industry Park in 2014–15.

The Corporation is progressing design work and environmental approvals necessary to construct the Marine Industry Park. In 2014, a Notice of Intent was lodged with the Northern Territory Environment Protection Authority to formally begin the environmental impact assessment process.

The Corporation has developed two initial hectares of the Common User Area in 2009 and is currently constructing a further seven hectares. The Common User Area experienced significant demand, with the facility fully occupied in 2013–14.

The Corporation completed the detailed design of the Multi-User Barge Ramp Facility and is finalising the approvals with construction due to start in 2015, subject to Defence funding support.

FEATURES

The Marine Industry Park is strategically located on premium waterfront land with connections to road, rail, sea transport and other supporting infrastructure. The park is ideally positioned to capitalise on significant growth opportunities from oil and gas, Defence and major projects in the region.

In parallel with strategic planning, the Corporation is developing smaller areas within the Marine Industry Park on a staged basis. The Corporation has completed subdivision works along Muramats Road and land reclamation works on Casey Street, near the East Arm recreational boat ramp. An additional six-hectare subdivision is planned along Hamaura Road, with preliminary design works underway.

EAST ARM LOGISTICS PRECINCT

2 DARWIN BUSINESS PARK EXPANSION

WHERE
East Arm Logistics Precinct Darwin

AREA
Approximately 18.5 hectares

PROPOSAL

Darwin Business Park is a 200-hectare industrial estate located within the East Arm Logistics Precinct. The park opened in 2003 with Toll Logistics taking the first tenancy on O'Sullivan Circuit. Over the following decade the park continued to grow, catering to the demand for trade, logistics, oil and gas and marine-related activities.

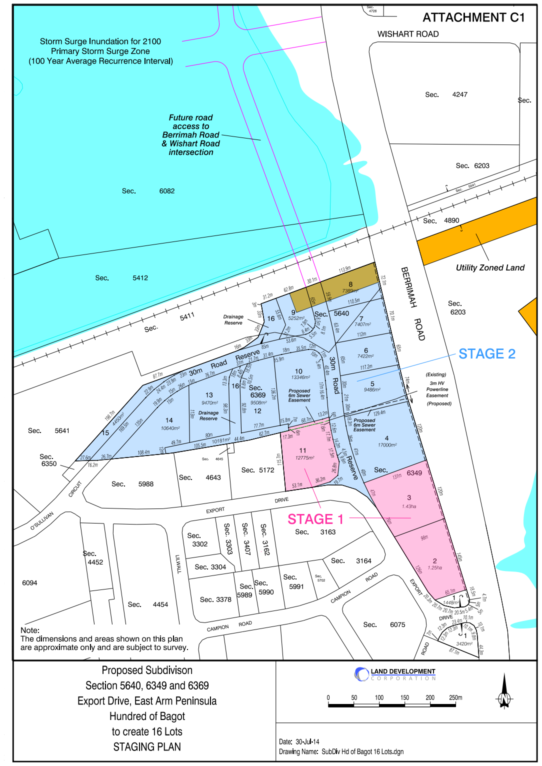
Expansion of the Darwin Business Park on the northern side of Export Drive will provide an additional 13 lots with an average lot size of one hectare, suited for logistic activities.

OUR ROLE

The Corporation's role is to supply appropriately sized strategic industrial land for the Darwin market, specifically catering to the transport, trade logistics and oil and gas industries. Neighbouring private industrial subdivisions predominantly provide lots that are less than 3000 square metres in size, so this development presents an opportunity for the Corporation to fill a market gap for larger lots, which has not generally been catered for by the private sector.

CURRENT STATUS

Planning and design is in progress with anticipated market release during 2015.

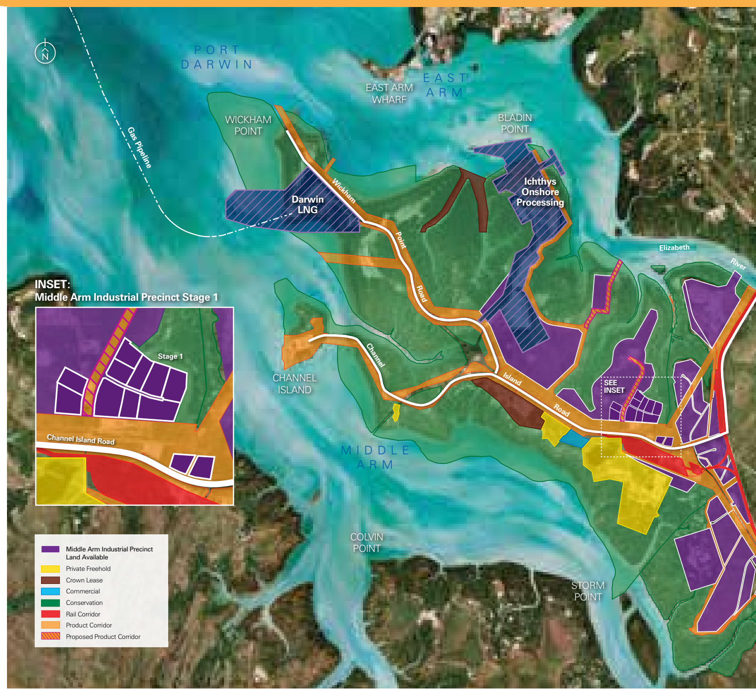


FEATURES

Features of the park include:

- asphalt pavements, power, water and sewerage services
- reticulated gas can be extended to this area
- the site was filled in 2009–2010 to a minimum level of six metres Australian Height Datum (AHD)
- a variety of lot sizes ranging from 5000 square metres to 1.7 hectares, which can adequately accommodate a range of development activities
- three lots fronting Export Drive can be released in the first stage to meet demand.

3 MIDDLE ARM INDUSTRIAL PRECINCT



WHERE

Section 1902
Hundred of Ayers,
Middle Arm Peninsula

AREA

306 hectares

PROPOSAL

The Middle Arm Industrial Precinct can accommodate large strategic industrial lots for downstream gas processing and gas-related industry with access to an extensive product corridor network for the transmission of utilities, gas, feedstock and products.

OUR ROLE

The Land Development Corporation is developing the precinct and is the principal land holder. The Corporation has progressed planning and design to release strategic industrial lots to meet proponent's needs.

CURRENT STATUS

A number of significant development proponents are in discussion with the Corporation to secure strategic sites with access to the gas corridor.

A subdivision development permit has been issued for Stage 1, which is the subdivision of an initial two lots on the eastern side of the Weddell Power Station. This will include constructing a new intersection along Channel Island Road and extending services.

On the western side of the Weddell Power Station, Stage 2 is now in the concept design stage. The Corporation is consulting with stakeholders to determine the location for an intersection with the Channel Island Road to create better access into the area.

FEATURES

Stage 1 and 2 will be serviced with reticulated power and potable town water connections for all lots. There is the potential for sites to be serviced with reticulated high and low pressure gas.

4 TRANSPORT INDUSTRY PRECINCT

WHERE
Located between Wishart Road, Berrimah Road and Tiger Brennan Drive.

AREA
Approximately 70 hectares

PROPOSAL

A Transport Industry Precinct of approximately 85 lots ranging from 7000 square metres to two hectares, plus a 8.9 hectare site for a "Truck Central" transport hub.

OUR ROLE

The Corporation has identified the need for a Transport Industry Precinct to support transport services for the greater Darwin area. The precinct will provide larger lots to accommodate transport depots and vehicle servicing activities with easy access to major road transport links and transport nodes within the East Arm Logistics Precinct.

CURRENT STATUS

Bulk earthwork planning is complete with town planning and detailed design underway. Preparations for a request for Expressions of Interest for specific development areas have started.

FEATURES

Existing industry already operating at this site include Ausfuel-Gull, Hallmark Trailers, Hastings Deering, Caltex, Cope Transport and Bidvest Foodservice. Power Water Corporation, Bureau of Meteorology and NT Fire and Emergency Services are located nearby.

The 8.9 hectare "Truck Central" site provides an opportunity to establish a major road transport facility for refuelling, fatigue management and restaurant/servicing, with large areas for circulation and trailer breakdown/assembly areas.

The Corporation is working with adjoining land owners to consolidate the developable area to achieve an efficient and cost effective subdivision layout.

5 DEFENCE SUPPORT HUB

WHERE
Matthew Hopkins Road, Holtze

AREA
Total area 53 hectares

PROPOSAL

The Defence Support Hub is a 53-hectare site for businesses that support the needs of the Australian Department of Defence.

