

City Renewal Authority

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

This Statement of Intent for 2017-18 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Andrew Barr MLA, was consulted during the preparation of the Statement of Intent. The Statement of Intent, which focuses on the 2017-18 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Authority's strategic and business planning processes.

The City Renewal Authority 2017-18 Statement of Intent has been agreed between:



Dr Michael Easson AM
Chair
City Renewal Authority Board
12th January 2018



Mr Andrew Barr MLA
Chief Minister
Treasurer
Minister for Economic Development
Minister for Tourism and Major Events

12 February 2018

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Purpose

The City Renewal Authority (the Authority) is established under s.7 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), and regulated by Parts 8 and 9 of the *Financial Management Act 1996* (FMA), s.50 of the *Planning and Development Act 2007* and the *Public Sector Management Act 1994* (PSMA).

Working with the community, the Authority recognises that Canberra's civic places are there for the people to live in, enjoy and to deliver a quality of life Canberrans expect and deserve. The objects of the City Renewal Authority are set out in s.8 of the Act and include:

- a. the encouragement and promotion of a vibrant city through the delivery of design-led, people-focussed urban renewal;
- b. the encouragement and promotion of social and environmental sustainability, and
- c. operational effectiveness, delivering value for money using sound risk practices.

The functions of the City Renewal Authority are set out in s.9 of the Act and include:

- a. carrying out urban renewal;
- b. buying and selling leases of land on behalf of the Territory;
- c. making arrangements for the public service or another entity to carry out development or works;
- d. supporting public and private sector investment and participation in urban renewal;
- e. managing orderly urban renewal, including holding, managing and selling land and other property;
- f. supporting cooperation between the Authority, the community, and relevant entities;
- g. supporting high quality design, planning and delivery of sustainable urban renewal;
- h. meeting housing targets determined under s.65 of the Act that relate to affordable, community and public housing;
- i. supporting statutory greenhouse gas emissions targets and delivering environmentally sustainable development;
- j. following and supporting whole-of-government strategies; and
- k. any other function given to the Authority under the Act or another Territory law.

The City Renewal Authority must exercise its functions in a way that is consistent with its Statement of Operational Intent (as required by s.9 of the Act).

With the approval of the Minister and the Treasurer, the City Renewal Authority may exercise its functions through subsidiaries, joint ventures or trusts, or by holding shares in, or other securities of, corporations.

What we aim to achieve

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

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

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

We will expedite delivery of our projects in cooperation with other government agencies, private owners, developers, businesses and the community to transform public spaces, strengthen social inclusiveness and foster economic growth. Together, we will create new public buildings, homes, offices and businesses, spaces and landscapes.

Our success will be measured by:

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

Government's Expectations

The Chief Minister wrote to the Chair of the City Renewal Authority on 3rd August 2017 outlining the Government's vision for Canberra, and set out the Government's requirements and priorities for the financial year 2017-18 including:

- The achievement of the Government's ongoing commitment to good public sector governance, and the effective management of significant land resources under the stewardship of the Authority; and
- The implementation of urban renewal projects in the City Renewal Precinct, specifically:
 - Haig Park - Working in consultation with Transport Canberra and City Services to finalise and implement the draft Haig Park Masterplan.
 - West Basin - Completion of Stage 1 and commencement of Stage 2 of the West Basin Precinct.
 - Planning of renewal works to enliven and renew the City Bus Interchange.
 - Proactive engagement with building owners in the City Precinct to ensure delivery of cohesive renewal and maintenance works - Act as key liaison between ACT Government and owners of the iconic Sydney and Melbourne Buildings to encourage and support revitalisation of these significant heritage sites.

- Engagement with Transport Canberra and City Services to ensure the continued delivery of open boulevard space along Northbourne Avenue to enable safe pedestrian movement and connection to services and facilities along the gateway.
- Continuation of planning and renewal works to establish Dickson as a key community and transport hub connecting the City to surrounding northern suburbs.
- Progressing the sale of Asset Recycling Initiative sites within the precinct.
- Actively contributing to the liveability and vitality of the City Centre, through:
 - Planning and delivery of a diverse range of events, capital works upgrades, public realm and amenity improvements and stakeholder partnerships, including:
 - testing and trialling public space through events and interventions;
 - partnering with local event providers and businesses;
 - testing regulatory barriers to events and innovation;
 - leading the market by demonstrating event styles and locations;
 - facilitating events and activities in public spaces, including laneways;
 - Identifying opportunities for large scale festivals or seasonal events to enliven the City Centre and support the development of the Territory’s event sector
- Establishing and maintaining positive relationships, through:
 - Consulting and establishing productive working relationships with key stakeholders, including all levels of Government and other relevant bodies and organisations;
 - Engaging openly and meaningfully with the local community to inform both the design and delivery of works within declared precincts;
 - Promoting cooperation, collaboration and coherent urban renewal with other key entities including the National Capital Authority and the Suburban Land Agency.
- Establishing and maintaining positive relationships with other ACT Government Directorates and agencies.

