



ANNUAL REPORT

2020-21



The Land Development Corporation acknowledges the Traditional Owners of the Northern Territory. In particular we pay respect to Arrernte, Larrakia and Tiwi people, on whose land we operate.

LETTER TO THE MINISTER

The Honourable Michael Gunner MLA
Minister for Major Projects and Territory Economic Reconstruction
Parliament House
DARWIN NT 0800

Dear Minister,

As part of the presentation of the agency's Annual Report, and in accordance with Treasurer's Direction R2.1.6, each accountable officer shall include a representation to the relevant minister (with a copy provided to the Department of Treasury and Finance) that to the best of the accountable officer's knowledge and belief:

- a) proper records of all transactions affecting the agency are kept and that employees under their control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions
- b) procedures within the agency afford 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 1995*
- c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists (or where this is not the case, details to be provided of any such instances)
- d) in accordance with the requirements of section 15 of the *Financial Management Act 1995*, the internal audit capacity available to the agency is adequate and the results of internal audits have been reported to the accountable officer
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions, and
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied.

Yours Sincerely



Tony Stubbin
Chief Executive Officer

19 October 2021



WARATAH CRESCENT

DARWIN INTERNATIONAL AIRPORT

WISHART ESTATE

HOLTZE INDUSTRIAL

TRUCK CENTRAL

DARWIN BUSINESS PARK

DARWIN CBD

BULK LIQUIDS AREA

MARINE INDUSTRY PARK

HARDSTAND

DARWIN PORT

BARGE RAMP

SHIP LIFT

INPEX ICHTHYS LNG PLANT

SANTOS DARWIN LNG

SPITFIRE EST

CHANNEL ISLAND POWER STATION

KIT

MIDDLE ARM SUSTAINABLE DEVELOPMENT PRECINCT

KITTY

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CHIEF EXECUTIVE OFFICER'S REPORT 2020-21



TONY STUBBIN
Chief Executive Officer

The Land Development Corporation (LDC) is the Northern Territory Government's strategic land development agency. Our goal is to develop residential and industrial land to meet the strategic needs of Northern Territory residents and business.

Established by the Land Development Corporation Act 2003 and structured as a Government Business Division, LDC is required to act in a commercial manner and pay taxes and dividends on profits, to ensure a level playing field with private developers.

LDC works with private partners to deliver our projects. These partners include local consultants, local construction contractors and local development partners.

A new Advisory Board, chaired by the Major Projects Commissioner was established during the year to help guide LDC, especially with regard to Government's strategic goals and policies. The Advisory board also offers an opportunity for cross-government consultation and decision-making at executive level.

This year was very positive for the residential sector. Driven by BuildBonus and HomeBuild grant programs and recovery in the Territory economy, residential estates in both Darwin and Alice Springs had a strong year.

Zuccoli Village saw 99 lots constructed, titled and sold during the year. This was more than double what was planned, demonstrating the ability of LDC and its project partner, Urbex, to respond to market changes.

The Kilgariff Estate in Alice Springs saw the commencement of 52 lots in Stage 2A, with titles expected to be issued in early 2022. This release will also feature a community park and innovative Lifestyle Lots targeting entry-level first home buyers. 42 per cent of lots offered were sold off the plan at a ballot event in June. Planning for a further 36 lots is also underway.

Development of the Middle Arm Sustainable Development Precinct took a step forward during the year with the construction of Stage 1 of the Kittyhawk Estate largely complete. The Kittyhawk Estate comprises 300 hectares of waterfront land. Along with the adjoining 300 hectare Spitfire Estate, these two LDC land holdings comprise the bulk of developable land at Middle Arm. Stage 1 of the Kittyhawk Estate comprises 3 lots with a total land area of 32.5 hectares suitable for a range of industries. This land benefits from access to existing gas pipelines and product corridors as well as proposed future Middle Arm wharf facilities.

The development of the Marine Industry Park at East Arm remains a key priority, with LDC committed to delivering serviced lots to support the Ship Lift and marine industry service providers. LDC also expects these lots to accommodate Navy's Regional Maintenance Centre North.