The Land Development Corporation has completed Stage 1 of the Defence Support Hub, including providing an access road and services to four lots ranging in size from 6500 square metres to five hectares.

The estate allows prime contractors and subcontractors to deliver industry support for Defence requirements, with a focus on ongoing service and maintenance of Defence platforms, including armoured vehicles.

The broad vision for the Defence Support Hub is to attract manufacturing, research and development and associated activities to support the Australian Defence Force in its operations, while providing benefits to the Northern Territory economy.

Developing specialty service capabilities for the Defence Forces is expected to attract further work across other Defence platforms as well as other industries using similar technologies, such as mining, oil and gas, commodities processing and transport.

During 2013–14, the Corporation constructed a 1400 square metre industrial workshop for RGM Maintenance, who service a range of Defence vehicles. RGM will start operating from the new facility in 2014.

OUR ROLE

To assist industry undertaking defence related activities to locate close to Robertson Barracks.

FEATURES

The Defence Support Hub site is a 53-hectare site, strategically located near the Australian Army's Robertson Barracks, about four kilometres from the City of Palmerston and 25 kilometres from the Darwin central business district.

6 HIDDEN VALLEY

WHERE
Hidden Valley Road
Berrimah

AREA
Total area
219 hectares

PROPOSAL

The Hidden Valley Dangerous Goods Precinct is used by several operators to store explosive material for the mining and oil and gas sectors. The activities are due to be relocated to a new site when demand for industrial land increases. The site also provides the Corporation with its required source for fill for the Marine Industry Park at East Arm, which is key to the future development of East Arm's waterfront areas.

OUR ROLE

The Hidden Valley Dangerous Goods Precinct is managed by the Land Development Corporation.

CURRENT STATUS

The site is earmarked for future industrial subdivision and the Corporation continues to look at concept planning for the area, subject to the anticipated increase in demand for industrial land.

FEATURES

Substantial excavation works are required to re-profile and develop the site, which will need to be staged over a number of years.

TIWI ISLAND DEVELOPMENTS

THE LAND DEVELOPMENT CORPORATION IS WORKING COLLABORATIVELY WITH TRADITIONAL OWNERS AND THE TIWI LAND COUNCIL TO GENERATE NEW ECONOMIC DEVELOPMENT OPPORTUNITIES ON THE TIWI ISLANDS.

The Corporation can provide investors with a range of unique benefits due to its agreement to negotiate terms for up to 99-year leases on selected greenfield sites on the Tiwi Islands. Once the head lease agreement is finalised, the Corporation will be offering multiple lease arrangements under development lease terms, which will provide bankable tenure for investors.

A partnership with the Tiwi Islands Land Council and the traditional owners will provide the lessee with secure investment opportunities to help them conduct business ventures on the Tiwi Islands, which may include:

- tourism infrastructure such as eco lodges
- agricultural enterprises such as fruit or crop growing farms
- aquaculture infrastructure such as fish farming
- other enterprises of an industrial and/or residential nature.

7 TIWI ISLAND DEVELOPMENTS

The Northern Territory Government's vision is that the Tiwi Islands are well positioned to become a centre for business development. Specifically, the Tiwi Islands is set to become a:

- leading Top End destination for cultural and remote quality tourism experiences
- fresh food supplier of choice for local markets, including Arnhem Land
- organic produce supplier to the domestic market that capitalises on the regions bio-security advantage
- local, domestic and international supplier of aquaculture produce, capitalising on an already strong awareness of the aquaculture industry
- location where strategically positioned industrial land is available to support the business activities on the islands.

The Tiwi Land Council envisages an independent and resilient Tiwi society built on the orderly and well managed use of its natural and human resources, while relying on its own management, maintenance and protection of unique cultural and natural resource values for the enjoyment and benefit of future Tiwi generations. The Tiwi Islands already have natural and strategic advantages that position it as an outstanding opportunity for investment.

WHERE
Tiwi Islands (Bathurst and Melville Islands)

AREA
10 040 hectares

PROPOSAL

The Land Development Corporation proposes to lease land on the Tiwi Islands for the following purposes:

- 10 000 hectares of land for pastoral, agriculture and aquaculture purposes
- 10 hectares of land for rural residential and residential purposes
- 20 hectares of land for tourism and industrial purposes
- 10 hectares of township land, including land around Wurrumiyanga.

OUR ROLE

The Land Development Corporation paid $1 million to the Tiwi Land Council as seed funding to support industry growth while finalising lease arrangements that will provide for land to be leased for up to 99 years from the Tiwi Land Trust. This funding will be repaid through leasing arrangements from land developments.

The 99-year lease options will allow the Land Development Corporation to enable the land to be sub-leased for a range of investments.

FEATURES

The Land Development Corporation, in conjunction with the Tiwi Land Council, has been consulting with traditional owners and the Tiwi communities about the suitability of leasing specific land areas on the Tiwi Islands for commercial development.

The Corporation begun formal negotiations with the Tiwi Land Council on an Agreement to Lease, which formalises the community consultation outcomes into a set of leasing terms and land areas that may be leased.

It is expected that this Agreement will be signed off in 2014.

Sub-leasing the land to industry will generate significant economic development and employment opportunities on the Tiwi Islands and allow the Corporation to recover its expenditure on this project.

RESIDENTIAL DEVELOPMENTS

THE LAND DEVELOPMENT CORPORATION IS CURRENTLY DELIVERING STRATEGIC RESIDENTIAL AND COMMERCIAL PROJECTS ON BEHALF OF THE NORTHERN TERRITORY GOVERNMENT WHEN THE PRIVATE MARKET IS NOT IN A POSITION TO MEET THE SPECIFIC NEEDS OF A DEVELOPMENT.

The Corporation applies its development knowledge and experience to the strategic residential and commercial sector to help the Northern Territory Government meet land release objectives.

In April 2011 the Corporation engaged Urbex Pty Ltd as its partner to deliver Stage 1 of the new suburb of Zuccoli in Palmerston. Stage 1 is expected to deliver approximately 800 residential lots to the market over the next five years.

The Corporation has been working closely with local developers and the City of Palmerston on a master plan for a site at Maluka Drive, Palmerston. Maluka Views will showcase a new mixed-use precinct to establish a hotel and residential and commercial precinct within the Palmerston central business district.

During 2013, the Corporation was asked to develop the first stage of the new suburb of Kilgariff in Alice Springs. In late 2013 the Corporation called tenders to complete head works to the new suburb and in February 2014 placed the first 33 lots on the market. The suburb of Kilgariff will meet affordable land price points with land for sale between $160 000 to $180 000 per block.

ZUCCOLI The Village Life

Maluka Views

RESIDENTIAL PROJECTS

- Palmerston
  - Zuccoli Stage 1
  - Maluka Views
- Alice Springs
  - Kilgariff

8 ZUCCOLI STAGE 1

WHERE
South of Lambrick Avenue
Palmerston East

COUNCIL
City of Palmerston

AREA
96 hectares

PROPOSAL

Zuccoli Stage 1 is the first release of the Palmerston suburb of Zuccoli. Stage 1 will deliver approximately 800 residential lots to the market over five years, including a mix of single and multiple dwelling sites and a commercial village. The project, which is part of a master-planned community, is being delivered by the Land Development Corporation and Urbex Pty Ltd, a subsidiary of the BMD Group.

OUR ROLE

To meet the growing demand for residential land in the Northern Territory, the Corporation is working with the private sector to deliver more land and housing options to Territorians. The Corporation engaged Urbex Pty Ltd in April 2011 to act as the Zuccoli Stage 1 Joint Venture partner and develop the first 96 hectares of the new suburb of Zuccoli.

CURRENT STATUS

The project has delivered the first phase of Stage 1 to the market. This has seen 143 lots released since the start of the project.

The 143 lots include 13 Defence Housing lots and 13 affordable lots.

In July, Urbex began site works on Phase 2 of the project with a further 65 lots released to the market off the plan. Phase 2 will include a display village and a commercial village.

FEATURES

The new suburb of Zuccoli will be the largest of all new suburbs in Palmerston. Zuccoli Stage 1 incorporates landscaped parklands and nature strips with large tracts of open space, recreation areas and a commercial village centre. Future stages of Zuccoli are expected to feature schools, commercial precincts, sporting grounds and a village centre.

9 MALUKA VIEWS

WHERE
Maluka Drive
Palmerston CBD

COUNCIL
City of Palmerston

AREA
4.32 hectares

PROPOSAL

The Corporation has finished master-planning an innovative infill development in the Palmerston CBD.

