

LAND DEVELOPMENT AGENCY

Purpose

The Land Development Agency (LDA) is a Territory authority operating under the *Planning and Development Act 2007*. Its mission is to contribute positively to the economic and social development of the ACT by building vibrant and sustainable communities through greenfield and urban renewal projects developing residential, commercial and industrial land.

Key objectives of LDA are to deliver the Government's land release program, deliver high quality urban development and provide a commercial return to the Territory on its land assets and its investment in the Agency. LDA also provides advice to the Government on the delivery of capital works and infrastructure supporting the land release program and contributes to the delivery of the ACT Government's key priorities relating to affordable housing, sustainability and climate change.

LDA delivers land for development through a number of mechanisms, including the development of its own estates, through joint ventures and development arrangements with the private sector, and by sales of undeveloped land directly to industry.

LDA operates as a Public Trading Enterprise, assuming managerial control of unleased Territory land, developing and/or selling the land and providing a dividend to Government from the profits earned from those land development and sales activities.

2011-12 Priorities

The LDA's priorities for 2011-12 are:

- implementing the Government's agreed Indicative Land Release Programs;
- working towards achieving an inventory of serviced land;
- working with Directorates to ensure the availability of planning ready and serviced land to support the Land Release Programs;
- paying dividends and land sales related payments to the Government at 100 per cent of the operating profit after tax;
- working with Directorates, and in partnership with industry, to deliver the Government's affordable housing policies; and
- demonstrating both leadership and achievement in the sustainability challenges for land development.

Estimated Employment Level

| 2009-10 Actual Outcome | 2010-11 Budget | 2010-11 Est. Outcome | 2011-12 Budget |
|--------------------------------|-------------------|-------------------------|-------------------|
| 87 Staffing (FTE) ¹ | 104 | 100 | 100 |

Note:

1. The increase of 17 FTE's from the 2009-10 Actual Outcome to the 2010-11 Budget was due to the requirement for additional resources to deliver the Government's accelerated land release program.

Land Development Agency Operating Statement

| 2010-11 Budget \$'000 | | 2010-11 Est.Outcome \$'000 | 2011-12 Budget \$'000 | Var % | 2012-13 Estimate \$'000 | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 |
|-----------------------------|--|----------------------------------|-----------------------------|------------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | | | |
| Revenue | | | | | | | |
| 110 | User Charges - Non ACT Government | 140 | 140 | - | 140 | 140 | 140 |
| 0 | Grants from the Commonwealth | 3,048 | 4,291 | 41 | 3,414 | 0 | 0 |
| 610 | Interest | 7,100 | 2,800 | -61 | 2,800 | 2,700 | 2,700 |
| 368,562 | Land Revenue | 225,264 | 689,061 | 206 | 608,167 | 553,910 | 748,694 |
| 60 | Other Revenue | 241 | 132 | -45 | 60 | 60 | 60 |
| 0 | Resources Received Free of Charge | 85 | 0 | -100 | 0 | 0 | 0 |
| 369,342 | Total Revenue | 235,878 | 696,424 | 195 | 614,581 | 556,810 | 751,594 |
| Gains | | | | | | | |
| 0 | Total Gains | 0 | 0 | - | 0 | 0 | 0 |
| 369,342 | Total Income | 235,878 | 696,424 | 195 | 614,581 | 556,810 | 751,594 |
| Expenses | | | | | | | |
| 11,614 | Employee Expenses | 10,566 | 11,360 | 8 | 11,645 | 11,943 | 12,247 |
| 1,431 | Superannuation Expenses | 1,350 | 1,466 | 9 | 1,503 | 1,540 | 1,578 |
| 16,284 | Supplies and Services | 16,899 | 21,795 | 29 | 21,410 | 22,065 | 22,746 |
| 742 | Depreciation and Amortisation | 554 | 606 | 9 | 555 | 467 | 200 |
| 1,473 | Borrowing Costs | 10 | 5,650 | # | 5,890 | 4,990 | 7,210 |
| 270,991 | Cost of Goods Sold | 149,658 | 452,991 | 203 | 388,813 | 338,677 | 479,196 |
| 0 | Grants and Purchased Services | 2,547 | 3,789 | 49 | 3,413 | -1 | -1 |
| 2,998 | Other Expenses | 1,994 | 15,460 | 675 | 6,077 | 8,401 | 6,186 |
| 305,533 | Total Ordinary Expenses | 183,578 | 513,117 | 180 | 439,306 | 388,082 | 529,362 |
| 12,869 | Share of Operating Result from Joint Venture accounted for using the Equity Method | 20,061 | 37,960 | 89 | 19,539 | 16,657 | -108 |
| 76,678 | Operating Result From Ordinary Activities | 72,361 | 221,267 | 206 | 194,814 | 185,385 | 222,124 |
| 23,003 | Income Tax Equivalent | 21,708 | 66,380 | 206 | 58,444 | 55,615 | 66,637 |
| 53,675 | Operating Result | 50,653 | 154,887 | 206 | 136,370 | 129,770 | 155,487 |
| 53,675 | Total Comprehensive Income | 50,653 | 154,887 | 206 | 136,370 | 129,770 | 155,487 |