Planning for future stages of the Wishart Estate took a step forward during the year with an Expression of Interest Process for data centers. The Wishart Estate is a particularly suitable location for energy intensive data centres as it is also home to the Hudson Creek Switching Station and the new Merricks Capital's Hudson Creek Power Station. The process has provided LDC with some valuable leads in this emerging industry.

Planning for the new Bulk Liquids Area in the Darwin Business Park progressed during the year with LDC establishing a Registration of Interest process for the establishment of new fuel storage facilities in response to two separate processes by the United States and Australian Governments. Five parties registered their interest in taking up new storage opportunities on LDC land which is well located and linked to the bulk liquids transfer facility at the East Arm wharf.

LDC continued to develop its COVID Management Plan during the year. The roll out of mobile computing technology allows all staff to effectively work remotely, including from home. In the office, LDC implemented the Territory Government's Check-in App and reaffirmed our commitment to actively working to protect staff, partners and customers.

Largely off the back of strong residential land sales and moderate industrial sales, LDC registered a healthy surplus for the 2020/21 financial year of \$4.2 million. LDC maintained a strong financial position with net assets of \$125.2 million and a secure liquidity position with \$21.6 million in cash reserves.

LDC continued to undertake promotional efforts such as organising and participating in conferences, forums and events, including a range of online activities. The aim of these efforts was to sell and lease land and property, as well as to facilitate and encourage private investment and economic development in the Northern Territory.

WHAT WE DO

The Land Development Corporation is a Government Business Division. To operate as a successful business, we sell and lease land to create revenue that supports our operations and funds future projects. We contribute to the Northern Territory Government through the payment of taxes and dividends. The following principles underpin our approach to the delivery of our land assets:

PLAN

- + Anticipate demand by researching market trends
- + Plan for future growth opportunities
- + Show consideration for surrounding land uses
- + Work within the environment to achieve best practice methods
- + Tailor land and building options to meet client needs
- + Position for future investment
- + Mitigate risk through best practice methods

BUILD

- + Partner with the private sector
- + Collaborate with Government departments
- + Facilitate and nurture business growth
- + Develop products with quality and longevity in mind
- + Create and maintain strong relationships with industry
- + Reinvest in our own products
- + Supply land solutions to the market

DELIVER

- + Meet project deadlines
- + Create positive outcomes for stakeholders
- + Share knowledge with the public and private sector for future development
- + Provide a range of tenure options
- + Deliver developed land for sale and lease
- + Work with clients to tailor development options where the market cannot meet demand
- + Learn from past projects and industry to improve on delivery outcomes

ABOUT THE CORPORATION

“The Land Development Corporation partners with the private sector to facilitate growth and investment in the Territory.”

The Land Development Corporation is the Northern Territory Government’s strategic land developer. We facilitate economic growth in the Northern Territory by developing and managing residential, industrial and commercial developments that benefit the people that live here.

We plan for the future by developing strategic industrial land close to railway, road, and maritime infrastructure, connecting networks across Australia and beyond to build business, trade and job opportunities. We build partnerships with local businesses to deliver affordable, modern housing estates for Territorians that provide lasting benefit for the community.

Our work supports regional growth, urban city revitalisation and strategic tourism and infrastructure initiatives.

Our commitment to sustainability, innovation and partnerships underpins our development approach as we recognise much of what we do has a direct impact on social, economic and environmental development outcomes.



OUR STRATEGIC DIRECTION

LDC STRATEGIC PLAN 2019 - 24

Our vision

To demonstrate excellence in strategic development, unlocking the potential of land to drive economic growth in the Northern Territory.