The Maluka Views site will showcase a mixed-use development not seen before in the City of Palmerston. It will establish a unique, identifiable address, with opportunities for a hotel, alfresco dining, retail space, commercial office space and residential developments.

The development will have a high level of streetscape amenity to complement the surrounding areas.

OUR ROLE

The Corporation's role is to finalise the concept master plan and help deliver the concept master plan to the community through the private sector development. The Corporation submitted rezoning and subdivision applications in 2013 and finalised subdivision design and development guidelines.

In 2014 the Corporation finalised the Expression of Interest process with a qualified developer being appointed to deliver the second stage of the development.

CURRENT STATUS

The Corporation has finalised a concept master plan for the Maluka Views development.

In June 2014 work began on the first stage of the development, with a hotel to be delivered by the private sector.

The Corporation has secured a private developer to construct the second stage of the development which is due to start in late 2014. Stage 2 will include retail outlets, such as alfresco dining and shops, commercial office space and residential dwellings.

FEATURES

Maluka Views adjoins the "The Hub" entertainment precinct and is in close proximity to Palmerston's CBD, Palmerston Medical Centre, shopping centres and the Palmerston Bus Interchange. The precinct will provide a centrally located, vibrant mixed-use development within the Palmerston CBD. It will also provide a place for people to eat and shop.

Maluka Views will embrace tropical city-friendly climate control solutions with the use of intelligent ventilation, shade and seamless connectivity throughout. When complete, Maluka Views will give a modern, new urban heart to the rapidly growing city of Palmerston.

10 KILGARIFF – ALICE SPRINGS

WHERE
South of the Gap
Nine kilometres from Alice Springs CBD

COUNCIL
Alice Springs Town Council

AREA
13 hectares – Stage 1

PROPOSAL

Stage 1 of Kilgariff is the first land release in the newest suburb in Alice Springs. Kilgariff is situated only nine kilometres from the Alice Springs township. Kilgariff will provide approximately 3000 lots to the market in a master-planned suburb.

OUR ROLE

The Corporation is the developer for the first stage of Kilgariff.

The Corporation will undertake all subdivision works to ensure that titled lots are delivered to the market in 2014. The first stage will deliver 33 lots, which includes three multiple dwelling sites.

CURRENT STATUS

The Corporation began head works to service the first stages of Kilgariff in January 2014, which were finalised in July 2014. In addition to the head works, the Corporation started subdivision works in June 2014 and these are expected to be completed in November 2014, with titles to be issued shortly after.

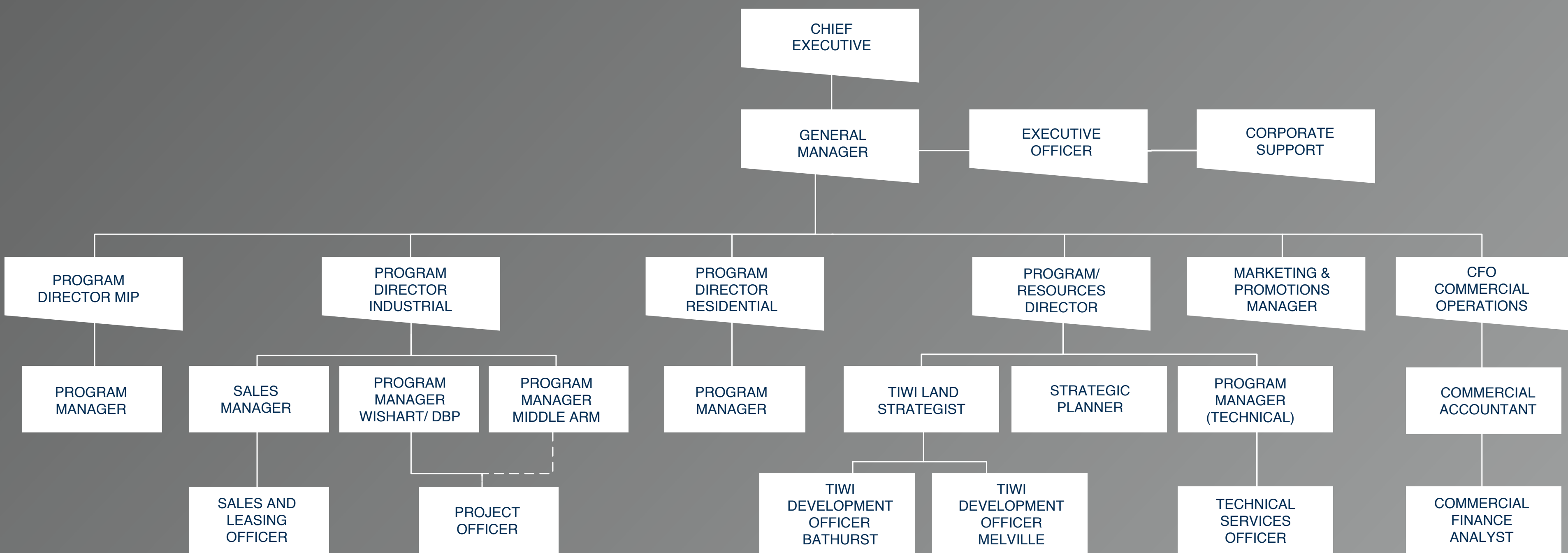
LJ Hooker Alice Springs has been appointed by Land Development Corporation to market the first stage of Kilgariff. In February 2014 the Corporation and LJ Hooker released 33 lots to the market through a Registrations of Interest process. As at 30 June 2014, 21 lots were sold off the plan.

FEATURES

Kilgariff is a master-planned suburb and will include open spaces, landscaped amenity and a school.

ORGANISATION STRUCTURE

THE LAND DEVELOPMENT CORPORATION IS STAFFED WITH A SPECIALIST AND HIGHLY SKILLED TEAM TO OVERSEE ITS GROWING NUMBER OF PROJECTS.



CORPORATE GOVERNANCE

THE LAND DEVELOPMENT CORPORATION'S CODE OF CONDUCT PROVIDES AN ETHICAL FRAMEWORK FOR THE WAY WE CONDUCT OUR BUSINESS. IT APPLIES TO ALL CORPORATION STAFF AS WELL AS CONTRACTORS AND CONSULTANTS REPRESENTING THE CORPORATION.

HOW WE WORK

- *Commercially astute and impartial:* known for our professionalism and business acumen
- *Collaborative:* fostering teamwork internally and with business partners to draw on our collective strengths and diversity
- Integrity: operating with honesty, transparency and accountability
- *Innovative:* progressive, forward thinkers who drive new ideas and find solutions
- *Pride:* in the quality of our service and the value we add to our clients' business.

The Corporation's staff complies with the Code of Conduct contained in Employment Instruction Number 12 under the Northern Territory of Australia's *Public Sector Employment and Management Act*.

The Corporation is a statutory entity that is formed under and operates pursuant to the *Land Development Corporation Act*. In addition, as a Government Business Division, the Corporation is subject to the governance and accountability requirements of the *Financial Management and Administration Act* and other Northern Territory government legislation.

The Corporation works to a Strategic Plan that is reviewed regularly and updated where necessary to reflect the Government's objectives and policies, and the inevitable changes in market conditions. The 2013–2018 Strategic Plan was reviewed and updated in August 2013.

All audit and risk management issues are raised and discussed at the Corporation's audit committee meetings. The Corporation's Audit Committee met three times during the 2013–14 financial year.

COMMERCIALLY ASTUTE & IMPARTIAL

THE LAND DEVELOPMENT CORPORATION IS KNOWN FOR ITS PROFESSIONALISM AND BUSINESS ACUMEN.

ENVIRONMENT, HERITAGE, HEALTH AND SAFETY REPORT

THE LAND DEVELOPMENT CORPORATION TAKES A PRO-ACTIVE APPROACH TO ENVIRONMENTAL AND SAFETY MANAGEMENT.

The Corporation is committed to conducting its activities in an environmentally responsible manner and intends to implement best practice management as part of a program of continuous improvement.

ENVIRONMENTAL MANAGEMENT

Our business activities are planned and conducted to minimise and, where possible, avoid adverse effects on the environment and social surroundings for the benefit of current and future generations.

In implementing these objectives the Corporation:

- ensures environmental considerations form part of its business planning and decision-making processes
- promotes a culture of responsible environmental management
- protects the natural environment and social surroundings, prevents pollution and minimises waste
- conducts all of its operations, whether carried out by or on behalf of the Corporation, in accordance with relevant legislation and government policy and agreements
- strives to continually improve its environmental performance
- communicates openly and transparently with stakeholders on environmental matters
- seeks to minimise disturbance to known or identified sites of cultural, historical, natural or scientific significance.