Land Development Agency Balance Sheet

| Budget as at 30/6/11 \$'000 | | Est.Outcome as at 30/6/11 \$'000 | Planned as at 30/6/12 \$'000 | Var % | Planned as at 30/6/13 \$'000 | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 |
|--------------------------------------|--------------------------------------|--|------------------------------------|------------|------------------------------------|------------------------------------|------------------------------------|
| Current Assets | | | | | | | |
| 26,370 | Cash and Cash Equivalents | 76,700 | 80,748 | 5 | 82,791 | 94,937 | 89,854 |
| 27,173 | Receivables | 62,659 | 44,498 | -29 | 38,931 | 33,583 | 30,595 |
| 29,259 | Investments | 18,153 | 18,184 | .. | 251 | 7,582 | 0 |
| 194,926 | Inventories | 196,347 | 235,005 | 20 | 232,950 | 267,243 | 293,248 |
| 277,728 | Total Current Assets | 353,859 | 378,435 | 7 | 354,923 | 403,345 | 413,697 |
| Non Current Assets | | | | | | | |
| 3,376 | Receivables | 9,607 | 9,107 | -5 | 8,607 | 8,107 | 7,607 |
| 28,686 | Investments | 15,896 | 425 | -97 | 0 | 0 | 7,582 |
| 33,346 | Inventories | 0 | 924 | # | 593 | 0 | 0 |
| 6,785 | Property, Plant and Equipment | 5,882 | 5,425 | -8 | 5,022 | 4,704 | 4,654 |
| 0 | Intangibles | 750 | 600 | -20 | 450 | 300 | 150 |
| 72,193 | Total Non Current Assets | 32,135 | 16,481 | -49 | 14,672 | 13,111 | 19,993 |
| 349,921 | TOTAL ASSETS | 385,994 | 394,916 | 2 | 369,595 | 416,456 | 433,690 |
| Current Liabilities | | | | | | | |
| 59,065 | Payables | 140,456 | 139,164 | -1 | 123,516 | 170,770 | 182,182 |
| 98 | Finance Leases | 32 | 32 | - | 32 | 32 | 32 |
| 2,267 | Employee Benefits | 2,469 | 2,523 | 2 | 2,578 | 2,636 | 2,694 |
| 69,080 | Other Provisions | 44,294 | 54,794 | 24 | 47,294 | 48,794 | 52,294 |
| 5,751 | Income Tax Payable | 11,409 | 16,303 | 43 | 14,318 | 13,609 | 16,365 |
| 12,884 | Other | 19,957 | 15,215 | -24 | 15,465 | 14,715 | 14,715 |
| 149,145 | Total Current Liabilities | 218,617 | 228,031 | 4 | 203,203 | 250,556 | 268,282 |
| Non Current Liabilities | | | | | | | |
| 40,000 | Interest Bearing Liabilities | 0 | 0 | - | 0 | 0 | 0 |
| 64 | Finance Leases | 96 | 96 | - | 96 | 96 | 96 |
| 154 | Employee Benefits | 300 | 308 | 3 | 315 | 323 | 331 |
| 16,722 | Other Provisions | 25,548 | 25,048 | -2 | 24,548 | 24,048 | 23,548 |
| 17,822 | Non Current Income Tax Payable | 14,984 | 14,984 | - | 14,984 | 14,984 | 14,984 |
| 74,762 | Total Non Current Liabilities | 40,928 | 40,436 | -1 | 39,943 | 39,451 | 38,959 |
| 223,907 | TOTAL LIABILITIES | 259,545 | 268,467 | 3 | 243,146 | 290,007 | 307,241 |
| 126,014 | NET ASSETS | 126,449 | 126,449 | - | 126,449 | 126,449 | 126,449 |
| REPRESENTED BY FUNDS EMPLOYED | | | | | | | |
| 122,850 | Accumulated Funds | 123,285 | 123,285 | - | 123,285 | 123,285 | 123,285 |
| 3,164 | Reserves | 3,164 | 3,164 | - | 3,164 | 3,164 | 3,164 |
| 126,014 | TOTAL FUNDS EMPLOYED | 126,449 | 126,449 | - | 126,449 | 126,449 | 126,449 |