Our mission

To partner with the public and private sectors to plan, build and deliver strategic land developments in the Northern Territory

Our strategic directions

- Partnership
- Leadership
- Optimisation
- Opportunity

Partnership

We partner with others, leveraging our unique position across the public and private sectors

Objectives

Collaboration: we build relationships with government agencies and partner with private sector proponents

Alignment: as a GBD, we aim to align LDC activities with applicable legislation, requirements and Government's goals

Reputation: we work to build and maintain a strong reputation, focussing on branding and stakeholder engagement

Our values

Respect: we respect and support

Alliances: we develop positive

Innovation: we seek continuous

Sustainability: we deliver responsible

Expertise: we act professionally



Leadership

We are a leader and role model for development in the NT, demonstrating best practice

Optimisation

We optimise the efficiency and effectiveness of our assets and operations

Opportunity

We explore new and diverse business opportunities to expand our reach and capability

Objectives

Excellence: we aim to set the example for development in the NT, demonstrating best practice and inspiring others in the industry and community

Benefits: we seek to ensure our work delivers benefits across a range of factors including financial, community, social and environmental outcomes

Objectives

Skills: we utilise the capability of our team to manage risks, foster cross-skilling and operate most efficiently

Commerciality: we think commercially and manage risk in all our activities, aiming to optimise our current operations and assets

GLOs: we share and learn from other Government Land Organisations to operate more effectively

Objectives

Ventures: we investigate ventures into new and different development areas to broaden our opportunities e.g. urban renewal

Portfolio: we seek to expand the potential of our existing portfolio and extend into new land interests e.g. first right of refusal on surplus government land, and establishing agency partnerships

Support each other, working together as a team

Build strong relationships and outcomes with our customers, partners and stakeholders

Drive continuous improvement by challenging conventional thinking

Deliver results that balance our strategic, social, environmental and commercial responsibilities

Operate professionally, ethically, and with integrity in all that we do

MEET THE MANAGEMENT TEAM



TONY STUBBIN
Chief Executive Officer

Tony Stubbin commenced as the Chief Executive Officer of the Land Development Corporation on 1 March 2017, prior to which he was the General Manager. Prior to commencing with LDC, Tony was a Deputy Under Treasurer in the Northern Territory Department of Treasury & Finance with responsibility for the Economic Group; Corporate Support Group; Superannuation Office and the Northern Territory Treasury Corporation.

Tony joined Treasury in 1992 and has more than 30 years' experience in various Territory and Commonwealth Government departments. He has a Bachelor of Arts (Economics) from the University of Wollongong and a Postgraduate Certificate in Management from the University of Southern Queensland.



HANNAH BARRAZA
Business Director

With extensive experience in the property industry, Hannah has previously worked in management positions in government as well as in property and commercial in the legal sector.

Hannah joined LDC in 2019, and coordinates the Business unit. Hannah's expertise includes strategic planning and implementation, corporate governance and risk management, due diligence and feasibilities, complex stakeholder negotiations, budget and resource planning and leadership.

Hannah has experience in the property market and in acquisitions, including established properties, land development and construction.

Hannah holds an Advanced Diploma of Government, Diploma of Leadership and Management, Diploma of Property and Master of Business Administration.



CARLY BEH
Financial Controller

Carly is an accountant with over 14 years' experience in both the public and private sectors. Carly has previously held roles as a Financial Accountant at the Territory Insurance Office and an Auditor at Merit Partners.

After commencing with the Land Development Corporation in 2016 as the Finance Analyst, Carly moved into the Financial Controller role in early 2018.

Carly is a Member of CPA Australia and holds a Bachelor of Business (Major in Accounting) and Bachelor of Laws.



DANIEL CAMERON
Project Director

Daniel has worked in various roles within the land development and infrastructure sector in the Northern Territory and Queensland.

Prior to joining LDC in 2016, Daniel held the role of senior civil engineer for a large consulting firm based in Darwin, with a focus on subdivision design, construction management, contract administration & certification, and had previously worked for a large NT-based civil contractor specialising in major infrastructure and civil works projects.

Daniel currently serves as a Project Director and leads a small development team consisting of in-house project management and construction experts in delivery of several of LDC's strategic and industrial land development projects, including Middle Arm, Wishart and Darwin Business Park.