THE CORPORATION IS ACUTELY AWARE OF THE NEED TO MINIMISE ANY ADVERSE IMPACTS ON NATURAL WATERWAYS AND THE ENVIRONMENT ADJACENT TO DARWIN HARBOUR.

Prior to all of our developments, and in consultation with the relevant Northern Territory and/or Australian government departments, the Corporation prepares the necessary protection plans for approval to ensure minimal impact on the environment.

These include:

- erosion and sediment control plans
- weed management plans
- heritage and archaeological surveys
- terrestrial and marine ecology surveys and management plans
- acid sulphate soil surveys and plans
- air quality, noise and vibration plans
- fire management plans
- public safety plans.

To achieve its objectives the Corporation endorses ecologically sustainable development and the principles of:

INTEGRATION – Decision-making processes will integrate long term and short term economic, social, environmental and equitable considerations.

PRECAUTIONARY PRINCIPAL – Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty will not be used as a reason for postponing measures to prevent environmental degradation.

INTER-GENERATIONAL AND INTRA-GENERATIONAL EQUITY – The present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations. Intra-generational equity involves considering equity within the present generation.

CONSERVATION OF BIOLOGICAL DIVERSITY AND ECOLOGICAL INTEGRITY – Conserving biological diversity and ecological integrity will be a fundamental consideration in decision-making.

PUBLIC PARTICIPATION – Decisions and actions relating to ecologically sustainable development will provide for broad community involvement on issues that affect them.

HERITAGE

Our Heritage Management Framework covers activities associated with managing land administered by the Corporation. This framework applies to the Corporation, its contractors and sub-contractors.

With the exception of product service corridors and residential developments, the majority of land managed by the Corporation is zoned DV – Development. The primary purpose of DV zoned land is to help develop major strategic industries including gas based, road, rail or port-related industries.

East Arm has a number of heritage sites that are declared under the Heritage Conservation Act and are also areas of past historical use that, although not declared, were part of a rich and interesting land use of the peninsula.

The Corporation continues to work with heritage stakeholders to ensure appropriate solutions are delivered that provide for the ongoing preservation and/or interpretation of significant heritage sites identified on Corporation land.

HEALTH AND SAFETY

The Corporation recognises the importance of providing all employees, visitors and contractors with a safe and healthy work environment and its goal is to promote responsible management practices that prevent all occupational injuries and illness.

As the Corporation uses numerous project managers, contractors and tradespeople to undertake its projects, it works to ensure that everyone complies with appropriate standards and workplace directions to protect their own and others' health and safety at work.

SALES AND LEASING

THE CORPORATION SOLD SIX LOTS OF DEVELOPED INDUSTRIAL LAND IN THE DARWIN BUSINESS PARK THIS FINANCIAL YEAR, PROVIDING GROSS REVENUE TO THE CORPORATION OF MORE THAN $14 MILLION.

The successful proponent for the INPEX Ichthys Supply Base was Toll Logistics. The rail-front land under negotiations with Toll has become the future home of the INPEX Ichthys Supply Base. Construction is due for completion in 2015.

The Common User Area in the East Arm Logistics Precinct was leased during this financial year with a return to the Corporation of $546 000. The Corporation responded to the demand for hardstand laydown areas for businesses related to the INPEX project by preparing alternative sites for short term lease, with a return to the Corporation of $1.9 million.

Exclusive six-month negotiation agreements were undertaken for three lots on Dawson Street and one rail-front lot in O'Sullivan Circuit. Exclusive negotiation agreements help purchasers to continue negotiations with financiers, builders and partners, with the confidence that their land choice has been confirmed.

The Shell Prelude Supply Base rail-front development is complete and is a stand-out development in O'Sullivan Circuit. The quality new developments have transformed the streetscape of O'Sullivan Circuit.

Tellus Mining continues to hold an exclusive negotiation agreement over section 5708 as they work towards developing the Chandler Salt Mining project. It is anticipated that Tellus Mining will begin constructing their warehouse development in 2015.

The Defence Support Hub honoured the memory of a popular Darwin-based soldier with the commemorative road naming ceremony in November 2013. Mathew Hopkins Road is the entrance road to the Defence Support Hub.

The Defence Support Hub has two new tenants at the entrance to Mathew Hopkins Road with both developments providing a quality look to the precinct.

The Corporation has constructed a purpose built mechanical workshop with a long term lease to RGM Maintenance, a mechanical maintenance firm that services Defence Force vehicles. This development is the first construct and lease arrangement undertaken by the Corporation and we look forward to a successful relationship with RGM Maintenance.

MARKETING AND PROMOTION

DURING 2013–14 THE LAND DEVELOPMENT CORPORATION PARTICIPATED IN SEVERAL BUSINESS AND INDUSTRY CONFERENCES AND EXHIBITIONS TO PROVIDE INFORMATION ABOUT ITS CURRENT AND UPCOMING PROJECTS.

SOUTH EAST ASIA AUSTRALIA OIL CONFERENCE (SEAAOC)

The SEAAOC, which is held in conjunction with Northern Territory Resources Week, was held in October 2013 at the Darwin Convention Centre. SEAAOC is Northern Australia's largest and longest established oil and gas conference. The conference attracts major players involved within Australasia's oil, gas and petroleum industries and provides an opportunity to discuss key LNG developments across the entire northern Australian band and South East Asia. The conference is in its 20th year and partners with the Northern Territory Government to attract a high calibre of speakers and delegates.

NT MAJOR PROJECTS CONFERENCE

The Annual NT Major Projects Conference was held at the Darwin Convention Centre in October 2013. The conference was delivered by Expotrade Australia and provided the Corporation with a networking platform to showcase its services and put forward its short and long term plans for the East Arm Logistics Precinct.

The conference attracts more than 350 delegates annually and provides a great opportunity for the Corporation to display its expertise in industrial land development.

AUSTRALIAN OIL AND GAS (AOG) EXHIBITION AND CONFERENCE

This year the Corporation attended the AOG Exhibition and Conference at the Perth Exhibition Centre from 19–21 February 2014. This is a major oil and gas industry event in the region and was an ideal opportunity to present Darwin's Marine Industry Park to global industry as well as potential key tenants and investors. The Corporation produced an investment prospectus for the Marine Industry Park to take to the event. Chief Executive John Coleman attended the event with the Corporation's industrial team and met with a number of prospective anchor tenants and investors to promote this new opportunity.

AOG is a significant event with more than 17 000 people attending over three days and the Corporation's booth was in a prime position. The Chief Executive committed to attending the event next year and secured the same prime location for the Corporation's booth in 2015.

PROSPECTUS RELEASES

The Corporation produced an investment prospectus for the proposed Marine Industry Park in December 2013 to promote investment activities. The prospectus was updated in 2014 to meet the objectives of future investment attraction and promotional activities of the Corporation.

PRESENTATIONS/CONSULTATION

The Corporation delivered more than 10 presentations and associated tours of the East Arm Logistics Precinct and Middle Arm Industrial Estate to industry and stakeholders during the 2013–14 financial year.

FINANCIAL STATEMENTS

FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2014

The year ended 30 June 2014, represents the third year that the Land Development Corporation (the Corporation) has operated as a Government Business Division (GBD).

FINANCIAL PERFORMANCE

The Corporation recognised gross revenue from land sales of $19.8 million during the year ended 30 June 2014. While the commercial sales were below budget, the residential land sales exceeded the budget, contributing to the gross profit of $13.1 million from land sales.

The Corporation holds strategic land with rail or water frontage that are held as non-current inventory and offered as leasehold only. The majority of the costs incurred by the Corporation related to the development of land and is initially recorded as inventory assets in the balance sheet. When sold the costs are recognised in the comprehensive operating statement as the cost of land sold.

The Corporation's main operating expenditure relates to residential and industrial land development in property maintenance ($1.2 million), property management ($0.6 million) and marketing and promotion ($0.2 million). The Corporation had 13 full time equivalent employees as at 30 June 2014. Due to the small number of staff, the Corporation is reliant on consultants ($0.2 million) and corporate and administrative support from other agencies ($0.8 million).

FINANCIAL POSITION

Overall the Corporation maintains a strong financial position with $116.2 million in net assets at 30 June 2014 compared to $107.6 million in the previous year.

The Corporation has a secure liquidity position with $22.4 million in cash. The Corporation also has a healthy portfolio of land with $19.6 million in current land inventory and $98.1 million in non-current land inventory.