Statement of Operational Intent

In response to the Government's Statement of Expectations, the Board of the City Renewal Authority presented to the Chief Minister the Authority's Statement of Operational Intent for 2017-18. The Statement of Operational Intent represents the Authority's aspirations in its first year of operation, specifically responds to each element of the Government's Statement of Expectations.

Specifically, the Authority will in 2017-18 deliver the following project-related outcomes:

- **City Renewal Precinct** - deliver a plan for revitalisation of the City Precinct, which will be people-centric with quality urban environment at its heart;
- **Haig Park** - finalise the Haig Park Master Plan and implementation strategy;
- **West Basin Precinct** - complete Stage 1 of the West Basin Precinct, and work with the Australian Government and other stakeholders to progress West Basin Stage 2;
- **City Bus Interchange** - progress improvements to the City Bus Interchange and its important functional interrelationship with the Light Rail Network;
- **Sydney and Melbourne Buildings** - develop a plan for the revitalisation of the Sydney and Melbourne buildings and surrounding public realm;
- **Northbourne Avenue** - set guidelines and standards that will ensure the landscape environment along Northbourne Avenue is befitting the primary gateway to the National Capital;
- **Dickson Group Centre** - identify opportunities for future development and renewal in the Dickson Group Centre;
- **Asset Recycling Initiative** - progress land sales within the Precinct associated with the Asset Recycling Initiative; and
- **City Activation** - develop a comprehensive program of place making and activation for the public spaces of the City Precinct, and partner with local businesses and the creative sector to support the cultural capital of the city centre.

During 2017-18, the Authority will also formulate a strategic plan that acknowledges current constraints and opportunities and sets the Authority's future direction over the next three financial years.

Performance measures and targets

Key Performance Indicators for 2017-18 to 2020-21

Financial Measures

Table 1 below outlines the Authority's performance measures for profitability.

Table 1: Financial Measures

	2017-18 Budget	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
Land Sales Revenue (million \$)	0.432	5.643	8.190	60.190
Gross Profit Margin on Land Sales	42%	40%	42%	44%

Gross Profit Margin = (Land Sales - Cost of Goods Sold including Duty) / Land Sales

Non-Financial Measures

The Authority's non-financial performance will be assessed against most of the Governments' Statement of Expectations, including:

- Projects implemented
- City Centre Vitality
- Effective Governance
- Risk Management

The indicators of success for each measure are described in Table 2 below.

Table 2: Key Performance Indicators (non-financial)

Indicator theme/topic	Indicator	Target 2017-18
Projects		
City Renewal Precinct	Plan submitted to Government	30 June 2018
Haig Park	Master Plan completed	30 June 2018
West Basin Precinct	Stage 2 commenced	30 June 2018
City Bus Interchange	Extension plan implemented	30 June 2018
Sydney and Melbourne Buildings	Revitalisation plan implemented	30 June 2018
Northbourne Avenue	Guidelines implemented	30 June 2018
Dickson Group Centre	Revitalisation project agreed	30 June 2018
Asset Recycling Initiative	Land sales program met	30 June 2018
City Activation	Program fully implemented	30 June 2018

City Centre Vitality		
Integrated City Centre revitalisation program	Approved Year 1 program fully implemented.	30 June 2018
New Events	New opportunities identified and supported by Events ACT.	30 June 2018
Effective Governance		
Authority policies and procedures	<p>The Board has no breaches of its statutory and fiduciary obligations, however (recognising that breaches may occur) any breaches are either referred to the Police or other appropriate authorities or are within ACT Government tolerances.</p> <p>The Board and staff have no breaches of ACT Government administration and governance requirements, however (recognising that breaches may occur) any breaches are either referred to the appropriate investigation authorities or are within ACT Government tolerances.</p>	30 June 2018
Risk Management		
Internal and external audit of financial management and business systems.	Unqualified audit reports.	30 June 2018
Service Agreements	All actions or inactions relating to CRA Service Agreements with ACT Government entities are within the tolerances specified in the relevant Agreement, or otherwise within ACT Government tolerances.	30 June 2018
Risk Framework and Register	Framework and Register approved, implemented and monitored by the Audit and Risk Committee.	30 June 2018
Workplace Health and Safety (WHS)	No breaches of WHS-related legislated or policy requirements.	30 June 2018

Assessment of performance against 2016-17 objectives

As the City Renewal Authority was established on 1 July 2017, there is no assessment against 2016-17 objectives.