Daniel holds a Bachelor of Engineering in Civil Engineering.



KASSI PICKEN
Project Director

An executive leader with over 15 years experience working in the public service, Kassi has primarily held positions in property and project focused roles. Her expertise lies in stakeholder engagement and commercial negotiation, project management, facilitation and coordination, budget forecasting, business case feasibility, strategic planning, contract management, team building and mentorship.

With natural initiative and leadership skills that promote continuous improvement Kassi has successfully led teams to facilitate, implement and manage various major projects in the residential, industrial, defence, agriculture and tourism sectors from project inception through to project completion.

Kassi's experience goes beyond project management, extending to commercial feasibility assessments and private sector engagement through rigorous negotiation and consultation. Kassi has primarily worked on residential greenfield developments, infill developments and affordable housing projects, however is also highly versed in managing strategic industrial and agricultural land release projects.

Kassi holds a Bachelor of Business (Majors: Management and Marketing), Graduate Diploma in Project Management, and has recently completed the Cranlana Institute's Ethical Leadership Program for NTPS Senior Executive Leaders.



PAUL SCHNEIDER
Project Director

Paul has held a variety of positions within the Commonwealth, Northern Territory and Western Australia Governments in valuation, commercial leasing, land administration and land development roles.

Prior to re-joining the Land Development Corporation in 2011, Paul was involved in the planning of strategic industrial areas in the Pilbara to accommodate major LNG, gas processing and iron ore export facilities. Paul is currently the Project Director for industrial development including the Marine Industry Park and Kilgariff Estate.

Paul holds a Bachelor of Business in Real Property Valuation and Administration.



THOMAS NOONE
Technical Director

Thomas has 13 years' experience working in a variety of roles within the public and private sectors in the Northern Territory and the Republic of Ireland.

Prior to joining LDC in 2017, Thomas held engineering and project management roles within the consulting and construction industries. His roles were spread across the land development, infrastructure, sporting facilities, Defence and oil and gas sectors, with primary focus on commercial, industrial and residential subdivision delivery and construction management.

Thomas currently serves as the Technical Director for LDC, coordinating a small team to assist our Project Directors and Executive team to deliver new projects and manage existing assets. Thomas is a chartered engineer and holds a Bachelor of Engineering in Civil, Structural and Environmental Engineering, a Bachelor of Arts and is currently working towards a post graduate qualification in Road Pavement Engineering.



SHAHN GORDON
Executive Officer

Shahn has worked in the NT Public Service for over 7 years.

Shahn's expertise lies in the administration and corporate support areas, with a focus in Human Resources, Secretariat, Technology and Records Management, and the preparation of corporate reports.

Shahn commenced as the Executive Officer with LDC in 2017, and coordinates a small team to provide Corporate Support to all staff within LDC.