LAND DEVELOPMENT CORPORATION

FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the 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 Comprehensive 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 2014 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.

John Coleman	David Gomez
Chief Executive Officer	Chief Financial Officer
2 October 2014	1st October 2014

Auditor-General

Independent Auditor's Report
to the Minister for Economic Development and Major Projects

Land Development Corporation

I have audited the accompanying financial report of Land Development Corporation which comprises the balance sheet as at 30 June 2014, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit.

Opinion

In my opinion the financial report gives a true and fair view of the financial position of Land Development Corporation as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

3 October 2014

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$000	$000
INCOME			
Revenue from land sales		19 822	6 668
Cost of land sold		(6 721)	(2 258)
Gross Profit		13 101	4 410
Development grants	3	4 738	-
Interest revenue		328	1 658
Royalties, rents and dividends		4 467	2 266
Miscellaneous income		176	75
TOTAL INCOME		**22 810**	**8 409**
EXPENSES			
Employee expenses		1 488	1 400
Administrative expenses			
Purchases of goods and services	4	2 172	3 152
Repairs and maintenance		1 185	117
Depreciation and amortisation	9,10	201	187
Other administrative expenses		463	(16)
Interest expenses		1 536	1 582
TOTAL EXPENSES		**7 045**	**6 422**
NET SURPLUS BEFORE INCOME TAX		**15 765**	**1 987**
Income tax (expense)/refund	5	(3 308)	883
NET SURPLUS		**12 457**	**2 870**
OTHER COMPREHENSIVE INCOME		**-**	**-**
COMPREHENSIVE RESULT		**12 457**	**2 870**

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

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$000	$000 Restated*
ASSETS			
Current Assets			
Cash and deposits	6	22 442	10 764
Receivables	7	3 965	919
Inventories	8	19 616	20 583
Total Current Assets		**46 023**	**32 266**
Non-Current Assets			
Inventories	8	98 138	98,042
Property, plant and equipment	9	4 135	3 768
Heritage and cultural assets	10	69	70
Other assets	5	-	1 479
Total Non-Current Assets		**102 342**	**103 359**
TOTAL ASSETS		**148 365**	**135 625**
LIABILITIES			
Current Liabilities			
Deposits held	12	39	35
Payables	13	625	535
Borrowings and advances	14	5 000	5 000
Provisions	16	4 033	1 579
Income tax liabilities	15	2 425	596
Other liabilities	17	-	260
Total Current Liabilities		**12 122**	**8 006**

BALANCE SHEET (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$000	$000
Non-Current Liabilities			
Borrowings and advances	14	20 000	20 000
Provisions	16	69	43
Total Non-Current Liabilities		**20 069**	**20 043**
TOTAL LIABILITIES		**32 191**	**28 049**
NET ASSETS		**116 174**	**107 576**
EQUITY			
Capital	18	54 095	54 095
Reserves	18	1 864	1 864
Accumulated funds	18	60 215	51 617
TOTAL EQUITY		**116 174**	**107 576**

*Amounts disclosed for inventories do not correspond to the 2013 financial statements and reflect adjustments outlined in note 8.

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 2014

2013-14	Note	Equity at 1 July $000	Comprehensive result $000	Transactions with owners in their capacity as owners $000	Equity at 30 June $000
Accumulated Funds		51 617	-	-	51 617
Surplus for the period		-	12 457	-	12 457
Dividends		-	-	(3 860)	(3 860)
	18	**51 617**	**12 457**	**(3 860)**	**60 215**
Reserves		1 864	-	-	1 864
Asset revaluation		-	-	-	-
	18	**1 864**	**-**	**-**	**1 864**
Capital – Transactions with Owners		54 095	-	-	54 095
Equity injections					
Equity transfers in		-	-	-	-
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
	18	**54 095**	**-**	**-**	**54 095**
Total Equity at End of Year		**107 576**	**12 457**	**(3 860)**	**116 174**

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
2012-13		$000	$000	$000	$000
Accumulated Funds		47 717	-	-	47 717
Surplus for the period		-	2 870	-	2 870
Dividends		-	-	1 030	1 030
	18	**47 717**	**2 870**	**1 030**	**51 617**
Reserves		1 864	-	-	1 864
Asset revaluation		-	-	-	-
	18	**1 864**	**-**	**-**	**1 864**
Capital – Transactions with Owners		54 095	-	-	54 095
Equity injections					
Equity transfers in		-	-	-	-
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
	18	**54 095**	**-**	**-**	**54 095**
Total Equity at End of Year		**103 676**	**2 870**	**1 030**	**107 576**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Capital received		3 500	-
Receipts from sales of goods and services		22 790	10 667
Receipts of unearned revenue (NRAS)		-	(50 000)
GST receipts		2 290	-
Interest received		307	1 707
Total Operating Receipts		**28 887**	**(37 626)**
Operating Payments			
Payments to employees		(1 415)	(1 482)
Payments for goods and services		(11 413)	(11 178)
GST payments		-	-
Income tax paid		-	(3 159)
Interest paid		(1 539)	(1 587)
Total Operating Payments		**(14 367)**	**(17 406)**
Net Cash From/(Used in) Operating Activities	19	**14 520**	**(55 032)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales		-	-
Total Investing Receipts		**-**	**-**
Investing Payments			
Purchases of assets		(44)	(143)
Advances and investing payments		(1 367)	(280)
Total Investing Payments		**(1 411)**	**(423)**
Net Cash From/(Used in) Investing Activities		**(1 411)**	**(423)**

CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $000	2013 $000
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits		4	(298)
Total Financing Receipts		**4**	**(298)**
Financing Payments			
Equity injections/withdrawals		(1 435)	(1 220)
Total Financing Payments		**(1 435)**	**(1 220)**
Net Cash Used in Financing Activities		**(1 431)**	**(1 518)**
Net increase/(decrease) in cash held		11 678	(56 973)
Cash at beginning of financial year		10 764	67 738
CASH AT END OF FINANCIAL YEAR	6	**22 442**	**10 764**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note

1. OBJECTIVES AND FUNDING

The Corporation's role is to contribute to the economic growth of the Northern Territory through innovative development and management of strategic industrial land, residential land and ancillary facilities and activities in the Northern Territory, in partnership with the private sector.

The Corporation's objective is to:

- meet the Northern Territory's strategic industrial land requirements and respond to industry's short and long term requirements;
- deliver on innovative residential subdivisions;
- build strong links with the property industry and development-focused government and semi government entities/agencies throughout Australia to enable comprehensive project support for the Corporation and its project partners; and
- realise the opportunities to optimise returns on the Corporation's assets whilst operating within the guidelines set by the Northern Territory Government for its Government Business Divisions (GBD).

The Corporation is the developer and manager of Northern Territory Government owned land identified for strategic industrial development. It operates under the *Land Development Corporation Act* and reports to the Minister for Lands, Planning and the Environment.

In 2009 the *Land Development Corporation Act* was amended to expand the Corporation's role to include the development of residential land. The Corporation has entered into joint partnership arrangements with participants from the private sector in developing residential land.

The Corporation has been determined by the Treasurer under Section 3(1) of the *Financial Management Act* to be a GBD, commencing 1 July 2011. This has resulted in the Corporation adopting a capital structure comparative to similar entities in the private sector and similar government entities in other States and Territories. Other impacts of this determination include the Corporation being self-funded through the sale of land and hence no longer receiving output appropriation. As a GBD the Corporation receives interest earned on cash balances and is required to pay income tax and dividends. Similarly, commencing from 1 July 2011, the Corporation is required to pay full charges previously received free of charge when it was an agency.

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 Corporation to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of Corporation's financial statements is to include:

(i) a Certification of the Financial Statements;

(ii) a Comprehensive 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 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.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention. The Corporation is a not-for-profit entity for financial reporting purposes and prepares "general purpose financial statements".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

The Corporation's financial statements are also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

AASB 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009 11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]

AASB 13 replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. It clarifies the definition of fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. With some exceptions, the standard requires entities to classify these measurements into a fair value hierarchy based on the nature of the inputs. Additional disclosures following from the standard are included in the notes to the financial statements.

AASB 119 Employee Benefits (2011), AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]

AASB 119 amends the definition of short-term employee benefits and the accounting for defined benefit superannuation obligations. The standards do not impact the financial statements.