**Land Development Agency
Cash Flow Statement**

| 2010-11 Budget \$'000 | 2010-11 Est.Outcome \$'000 | 2011-12 Budget \$'000 | Var % | 2012-13 Estimate \$'000 | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 |
|---|----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| 122 | 140 | 140 | - | 140 | 140 | 140 |
| 610 | 7,100 | 2,800 | -61 | 2,800 | 2,700 | 2,700 |
| 0 | 3,048 | 4,291 | 41 | 3,414 | 0 | 0 |
| 422,916 | 278,283 | 724,412 | 160 | 651,181 | 588,286 | 809,040 |
| 423,648 | 288,571 | 731,643 | 154 | 657,535 | 591,126 | 811,880 |
| Payments | | | | | | |
| 11,614 | 10,566 | 11,359 | 8 | 11,644 | 11,941 | 12,245 |
| 1,431 | 1,350 | 1,466 | 9 | 1,503 | 1,540 | 1,578 |
| 17,674 | 16,787 | 21,804 | 30 | 21,404 | 22,070 | 22,765 |
| 1,467 | 0 | 5,640 | # | 5,880 | 4,980 | 7,200 |
| 0 | 2,548 | 3,790 | 49 | 3,414 | 0 | 0 |
| 461,569 | 216,854 | 597,901 | 176 | 518,418 | 419,263 | 617,693 |
| 493,755 | 248,105 | 641,960 | 159 | 562,263 | 459,794 | 661,481 |
| -70,107 | 40,466 | 89,683 | 122 | 95,272 | 131,332 | 150,399 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| 32,050 | 18,153 | 53,500 | 195 | 38,000 | 9,433 | 0 |
| 32,050 | 18,153 | 53,500 | 195 | 38,000 | 9,433 | 0 |
| Payments | | | | | | |
| 550 | 512 | 0 | -100 | 0 | 0 | 0 |
| 550 | 512 | 0 | -100 | 0 | 0 | 0 |
| 31,500 | 17,641 | 53,500 | 203 | 38,000 | 9,433 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| 40,000 | 0 | 0 | - | 0 | 0 | 0 |
| 40,000 | 0 | 0 | - | 0 | 0 | 0 |
| Payments | | | | | | |
| 53,674 | 67,604 | 139,135 | 106 | 131,229 | 128,619 | 155,482 |
| 53,674 | 67,604 | 139,135 | 106 | 131,229 | 128,619 | 155,482 |
| -13,674 | -67,604 | -139,135 | -106 | -131,229 | -128,619 | -155,482 |
| -52,281 | -9,497 | 4,048 | 143 | 2,043 | 12,146 | -5,083 |
| 78,651 | 86,197 | 76,700 | -11 | 80,748 | 82,791 | 94,937 |
| 26,370 | 76,700 | 80,748 | 5 | 82,791 | 94,937 | 89,854 |