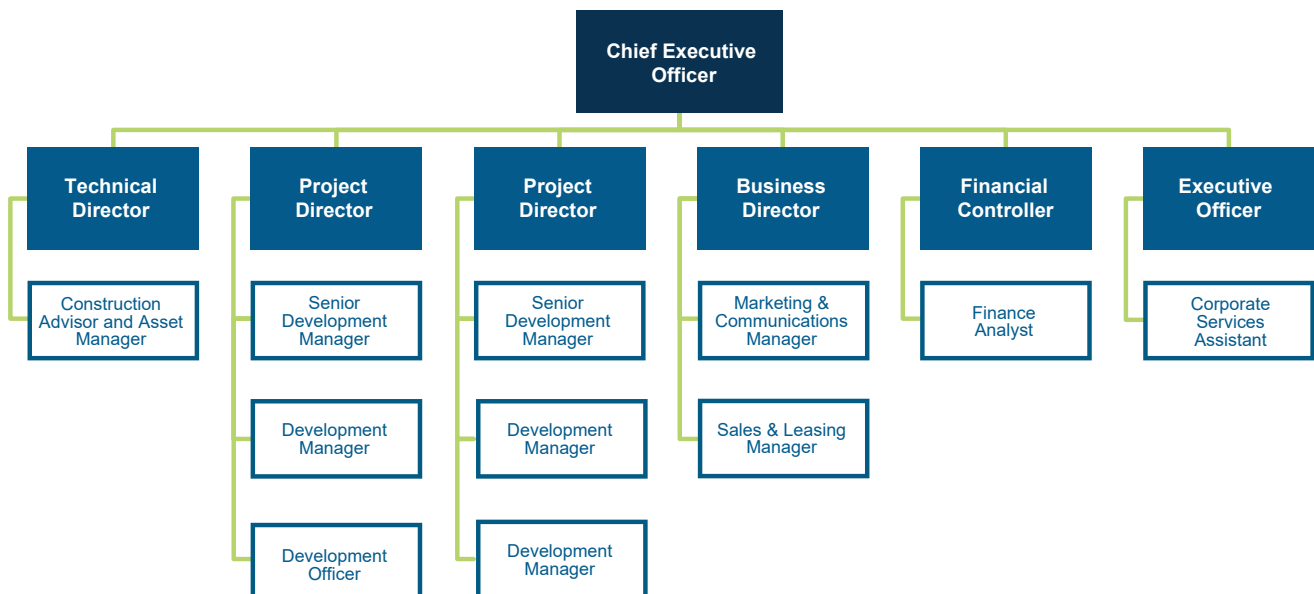
Shahn is currently working towards a Certificate IV in Business Administration.

OUR PEOPLE

The Land Development Corporation has a committed, skilled, multi-disciplinary team who provide their experience and expertise to our projects.

From business case and feasibility investigations of land assets, through to planning, engineering design, implementation and sales and marketing, our ability to work across all tiers of Government, business and industry enables us to deliver sustainable and innovative development outcomes.

We continue to engage with both private and public sector partners on complex, challenging projects to achieve the best outcomes for the Territory.



OUR PORTFOLIO AT A GLANCE

The Land Development Corporation seek to invest in the future of the Territory by undertaking development of land for new opportunities for industry and for desirable, sustainable and innovative housing solutions for Territorians.

The industrial property market showed signs of recovery over the past year, and residential market achieved very healthy results in Zuccoli Village and Kilgariff Estate.

The support initiatives implemented by the Territory and Australian Governments following the onset of the COVID-19 pandemic have highlighted the strategic and lifestyle benefits which the Territory uniquely offers.

LDC's foresight and future planning activities in its residential estates are expected to provide opportunities for new and existing Territorians via the stimulus incentives available.

“We are the Northern Territory Government’s strategic land developer.”



RESIDENTIAL DEVELOPMENTS

- Zuccoli Village
- Kilgariff Estate
- Waratah Crescent



INVESTMENT OPPORTUNITIES

- Tiwi Islands



INDUSTRIAL DEVELOPMENTS

- Middle Arm Sustainable Development Precinct
- Marine Industry Park
- Darwin Business Park
- Wishart Estate
- Holtze Industrial Estate
- Bulk Liquids Area



Kilgariff Estate

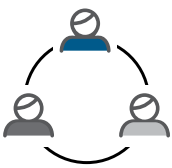
Stage 2 pre-sales open!

Stage 1 of Kilgariff Estate SOLD OUT in mid 2020. The high demand for these lots saw the development process begin on Stage 2 of Kilgariff Estate to continue providing the Alice Springs community with access to affordable land.

Stage 2 begun construction in June 2021 with titles expected in 2022.

\$7.23M

In industrial land sales



The Land Development Corporation continues to work closely with the Tiwi Land Council and Tiwi Aboriginal Land Trust to support economic investment on the Tiwi Islands.



Middle Arm Sustainable Development Precinct

STAGE 1 KITTYHAWK ESTATE

LDC commenced construction of Stage 1 of the Kittyhawk Estate subdivision in mid-2020. This first stage facilitates new access to land via an intersection off Channel Island Road, immediately west of the Weddell Power Station.

Construction of Stage 1 Kittyhawk Estate is set to be completed in mid 2021.