Estimated employment level and employment profile

The staff level for Full Time Equivalents (FTE) planned for 2017-18 is detailed below.

Table 3: Projected Staffing Level

	2017-18 Budget
Staffing (FTE)	20

Table 4: 2017-18 Employment Profile

Classification	Male	Female	Vacancies	Total
Executive	2		1	3
Infrastructure Manager/ Supervisor 1-3	1	1		2
Infrastructure Officer 5/4	1	3		4
Infrastructure Officer 3				0
Infrastructure Officer 1-2				0
SOG A/B	2	2		4
SOG C	1	1		2
ASO 6			1	1
ASO 5	1	3		4
ASO 2/3/4				0
Total	8	10	2	20

Monitoring and Reporting

The Authority will meet its reporting requirements as described below.

Monthly Reporting

To meet whole of government reporting requirements on a monthly basis, the Authority (through the Suburban Land Agency) will ensure the timely availability of the financial statements to the Treasurer through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). The statements will be in the prescribed form and required detail, for the previous calendar month. These will be provided by the due dates set by Treasury.

- a) Operating Statement;
- b) Balance Sheet; and
- c) Cash Flow Statement.

Quarterly Reporting

As required by s13 of the Act, the Authority will provide to the Minister after the end of a quarter a report which details any land acquisition by the Authority during the quarter.

Annual Reporting

To comply with the *Financial Management Act 1996* and to enable whole of government reporting requirements to be met, the Authority will provide the following information to the Auditor-General and CMTEDD by the dates set by Treasury:

- Certified financial statements;
- Statement of Performance;
- Management discussion and analysis;
- A full and accurate set of audited financial records for the preceding financial year in the form requested; and
- Consolidation packs relating to the annual financial statements, draft and final.

As required by s14 of the Act, the Authority will prepare an annual report under the *Annual Reports (Government Agencies) Act 2004*, including:

- any statement of expectations and statement of operational intent in effect during the reporting year; and
- a report on the extent to which the statement of operational intent in effect during the reporting year was met during the reporting year; and
- if the statement of operational intent was not met in whole or in part during the reporting year - give reasons why the statement of operational intent was not met

Ministerial and Directorate Reporting

The Authority will provide timely, accurate and coordinated advice to Government, including the Minister, on significant issues in its core area of business, including (but not limited to):

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

FINANCIAL ARRANGEMENTS

Budgeted financial statements for the 2017-18 Budget year, as well as forward estimates for the three financial years commencing 2018-19 appear overleaf. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- a) Operating Statement;
- b) Balance Sheet;
- c) Statement of Changes in Equity;
- d) Cash Flow Statement; and
- e) Notes to the Financial Statements as appropriate.

Financial Statements

Table 5: City Renewal Authority: Operating Statement

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
Income						
Revenue						
0	0	4,758	#	4,334	4,406	553
0	0	432	#	5,643	8,190	60,190
0	0	1,764	#	1,792	1,821	1,850
0	0	6,954	#	11,769	14,417	62,593
Expenses						
0	0	3,038	#	3,111	3,183	3,257
0	0	389	#	401	413	422
0	0	3,133	#	2,689	2,736	2,736
0	0	0	-	9	9	569
0	0	182	#	186	191	196
0	0	250	#	3,386	4,729	33,175
0	0	0	-	0	0	812
0	0	0	-	0	0	636
0	0	6,992	#	9,782	11,261	41,803
0	0	-38	#	1,987	3,156	20,790
0	0	-11	#	596	947	6,237
0	0	-27	#	1,391	2,209	14,553
0	0	-27	#	1,391	2,209	14,553