**Land Development Agency
Statement of Changes in Equity**

| Budget as at 30/6/11 \$'000 | | Est.Outcome as at 30/6/11 \$'000 | Planned as at 30/6/12 \$'000 | Var % | Planned as at 30/6/13 \$'000 | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 |
|-----------------------------------|--|--|------------------------------------|------------|------------------------------------|------------------------------------|------------------------------------|
| | Opening Equity | | | | | | |
| 122,467 | Opening Accumulated Funds | 122,902 | 123,285 | .. | 123,285 | 123,285 | 123,285 |
| 3,164 | Opening Asset Revaluation Reserve | 3,164 | 3,164 | - | 3,164 | 3,164 | 3,164 |
| 125,631 | Balance at the Start of the Reporting Period | 126,066 | 126,449 | 0 | 126,449 | 126,449 | 126,449 |
| | Comprehensive Income | | | | | | |
| 53,675 | Operating Result for the Period | 50,653 | 154,887 | 206 | 136,370 | 129,770 | 155,487 |
| 53,675 | Total Comprehensive Income | 50,653 | 154,887 | 206 | 136,370 | 129,770 | 155,487 |
| 0 | Total Movement In Reserves | 0 | 0 | - | 0 | 0 | 0 |
| | Transactions Involving Owners Affecting Accumulated Funds | | | | | | |
| 383 | Inc/Dec in Net Assets due to Admin Restructure | 383 | 0 | -100 | 0 | 0 | 0 |
| -53,675 | Dividend Approved | -50,653 | -154,887 | 206 | -136,370 | -129,770 | -155,487 |
| -53,292 | Total Transactions Involving Owners Affecting Accumulated Funds | -50,270 | -154,887 | 208 | -136,370 | -129,770 | -155,487 |
| | Closing Equity | | | | | | |
| 122,850 | Closing Accumulated Funds | 123,285 | 123,285 | - | 123,285 | 123,285 | 123,285 |
| 3,164 | Closing Asset Revaluation Reserve | 3,164 | 3,164 | - | 3,164 | 3,164 | 3,164 |
| 126,014 | Balance at the End of the Reporting Period | 126,449 | 126,449 | - | 126,449 | 126,449 | 126,449 |

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- grants from the Commonwealth: the increase of \$3.048 million in the 2010-11 estimated outcome from the original budget and the increase of \$1.243 million in 2011-12 Budget from the 2010-11 estimated outcome are due to Housing Affordability Funding received from the Commonwealth.
- interest:
 - the increase of \$6.490 million in the 2010-11 estimated outcome from the original budget is due to additional investment returns from higher cash balances than planned; as well as interest received from Treasury for overpaid income tax not previously forecast; and

- the decrease of \$4.3 million in 2011-12 Budget from the 2010-11 estimated outcome is due to the LDA having, on average, less surplus cash to invest in the Territory Banking Account mainly due to increased expenditure on development costs and reduced interest revenue from other sources.
- land revenue:
 - the decrease of \$143.298 million in the 2010-11 estimated outcome from the original budget relates to lower than expected land settlements from residential, commercial and industrial lease sales due to the deferral of a number of releases to future years together with the impact of adverse weather causing delays to construction; and
 - the increase of \$463.797 million in the 2011-12 Budget from the 2010-11 estimated outcome is largely due to increased land sales revenue from residential, commercial, industrial and englobo lease settlements in 2011-12 directly related to the Government’s accelerated land release program instituted over recent years together with the realisation of delayed settlements from 2010-11.
- employee expenses:
 - the decrease of \$1.048 million in the 2010-11 estimated outcome from the original budget is mainly due to increased FTE employment levels being achieved later in the 2010-11 year than initially forecast; and
 - the increase of \$0.794 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to full employment levels being estimated for the whole year, as opposed to the 2010-11 year where peak employment was only achieved towards the end of the financial year.
- supplies and services:
 - the increase of \$0.615 million in the 2010-11 estimated outcome from the original budget is mainly due to increased consultant and contractors expenses required to deliver the Government’s accelerated land release program; and
 - the increase of \$4.896 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to increased selling costs relating to increased land sales.
- depreciation and amortisation: the decrease of \$0.188 million in the 2010-11 estimated outcome from the original budget is due to a delay in implementing the proposed Information Technology system.
- borrowing costs:
 - the decrease of \$1.463 million in the 2010-11 estimated outcome from the original budget is due to the re-profiling of the borrowings program based on revised cash flow forecasts resulting in no borrowings being required in 2010-11; and
 - the increase of \$5.640 million in 2011-12 Budget from the 2010-11 estimated outcome reflects interest paid to the Territory and Municipal Services Directorate (TAMS) on land purchases.
- cost of goods sold:
 - the decrease of \$121.333 million in the 2010-11 estimated outcome from the original budget is mainly due to lower land sales due to the deferral of a number of releases to future years together with the impact of adverse weather causing delays in construction; and