Zuccoli Village

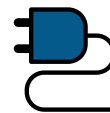
Residential Land Sales

The ever growing suburb of Zuccoli, saw Zuccoli Village sell a total of 102 lots in the 2020 - 21 financial year.



20 Highly qualified professionals

LDC are a team of 20 professionals across the fields of accounting, economics, law, planning, procurement, project management, engineering, business, sales, marketing and administration, dedicated to delivering strategic projects across the Northern Territory.



2021

WISHART ESTATE

The Land Development Corporation has successfully delivered Truck Central as the first stage of Wishart Estate. The NT Government has released an EOI for investors to develop Data Centres identifying Wishart Estate as a potential location.



2 sales

Darwin Business Park

Darwin Business Park saw the sale of 2 lots in 2020-21. 25 lots remain for sale with active enquiries for additional new occupants.

\$24.3M

In residential land sales

The combined total of residential lot sales for both Kilgariff Estate and Zuccoli Village.

LDC
HIGHLIGHTS
2020 - 21

Delivering strategic residential
developments that build on
sustainability, innovation and
community engagement.

RESIDENTIAL DEVELOPMENT

\$24,302,398

IN REVENUE

2020 - 21

This total includes land sales in Kilgariff Estate, Alice Springs
and Zuccoli Village, Palmerston.



ZUCCOLI VILLAGE PALMERSTON

“Zuccoli Village has a great community, parks and is very family friendly. I look forward to raising a family here.”

OVERVIEW

Zuccoli Village – The Village Life.

Zuccoli Village is a low density residential development delivering quality community lifestyle and open space. Zuccoli Village offers a variety of house and land options catering to all lifestyles and budgets and is planned to ultimately deliver over 800 residential lots to the market.

OUR ROLE

To meet the growing demand for residential land in the Northern Territory, we are working with the private sector to deliver more land and housing options for Territorians. As part of our commitment to work with the private sector, we engaged Urbex Pty Ltd in 2011 to act as the Zuccoli Stage 1 Joint Venture development partner to deliver the first 96 hectares of the new suburb of Zuccoli.

CURRENT STATUS

Two phases were previously planned and designed, allowing for the construction of 99 new lots during the second half of 2020. All lots were contracted for sale off-the-plan with titles issued in late December 2020. This allowed Territorians to take full advantage of the generous construction incentives available from the BuildBonus and HomeBuild grant programs, supporting the local home building industry.

With over 270 lots left to be delivered and a myriad of playgrounds, nature walks, bicycle tracks and more, the project is set to supplement market supply for the next 3 to 4 years.





FEATURES

With so many options, Zuccoli really is one of Darwin and Palmerston's neighborhoods of choice. Close to the City Centre of Palmerston with easy access onto the Stuart Highway, Zuccoli Village positions families perfectly for a life of convenience and choice. All within just 25 minutes of the Darwin city centre and only 5 minutes to the Palmerston city centre.

With the addition of two new schools: Mother Teresa Catholic Primary School and Zuccoli Primary School, a selection of childcare centres and the Zuccoli Plaza shopping precinct, Zuccoli Village offers amenity and affordability.

Residents are able to enjoy a lifestyle on generous lot sizes and high quality housing constructed in accordance with our design guidelines. Boardwalks and cycling trails connect playing fields, landscaped parks and extensive natural bushland. New amenities are expected with delivery of the future Zuccoli Community Hub featuring walking trails, skate park, pump track, playground, children's library, community area, garden of reflection and a dog park planned by the City of Palmerston. Nature and neighbourhood come together when you call Zuccoli home.

KILGARIFF ESTATE ALICE SPRINGS

“Living at Kilgariff has been safe, quiet and spacious. Modern homes with a great living environment.”

OVERVIEW

With serene views of the Macdonnell Ranges, Kilgariff Estate is the perfect place to get away from the hustle and bustle. Kilgariff is a greenfield development, designed to provide a diverse range of housing products and future amenities such as community purpose, shops and recreational facilities.