AASB CF 2013-1 Amendments to the Australian Conceptual Framework, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

AASB CF 2013-1 incorporates Chapters 1 and 3 of the IASB's *Conceptual Framework for Financial Reporting* into the AASB *Framework for the Preparation and Presentation of Financial Statements.* It also withdraws SAC 2 Objective of General Purpose Financial Reporting. The standards do not impact the financial statements.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)

The standard amends AASB 7 *Financial Instruments: Disclosures* to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The standard does not impact the financial statements.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132 & 134 and Interpretation 2]

The standard amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle. In particular, amendments to AASB 101 *Presentation of Financial Statements* clarify requirements for comparative information, and amendments to AASB 116 *Property, Plant and Equipment* clarify classification of servicing equipment. The standard does not impact the financial statements.

The financial statements were authorised for issue on 25 September 2014.

b) Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 *Financial Instruments (Dec 2010),* AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127],* AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8], AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).*	1 Jan 2017	No impact expected

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 10 Consolidated *Financial Statements*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17],* AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12],* AASB 2013-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]*	Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 *Consolidated and Separate Financial Statements.* AASB 2012-10 defers the mandatory application of AASB 10 *Consolidated Financial Statements* and related Standards to not-for-profit entities until annual reporting periods beginning on or after 1 January 2014. AASB 2013-8 assists not-for-profit entities to apply AASB 10 *Consolidated Financial Statements* and AASB 12 *Disclosure of Interests in Other Entities.*	1 Jan 2014	No impact expected.
AASB 12 *Disclosure of Interests in Other Entities*	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2014	No impact expected.
AASB 1055 Budgetary Reporting	Sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector.	1 July 2014	May require additional disclosures.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)*	Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation.	1 Jan 2014	May require additional disclosures.
AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	Addresses disclosures about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 Jan 2014	No impact expected.

c) Central Holding Authority

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

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.

d) Comparatives

Where necessary, comparative information for the year ended 30 June 2013 has been reclassified to provide consistency with current year disclosures as disclosed in note 8.

e) 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.

f) Changes in Accounting Policies

While there have been no changes to accounting policies adopted during the year ended 30 June 2014 there has been a change in the classification of land held as investment to inventory as disclosed in note 8. This is not considered a change in accounting policy.

g) Accounting Judgments and Estimates

The preparation of the financial statements requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(v) and Note 16: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

- Contingent Liabilities – Note 23: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate.
- Allowance for Impairment Losses – Note 2(o), 7: Receivables and 21: Financial Instruments.
- Depreciation and Amortization – Note 2(k), Note 9: Property, Plant and Equipment.
- Land classified within property, plant and equipment – land assets are held at independent valuations determined by independent valuers. The fair value of these assets is determined based on any existing restrictions on asset use.

h) 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 Tax 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.

i) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST.

Sale of land

Revenue from the sale of land is recognised when all of the following conditions are satisfied:

- the Corporation transfers the significant risks and rewards of ownership of the land to the buyer;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rent revenue

Rent revenue from operating leases is recognised as income on a straight line basis over the rental term.

Project Management Services

Revenue from project management services is recognised in proportion to the stage of completion of the contract at reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Interest Revenue

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

Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

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.

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 Corporation obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

j) Repairs and Maintenance Expense

Costs associated with repairs and maintenance works on the Corporation's assets are expensed as incurred.

k) Depreciation and Amortisation Expense

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:

	2014	2013
Buildings	10-50 years	10-50 years
Infrastructure Assets	8-50 years	8-50 years
Leased Plant and Equipment	Over the Term of Lease	Over the Term of Lease
Heritage and Cultural Assets	100 years	100 years

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

l) Interest Expense

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

m) 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 25.

n) Inventories – Land Held For Sale

Land held for development and sale is carried at the lower of cost or net realisable value. Cost includes the cost of acquisition and development. Amounts are disclosed as current where it is anticipated that land will be developed ready for sale within twelve months of reporting date. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Inventory land relating to the Zuccoli development is the subject of a mortgage as security for the finance provided to fund the development costs of the project.

o) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the Corporation estimates are likely to be uncollectible and are considered doubtful. Analysis of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 21 Financial Instruments. The reconciliation of changes in the allowance accounts is also presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

p) Property, Plant and Equipment

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than $10 000 are recognised in the year of acquisition and depreciated as outlined in note 2(K). Items of property, plant and equipment below the $10 000 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 Corporation 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.

q) Revaluations and Impairment

Revaluation of Assets

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 and infrastructure assets with in property, plant and equipment; and
- heritage and cultural assets.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

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 Corporation assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Corporation 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 Comprehensive Operating Statement. They are disclosed as an expense 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 surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

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 Comprehensive 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 surplus. Note 18 provides additional information in relation to the asset revaluation surplus.

r) Investment Properties

During the financial year there has been a change in the classification of land. Land previously held as investment land has been transferred to inventory. This is based on management's view that the all land should be classified as inventory, consistent with the Corporation's primary objective of delivering strategic land to the Northern Territory market through developing and promoting project land.

The adjustment is treated as a correction of a prior period error of classification and has been applied to prior period comparative amounts. As the investment land was carried at cost and the inventory is recorded at cost, there has been no effect on the current or prior period income statement. The current and prior year's profit is also unaffected by the correction of prior period error.

s) Leased Assets

Land Development Corporation as a Lessee

Leases under which the Corporation assumes substantially 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 lease asset and lease liability equal to the lower of the fair value of the minimum lease payments are recognized 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. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

Land Development Corporation as a Lessor

Leases in which the Corporation does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

t) Deposits Held

Deposits held include deposits held by the Corporation and the Accountable Officer's Trust Account (AOTA), which consist of receipts held pending the successful completion of land improvements by land purchasers and other financial obligations payable within the next twelve months. The AOTA is for the receipt of monies, such as rental bonds and securities held in trust in accordance with Section 7 of the *Financial Management Act*.

u) 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 Corporation. Accounts payable are normally settled within 30 days.

v) 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, recreation leave and other employee benefit liabilities that fall due within twelve months of 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 twelve 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 Corporation and as such no long service leave liability is recognised in the Corporation's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

w) Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory 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 Corporation 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 the Corporation's financial statements.

x) Contributions by and Distributions to Government

The Corporation may receive contributions from Government where the Government is acting as owner of the Corporation. Conversely, the Corporation 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 Corporation as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

y) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 22.

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

z) Financial Instruments

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

aa) Fair Value Measurement

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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimize the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$000	$000
3. DEVELOPMENT GRANTS		
Grants	4 738	-
Total Development Grants	**4 738**	**-**

4. PURCHASES OF GOODS AND SERVICES

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

	2014	2013
Goods and services expenses:		
Property maintenance and management	605	608
Consultants	186	652
Advertising	1	1
Advisory Board expenses	122	189
Marketing and promotion (1)	183	84
Document production	30	15
Legal expenses (2)	164	398
Recruitment (3)	3	7
Training and study	24	28
Official duty fares	24	2
Travelling allowance	3	-
Corporate support from other agencies	827	660

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

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

(3) Includes recruitment-related advertising costs.

	2014	2013
	$000	$000
5. INCOME TAX RECONCILIATION		
The income tax expense for the year can be reconciled to the accounting profit as follows (a):		
Surplus before tax for the year	15 765	1 987
Less: Development Grants (Note 3)	(4 738)	-
Income tax calculation at 30%	3 308	596
Tax adjustments relating to the change in accounting policy for land in 2012 financial year (b)	-	(1 479)
Income Tax Expense/(Refund) recognised in the Comprehensive Operating Statement	**3 308**	**(883)**

(a) Income tax equivalent applicable since 1 July 2011 due to establishment as a Government Business Division

(b) The income tax equivalent credit relates to adjustments to the tax equivalent calculation on the unrealised gains on long term leased land during the year ended 30 June 2012 that was identified during the year ended 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$000	$000
6. CASH AND DEPOSITS		
Cash on hand	1	1
Cash at bank	22 441	10 763
	22 442	**10 764**
7. RECEIVABLES		
Current		
Accounts receivable	540	528
Less: Allowance for impairment losses	(137)	-
	403	**528**
Interest receivables	43	22
GST receivables	830	322
Other receivables	2 689	47
	3 965	**919**

	2014	2013
	$000	$000
8. INVENTORIES		
Current – Land under development and developed land		
At cost	19 616	20 583
	19 616	**20 583**
Non Current – Undeveloped land		
At cost	98 138	98 042
	98 138	**98 042**
Total Inventories	**117 754**	**118 625**
Land inventories comprises:		
Cost of acquisition	82 934	97 888
Development costs	34 820	20 737
Total Inventories	**117 754**	**118 625**

During the 2014 financial year, there was an adjustment for a prior period error of land classification. All land classified as investment was transferred to non-current inventory.