- the increase of \$303.333 million in the 2011-12 Budget from the 2010-11 estimated outcome is a result of higher land sales in 2011-12 reflecting the Government’s accelerated land release program.
- grants and purchased services: the increase of \$2.547 million in the 2010-11 estimated outcome from the original budget and the increase of \$1.242 million in the 2011-12 Budget from the 2010-11 estimated outcome are due to the Housing Affordability Funding received from the Commonwealth Government being distributed to Joint Venture partners and third party developers.
- other expenses:
 - the decrease of \$1.004 million in the 2010-11 estimated outcome from the original budget is due to savings in conveyance duty costs due to a lower than expected cost of land, offset by an unexpected land transfer to TAMS free of charge; and
 - the increase of \$13.466 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to increased land being provided free of charge and increased conveyance duty payable for 2011-12 as a result of a higher volume of land purchased from TAMS.
- share of operating result from Joint Venture:
 - the increase of \$7.192 million in the 2010-11 estimated outcome from the original budget is due to changes in the timing of the recognition of Joint Venture development rights revenue in order to comply with the requirements of AASB 131 *Interests in Joint Ventures*.
 - the increase of \$17.899 million in the 2011-12 Budget from the 2010-11 estimated outcome are due to higher profits arising from higher sales volumes (\$11.673 million) together with changes in the timing of the recognition of Joint Venture development rights revenue as detailed above (\$6.226 million).
- income tax equivalent:
 - the decrease of \$1.295 million in the 2010-11 estimated outcome from the original budget reflects decreased income tax expenses arising from a lower operating result; and
 - the increase of \$44.672 million in the 2011-12 Budget from the 2010-11 estimated outcome reflects increased income tax expenses arising from a higher operating result.

Balance Sheet

- current assets:
 - the increase of \$76.131 million in the 2010-11 estimated outcome from the original budget is due predominately to an increase in cash and other receivables offset by a decrease in investments as follows: the increase in cash is largely due to reduced development payments, land acquisition, GST payable to the Australian Taxation Office (ATO) and decreased conveyance duty costs (total \$245.010 million) all due to decreased land settlements, partially offset by reduced cash receipts from sales (\$144.633 million), reduced cash distributions from Joint Ventures (\$13.897 million) and a decrease in borrowings (\$40 million) as detailed above. The increase in receivables is due to the changes in the timing of the recognition of Joint Venture development rights revenue as detailed above which consequently led to an overpayment of dividends in previous years (\$27.915 million), an increase in trade receivables for land sales due to a change in the expected timing of land settlements (\$4.717 million), and an increase in infrastructure assets to be received from third parties (\$2.470 million). This has been partially offset by a decrease in investments (\$11.106 million) primarily due to the decrease in the initial carrying value of combined Joint Venture investments due to the prior period error detailed above offset by increased operating profits recorded by Joint Ventures and reduced cash distributions received from Joint Ventures.
 - the increase of \$24.576 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to: an increase in cash (\$4.048 million) and inventories (\$38.658 million) primarily due to increased development expenditure. This increase is partially offset by a decrease in receivables due to a reduction in the receivable for previously overpaid dividends (\$18.161 million).
- non current assets:
 - the decrease of \$40.058 million in the 2010-11 estimated outcome from the original budget is mainly due to a decrease in the carrying value of combined Joint Venture investments (\$12.790 million) due to increased cash distributions to be received by Joint Ventures offset by increased operating profits expected from Joint Ventures; a decrease in inventories (\$33.346 million) due to the accelerated conversion of work-in-progress to sales. These decreases are partially offset by an increase in receivables due mainly to an increase in the right to receive infrastructure assets (\$6.231 million).
 - the decrease of \$15.654 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the transfer to current investments of investments in joint venture arrangements (\$15.471 million).