OUR ROLE

As developer of Stages 1 and 2 of Kilgariff Estate, the Land Development Corporation aims to build upon the strong sense of community established through delivery of the first stage.

Land Development Corporation has appointed a first class team of Territorian consultants to progress planning, design and delivery of Kilgariff Stage 2 in accordance with the Kilgariff Area Plan vision. This team is enhanced by Alice Springs based surveyors, architects and landscapers ensuring local expertise goes into this important planning and design phase.

CURRENT STATUS

Stage 2 is well under way with the Coolibah Release (Stage 2A) currently under construction. The Coolibah Release offers 52 lots with single dwelling sites from 594m² to 920m² and multiple dwelling sites up to 1,842m². Lots are available for pre-sale from \$175,000 with titles anticipated in early 2022.

To allow for the fair and transparent release of Traditional Lots (greater than 760m²) and Multiple Dwelling Lots, the Land Development Corporation held a ballot in early June 2020. Over 42% of the lots sold on the ballot evening. A further seven Lifestyle Lots (from 594m²) targeting entry-level first home buyers are programed for release shortly.

To ensure an ongoing supply of residential land, Stage 2B has received development approval with detailed design to commence shortly.





FEATURES

Kilgariff Estate delivers a contemporary community set in a quiet, serene environment with large open spaces to embrace the Alice Springs lifestyle.

Kilgariff Stage 2 will deliver a mix of housing built upon the principles of innovation, diversity, sustainability and a sense of community, whilst being responsive to key market considerations and pursuant to local planning policy.

Key features include:

- A mix of affordable and attractive lot options appropriate for the Alice Springs market and in line with the intent of local planning policy.
- Promotion of sustainability through maximising climatically appropriate development.
- Development of a safe and connected community through an intuitive pathway network integrating local streets with conveniently located open space to create connectedness, recreation and amenity.