Table 6: City Renewal Authority: Balance Sheet

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000	
Current Assets							
0	Cash and Cash Equivalents	0	7,834	#	7,519	6	234
0	Inventories	0	11,715	#	13,487	23,275	20,523
0	Capital Works in Progress	0	9,500	#	22,500	37,388	0
0	Total Current Assets	0	29,049	#	43,506	602,669	20,757
Non Current Assets							
0	Inventories	0	5,966	#	5,966	5,966	5,966
0	Property, Plant and Equipment	0	0	-	1,991	1,982	38,801
0	Total Non Current Assets	0	5,966	#	7,957	7,948	44,767
0	TOTAL ASSETS	0	35,015	#	51,463	68,617	65,524
Current Liabilities							
0	Employee Benefits	0	603	#	603	603	603
0	Other Liabilities	0	188	#	1,636	3,902	809
0	Total Current Liabilities	0	791	#	2,239	4,505	1,412
Non Current Liabilities							
0	Employee Benefits	0	26	#	26	26	26
0	Total Non Current Liabilities	0	26	#	26	26	26
0	TOTAL LIABILITIES	0	817	#	2,265	4,531	1,438
0	NET ASSETS	0	34,198	#	49,198	64,086	64,086
REPRESENTED BY FUNDS EMPLOYED							
0	Accumulated Funds	0	34,198	#	49,198	64,086	64,086
0	TOTAL FUNDS EMPLOYED	0	34,198	#	49,198	64,086	64,086

Table 7: City Renewal Authority: Statement of Changes in Equity

Budget at 30/6/17 \$'000	2016-17 Estimated Outcome \$'000	Budget at 30/6/18 \$'000	Var %	Estimate at 30/6/19 \$'000	Estimate at 30/6/20 \$'000	Estimate at 30/6/21 \$'000
Opening Equity						
0	0	0	-	34,198	49,198	64,086
0	0	0	-	34,198	49,198	64,086
Comprehensive Income						
0	0	-27	#	1,391	2,209	14,553
0	0	-27	#	1,391	2,209	14,553
Transactions Involving Owners Affecting Accumulated Funds						
0	0	9,500	#	15,000	14,888	0
0	0	24,698	#	0	0	0
0	0	27	#	-1,391	-2,209	-14,553
0	0	34,225	#	13,609	12,679	-14,553
Closing Equity						
0	0	34,198	#	49,198	64,086	64,086
0	0	34,198	#	49,198	64,086	64,086

Table 8: City Renewal Authority: Cash Flow Statement

2016-17 Budget	2016-17 Estimated Outcome \$'000	2017-18 Budget \$'000	Var %	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	0	4,758	#	4,334	4,406	553
0	0	432	#	5,643	8,190	60,190
0	0	5,190	#	9,977	12,596	60,743
Payments						
0	0	3,038	#	3,111	3,183	3,257
0	0	389	#	401	413	422
0	0	1,369	#	897	915	886
0	0	182	#	186	191	196
0	0	0	-	0	0	812
0	0	-11	#	596	943	6,231
0	0	1,479	#	5,158	14,518	30,422
0	0	0	-	0	0	636
0	0	6,446	#	10,349	20,163	42,862
0	0	-1,256	#	-372	-7,567	17,881
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Payments						
0	0	9,500	#	15,000	14,888	0
0	0	9,500	#	15,000	14,888	0
0	0	-9,500	#	-15,000	-14,888	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						

Table 9: City Renewal Authority: Cash Flow Statement (continued)

2016-17 Budget	2016-17 Estimated Outcome	2017-18 Budget	Var %	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
0 Capital Injections	0	9,500	#	15,000	14,888	0
0 Receipts of Transferred Cash Balances	0	9,034	#	0	0	0
0 Financing Receipts	0	18,534	#	15,000	14,888	0
Payments						
0 Payment of Dividend	0	-56	#	-57	-57	17,647
0 Financing Payments	0	-56	#	-57	-57	17,647
0 NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	0	18,590	#	15,057	14,945	-17,647
0 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	0	7,834	#	-315	-7,510	234
0 CASH AT THE BEGINNING OF REPORTING PERIOD	0	0	-	7,834	7,519	6
0 CASH AT THE END OF REPORTING PERIOD	0	7,834	#	7,519	6	234

Notes to the Controlled Budget Statements

Explanatory notes to the Controlled Budget Statements explain variations between the 2016-17 estimated outcome to the 2016-17 and 2017-18 budgets. However, as the *City Renewal Authority and Suburban Land Agency Act 2017* established the CRA effective 1 July 2017, notes are not provided due to the absence of 2016-17 budget and estimated outcome.