- current liabilities:
 - the increase of \$69.472 million in the 2010-11 estimated outcome from the original budget is mainly due to: an increase in payables resulting from the timing differences of land payments to TAMS (\$78.956 million) and an increase in GST payable to the ATO related to the timing of land settlements (\$2.434 million); an increase in income tax payable due to the timing differences of payments (\$5.658 million) and an increase in revenue received in advance for land sales due to an increase in the value of anticipated exchanged contracts (\$7.073 million). This has been partially offset by a decrease in other provisions mainly relating to the provision for project completion (\$24.786 million).
 - the increase of \$9.414 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to an increase in the provision for income tax payable reflecting a higher final instalment payment in line with the increased operating result compared to 2010-11 (\$4.894 million), an increase in other provisions mainly relating to the provision for project completion (\$10.5 million) due to an increase in finished land inventory due to increased development payments. Partially offset by a decrease in GST payable to the ATO related to the timing of land sales (\$2.095 million) together with a decrease in revenue received in advance for land sales based on a reduction in the value of contracts exchanged but not settled at year end (\$4.742 million).
- non current liabilities:
 - the decrease of \$33.834 million in the 2010-11 estimated outcome from the original budget is mainly due to the reduction in Government borrowings (\$40 million) due to the re-profiling of the borrowings program based on revised cash flow estimates such that no borrowings are now estimated for 2010-11 together with a decrease in income tax liability due to timing differences of income tax payments under tax effect accounting principles (\$2.838 million). Partially offset by an increase in other provisions including the transfer of infrastructure assets to other ACT Government agencies (\$6.231 million) and the provision for project completion (\$2.595 million) due to the transfer from current liabilities based on the expected timings of development payments.
 - the decrease of \$0.492 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the decrease in other provisions being the transfer of infrastructure assets to other ACT Government agencies.

Cash Flow Statement

The major variations in the Cash Flow Statement in the 2010-11 estimated outcome from the original budget and in the 2011-12 Budget from the 2010-11 estimated outcome are mostly explained in the notes to the Operating Statement above. Other significant variations relate to:

- other revenue:
 - the decrease of \$144.633 million in the 2010-11 estimated outcome from the original budget is due to reduced land settlements across all sectors; and
 - the increase of \$446.129 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to increased land settlements in all sectors.

- other payments:
 - the decrease of \$244.715 million in the 2010-11 estimated outcome from the original budget is mainly due to: a decrease of \$233.178 million in land and development payments due to decreased land settlements and adverse weather conditions; a decrease of \$11.279 million in GST payments to the ATO due to decreased land settlements; and a decrease of \$1.53 million in conveyance duty payments due to decreased land settlements.
 - the increase of \$381.047 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to: an increase of \$303.642 million in land and development payments in line with the Government's accelerated land release program; an increase in income tax payments of \$37.468 million due to an increased operating result; an increase of \$3.723 million in conveyance duty payments due to the increase in land purchases from TAMS; and an increase of \$36.388 million in GST payments to the ATO due to the increase in land sales.
- proceeds from sale/maturities of investments:
 - the decrease of \$13.897 million in the 2010-11 estimated outcome from the original budget is due to decreased cash distributions from Joint Ventures; and
 - the increase of \$35.347 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to increased cash distributions from Joint Ventures.
- purchase of property, plant and equipment and capital works: the decrease of \$0.512 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to no new plant and equipment forecast to be purchased in 2011-12.
- borrowings received: the decrease of \$40 million in the 2010-11 estimated outcome from the original budget is due to the re-profiling of the borrowings program based on revised cash flow estimates such that no borrowings are required in 2010-11.
- dividends to Government:
 - the increase of \$13.930 million in the 2010-11 estimated outcome from the original budget is mainly due to the \$31.926 million payment of the 2009-10 dividend that was paid in 2010-11. This is partially offset by the decrease of \$3.022 million for the 2010-11 dividend payment due to the lower anticipated operating result; and a \$14.976 million refund for overpaid dividends in relation to the correction of joint venture accounting as detailed above.
 - the increase of \$71.531 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the higher level of operating profit due to higher land settlements together with higher anticipated profits from Joint Ventures.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.