	2013	
	Previous	As Restated
Non Current Assets		
Inventory	48 557	98 042
Investment Property	49 485	-
Total	**98 042**	**98 042**

Impact: There has been no impact on the Comprehensive Operating Statement, Statement of Changes in Equity or Balance Sheet as the effect of correcting the prior period error only impacts the inventory and investments at the same carrying value resulting in no impact on total Assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

9. PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	$000	$000
Land		
At fair value	1 359	835
	1 359	**835**
Buildings		
At fair value	8 134	8 134
Less: Accumulated depreciation	(5 718)	(5 548)
	2 416	**2 586**
Infrastructure		
At fair value	418	418
Less: Accumulated depreciation	(87)	(71)
	331	**347**
Plant and Equipment		
At cost	44	-
Less: Accumulated depreciation	(15)	-
	29	**-**
Total Property, Plant and Equipment	**4 135**	**3 768**

Property, Plant and Equipment Valuations

The revaluation of the above assets was carried out as at 30 June 2011 by an independent valuer, the Australian Valuation Office. The revaluation was based on unimproved capital value for land which was under the Corporation's title and depreciated replacement cost for the buildings.

Impairment of Property, Plant and Equipment

The Corporation's property, plant and equipment assets were assessed for indicators of impairment as at 30 June 2014. No impairment adjustments were required as a result of this review.

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2014 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2013-14 is set out below:

	Land	Buildings	Infrastructure	Plant and Equipment	Total
	$000	$000	$000	$000	$000
Carrying Amount as at 1 July 2013	**835**	**2 586**	**347**	**0**	**3 768**
Additions	-	-	-	44	44
Disposals	-	-	-	-	-
Depreciation	-	(170)	(16)	(15)	(201)
Additions/(disposals) from asset transfers	524	-	-	-	524
Revaluation increments/(decrements)	-	-	-	-	-
Carrying Amount as at 30 June 2014	**1 359**	**2 416**	**331**	**29**	**4 135**

2013 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2012-13 is set out below:

	Land	Buildings	Infrastructure	Construction (Work in Progress)	Total
	$000	$000	$000	$000	$000
Carrying Amount as at 1 July 2012	**835**	**2 729**	**335**	**29**	**3 928**
Additions	-	-	-	27	27
Disposals	-	-	-	-	-
Depreciation	-	(171)	(16)	-	(187)
Additions/(disposals) from asset transfers	-	28	28	(56)	-
Revaluation increments/(decrements)	-	-	-	-	-
Carrying Amount as at 30 June 2013	**835**	**2 586**	**347**	**-**	**3 768**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$000	$000
10 HERITAGE AND CULTURAL ASSETS		
Carrying amount	74	74
At valuation		
Less: Accumulated depreciation	(5)	(4)
Written down value – 30 June	69	70
Reconciliation of movements		
Carrying amount at 1 July	70	70
Depreciation	(1)	-
Additions/(disposals) from asset transfers	-	-
Carrying amount as at 30 June	**69**	**70**

Heritage and Cultural Assets Valuation

The fair value of these assets was determined based on any existing restriction on asset use. Where reliable market values were not available, the fair value of the Corporation's assets was based on their depreciated replacement cost.

Impairment of Heritage and Cultural Assets

The Corporation's Heritage and Cultural Assets were assessed for indicators of impairment as at 30 June 2014. No impairment adjustments were required as a result of this review.

11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	Level 1	Level 2	Level 3	Total Fair Value
2014	**$000**	**$000**	**$000**	**$000**
Asset Classes (Note 10, 12)				
Land	1 359	-	-	1359
Buildings	-	-	2 416	2 416
Infrastructure	-	-	331	331
Plant and Equipment	-	-	29	29
Heritage and Cultural Assets	-	-	69	69
Total	**1 359**	**-**	**2 845**	**4 204**

There were no transfers between Level 1 and Levels 2 or 3 during the period.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

	Level 2 Techniques	Level 3 Techniques
Asset Classes		
Buildings	-	Cost Approach
Infrastructure	-	Cost Approach
Plant and Equipment	-	Cost Approach
Heritage and Cultural Assets	-	Cost Approach

The fair value of land is based on the unimproved capital value for the land which was carried out by the Australian Valuation office.

Level 3 fair values of buildings, infrastructure, plant and equipment and heritage and cultural asset were determined by computing their depreciated replacement costs because an active market does not exist for such facilities. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.

c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

	Land	Buildings	Infrastructure	Plant and Equipment	Heritage & Cultural Asset
	$000	$000	$000	$000	$000
Fair value as at 1 July 2013	835	2 586	347	-	70
Additions	524	-	-	44	-
Disposals	-	-	-	-	-
Transfers from Level 2	-	-	-	-	-
Transfers to Level 2	-	-	-	-	-
Depreciation		(170)	(16)	(15)	(1)
Gains/losses recognised in net surplus/deficit	-	-	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-	-	-
Fair value as at 30 June 2014	**1 359**	**2 416**	**331**	**29**	**69**
Unrealised gains/losses recognised in net surplus/deficit for assets held at the end of the reporting period	-	-	-	-	-

(ii) Sensitivity analysis

Buildings, Infrastructure, Plant and Equipment and Heritage and Cultural Assets – Unobservable inputs used in computing the fair value of these assets historical costs and the consumed economic benefit for each asset. These assets are depreciated on useful lives ranging from 3 to 100 years. In respect of sensitivity of fair values to changes in input values, a higher historical cost results in a higher fair value and a greater consumption of economic benefits or useful lives, lowers the fair value.

	2014	2013
	$000	$000
12 DEPOSITS HELD		
Accountable Officer's Trust Account	39	35
Other deposits held	-	-
	39	**35**
13 PAYABLES		
Accounts payable	134	138
Accrued expenses	491	397
Total Payables	**625**	**535**
14 BORROWINGS AND ADVANCES		
Current		
Loans and advances	5 000	5 000
	5 000	**5 000**
Non-Current		
Loans and advances	20 000	20 000
	20 000	**20 000**
Total Borrowings and Advances	**25 000**	**25 000**
15 TAX LIABILITY		
Income tax payable	2 425	596
Total Tax Liability	**2 425**	**596**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$000	$000
16 PROVISIONS		
Current		
Employee benefits		
Recreation leave	101	90
Leave loading	13	13
Other employee benefits	11	3
Other current provisions		
Provisions for dividend	3 860	1 435
Other provisions	48	38
Total Current Provisions	**4 033**	**1 579**
Non-Current		
Employee benefits		
Recreation leave	69	43
Total Non-Current Provisions	**69**	**43**
Total Provisions	**4 102**	**1 622**

The Corporation employed 13 employees as at 30 June 2014 (10 employees as at 30 June 2013).

	2014	2013
	$000	$000
17 OTHER LIABILITIES		
Current		
Deferred revenue-other	-	260
Total Current Other Liabilities	**-**	**260**
Non-Current		
Deferred revenue	-	-
Total Other Liabilities	**-**	**260**
18 RESERVES		
Capital		
Balance as at 1 July	54 095	54 095
Equity withdrawals	-	-
Equity transfers in	-	-
Equity transfers out	-	-
Balance as at 30 June	**54 095**	**54 095**

Asset Revaluation Reserve

(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 property, plant and equipment. Impairment adjustments may also be recognised in the asset revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	$000	$000
18 RESERVES CONTINUED		
(ii) Movements in the asset revaluation reserve		
Balance as at 1 July	1 864	1 864
Changes in accounting policies	-	-
Increment /(decrements) Land	-	-
Increment /(decrements) Buildings	-	-
Balance as at 30 June	**1 864**	**1 864**
Accumulated Funds		
Balance as at 1 July	51 617	47 717
Surplus for the period	12 457	2 870
Dividend payable	(3 860)	1 030
Balance as at 30 June	**60 215**	**51 617**
Total Reserves	**116 174**	**107 576**

	2014	2013
	$000	$000
19. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of the Corporation's 'Cash and deposits' of $22 442 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		
Net Surplus	12 457	2 870
Non-cash items:		
Depreciation and amortisation	201	187
Cost of land sold	6 721	2 258
Assets acquired for nil consideration	-	-
Other gains	-	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(3 046)	(559)
Decrease/(increase) in inventories WIP	(5 006)	(5 145)
Decrease/(increase) in prepayments	-	-
Increase /(decrease) in account payables	(3)	(123)
Increase /(decrease) in other payables	94	(670)
Increase /(decrease) in provision for employee benefits	45	(76)
Increase /(decrease) other provisions	9	7
Increase /(decrease) tax liabilities	3 308	(4 041)
Increase /(decrease) in deferred income	(260)	(49 740)
Net Cash from/(used in) Operating Activities	**14 520**	**(55 032)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

20. JOINT VENTURES

Zuccoli Project Delivery Agreement

The Zuccoli Project Delivery Agreement is classified as a jointly controlled operation and is involved in residential land development.

The Corporation holds the land in its accounts, while the Joint Venture partner recognises its own expenses (pays for the development) and its liabilities (finance raised for the development).

The Corporation shares a proportion of the net sale proceeds after deducting the project expenditure, management fees and land costs as per the Project Development Agreement.

21. 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 Corporation include cash and deposits, receivables, payables, finance leases and borrowings. The Corporation has limited exposure to financial risks as discussed below.

a) Categorisation of Financial Instruments

The carrying amounts of the Corporation's financial assets and liabilities by category are disclosed in the table below.

	2014	2013
	$000	$000
Financial Assets		
Cash and deposits	22 442	10 764
Loans and receivables	3 965	919
Financial Liabilities		
Fair Value through Profit and Loss (FVTPL)		
Designated as at FVTPL	664	570
Other financial liabilities	25 000	25 260

b) Credit Risk

The corporation has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the corporation 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 corporation's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

Internal Receivables	Aging of Receivables	Aging of Impaired Receivables	Net Receivables
	$000	$000	$000
2013-14	5	-	5
Not overdue	-	-	-
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	**5**	**-**	**5**
Total	**5**	**-**	**5**
Reconciliation of the Allowance for Impairment Losses		-	
Opening		-	
Increase/(decrease) in allowance recognised in profit or loss		**0**	
Total		**-**	
2012-13			
Not overdue	23	-	23
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**23**	**-**	**23**
Reconciliation of the Allowance for Impairment Losses			
Opening		-	
Increase/(decrease) in allowance recognised in profit or loss		-	
Total		**0**	

External Receivables	Aging of Receivables	Aging of Impaired Receivables	Net Receivables
	$000	$000	$000
2013-14			
Not overdue	384	-	384
Overdue for less than 30 days	50	-	50
Overdue for 30 to 60 days	50	-	50
Overdue for more than 60 days	50	-	50
Total	**534**	**-**	**534**
Reconciliation of the Allowance for Impairment Losses			
Opening		-	
Increase/(decrease) in allowance recognised in profit or loss		-	
Total		**-**	
2012-13			
Not overdue	477	-	477
Overdue for less than 30 days	52	-	52
Overdue for 30 to 60 days	12	-	12
Overdue for more than 60 days	11	-	11
Total	**552**	**-**	**552**
Reconciliation of the Allowance for Impairment Losses			
Opening		(16)	
Increase/(decrease) in allowance recognised in profit or loss		16	
Total		**0**	

c) Liquidity Risk

Liquidity risk is the risk that the corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the Corporation's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

2013-2014 Maturity analysis for financial assets and liabilities

	Interest Bearing						
	Fixed or Variable	Less than a Year	1 to 5 Years	More than 5 Years	Non Interest Bearing	Total	Weighted Average
		$000	$000	$000	$000	$000	%
Assets							
Cash and deposits	22 442	-	-	-	-	22 442	2.31
Receivables	-	-	-	-	3 965	3 965	
Total Financial Assets	**22 442**	**-**	**-**	**-**	**3 965**	**26 407**	
Liabilities							
Deposits held	-	-	-	-	39	39	
Payables	-	-	-	-	625	625	
Borrowings	-	5 068	20 682	-	-	25 750	6.08
Total Financial Liabilities	**-**	**5 068**	**20 682**	**-**	**664**	**26 414**	

2012-2013 Maturity analysis for financial assets and liabilities

		Interest Bearing					
	Fixed or Variable	Less than a Year	1 to 5 Years	More than 5 Years	Non Interest Bearing	Total	Weighted Average
		$000	$000	$000	$000	$000	%
Assets							
Cash and deposits	10 764	-	-	-	-	10 764	2.88
Receivables	-	-	-	-	919	919	
Total Financial Assets	**10 764**	**-**	**-**	**-**	**919**	**11 683**	
Liabilities							
Deposits held	-	-	-	-	35	35	
Payables	-	-	-	-	535	535	
Deferred revenue-NRAS	-	-	-	-	260	260	
Borrowings	-	5 313	20 468	-	-	25 781	6.23
Total Financial Liabilities	**-**	**5 313**	**20 468**	**-**	**830**	**26 611**	

d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest Rate Risk

The 2013-14 financial year is the second year that the Corporation has had interest bearing financial assets and liabilities; however the Corporation is not exposed to interest rate risk. The Corporation's borrowings are established on a fixed interest rate and as such do not expose the Corporation to interest rate risk. All other financial liabilities of the Corporation are non interest bearing. Although the Corporation's cash at bank is interest bearing (variable rate), it does not expose the Corporation to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the Corporation's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase	100 basis points decrease
	$000	$000
30 June 2014		
Financial assets – cash at bank	224	(224)
Net Sensitivity	**224**	**(224)**
30 June 2013		
Financial assets – cash at bank	108	(108)
Net Sensitivity	**108**	**(108)**

(ii) Price Risk

The Corporation is not exposed to price risk as the Corporation does not hold units in unit trusts.

(iii) Currency Risk

The Corporation is not exposed to currency risk as the Corporation does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

(e) Net Fair Value

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.

Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – derived from inputs not based on observable market data.

	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
2014	$000	$000	$000	$000	$000
Financial Assets					
Cash and deposits	22 442	-	22 442	-	22 442
Receivables	3 965	-	3 965	-	3 965
Total Financial Assets	**26 407**	**-**	**26 407**	**-**	**26 407**
Financial Liabilities					
Deposits held	39	-	39	-	39
Payables	625	-	625	-	625
Borrowings and advances	25 000	-	25 000	-	25 000
Total Financial Liabilities	**25 664**	**-**	**25 664**	**-**	**25 664**
2013					
Financial Assets					
Cash and deposits	10 764	-	10 764	-	10 764
Receivables	919	-	919	-	919
Total Financial Assets	**11 683**	**-**	**11 683**	**-**	**11 683**
Financial Liabilities					
Deposits held	35	-	35	-	35
Payables	535	-	535	-	535
Deferred revenue	260	-	260	-	260
Borrowings and advances	25 000	-	25 000	-	25 000
Total Financial Liabilities	**25 830**	**-**	**25 830**	**-**	**25 830**

The net fair value of financial assets being cash and deposits and receivables cannot be classified in level 1 or 3 as there is no available active market. The net fair value of financial liabilities being deposits held, payables and borrowings cannot be classified in level 1 or 3 as there is no available active market.

	2014	2013
	$000	$000
22. COMMITMENTS		
(i) Capital Expenditure Commitments		
Capital expenditure commitments primarily relate to the development of land including the clearing, levelling and servicing of industrial land prior to sale. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are as follows:		
Within one year	43 389	18 104
	43 389	**18 104**
(ii) Operating Lease Commitments		
The Corporation leases property under non-cancellable operating leases expiring from 1 to 5 years. Leases generally provide the Corporation with a right of renewal at which time all lease terms are renegotiated. The Corporation also leases items of plant and equipment under non-cancellable operating leases. Operating lease commitments not recognised as liabilities are as follows:		
Within one year	37	52
	37	**52**

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Corporation had no contingent liabilities or contingent assets as at 30 June 2014 or 30 June 2013.

24. 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.

25. 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:

Nature of Trust Money	Opening Balance	Receipts	Payments	Closing Balance
	1 July 2013			30 June 2014
Security deposits	35	4		39
	35	**4**		**39**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

26. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Corporation		Corporation	
	2014	No. of Trans.	2013	No. of Trans.
	$000		$000	
Write-offs, Postponements and Waivers Under the *Financial Management Act*	-	-	-	-
Represented by:	-	-	-	-
Amounts written off, postponed and waived by Delegates				
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-
Total Written Off, Postponed and Waived by Delegates	**-**	**-**	**-**	**-**
Amounts written off, postponed and waived by the Treasurer	-	-	-	-
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-
Total Written Off, Postponed and Waived by the Treasurer	**-**	**-**	**-**	**-**
Write-offs, Postponements and Waivers Authorised Under Other Legislation	**-**	**-**	**-**	**-**
Gifts Under the *Financial Management Act*	**-**	**-**	**-**	**-**
Ex Gratia Payments Under the *Financial Management Act*	**-**	**-**	**344**	**2**

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