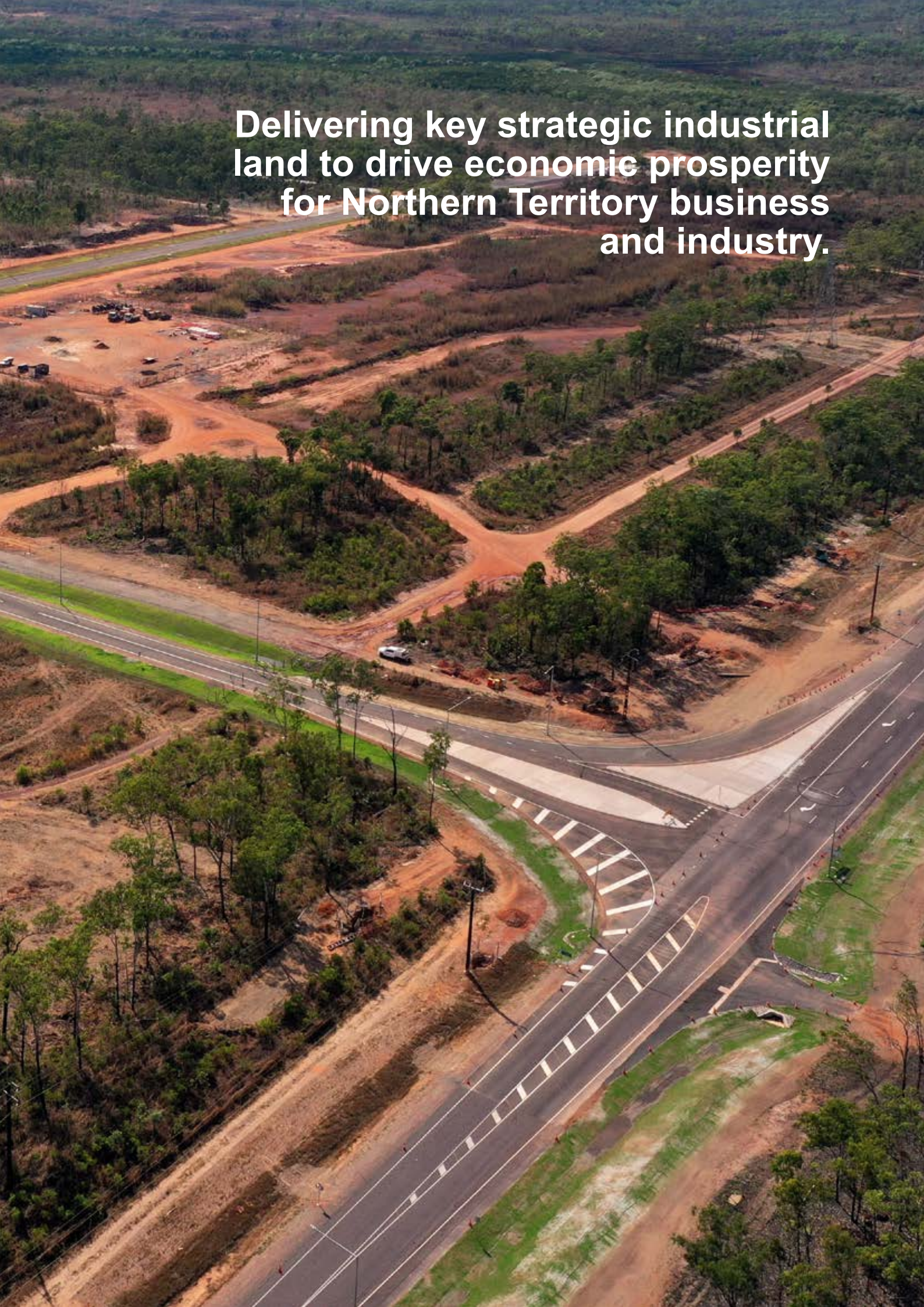
INDUSTRIAL DEVELOPMENT

\$7,227,060

IN SALES

2020 - 21

**Delivering key strategic industrial
land to drive economic prosperity
for Northern Territory business
and industry.**



MIDDLE ARM SUSTAINABLE DEVELOPMENT PRECINCT

MIDDLE ARM

“The Precinct could support innovative industry and technologies such as large-scale hydrogen production, green energy initiatives, carbon capture & storage.”

OVERVIEW

Middle Arm is currently home to the Santos Darwin LNG Plant and INPEX Ichthys Onshore LNG Processing Facility.

Located on the Middle Arm Peninsula within Darwin Harbour, the Kittyhawk and Spitfire Estates offer a variety of development options to accommodate further large strategic industries for downstream oil and gas processing, petrochemical

manufacturing, green energy projects and energy processing activities.

OUR ROLE

The Land Development Corporation is the primary owner of land suitable for development at Middle Arm Peninsula. Investigations and design concepts will form the basis of site selection for incoming developments and industry.





The Precinct has an extensive product corridor network which allows for the efficient transmission of utilities, gas, feedstock and products to service industry needs.

CURRENT STATUS

LDC completed a large component of the Kittyhawk Estate Stage 1 subdivision construction in 2021. Stage 1 comprises 3 lots with a total area of 32.5 hectares, with titles expected in Q4 2021.

The work, being delivered by local contractor BMD, represents a significant investment by LDC to facilitate new strategic land for industry at Middle Arm. This first stage of Kittyhawk Estate unlocks new potential land opportunities via a new intersection off Channel Island Road, immediately west of the Weddell Power Station.

LDC has received support from the NT Government Department of Infrastructure, Planning & Logistics in the form of a \$4.5 million capital funding grant, to deliver the main intersection and access road from Channel Island Road into Kittyhawk Stage 1.

LDC continue to be a key stakeholder in the site investigations and infrastructure planning being undertaken by the Department of Infrastructure, Planning & Logistics. These studies include investigations into potential water access points for export and module offload facilities as well as identifying relevant product corridor planning strategies and a strategic environment assessment for the precinct.

FEATURES

- 9kms from the City of Palmerston
- 35kms from the Darwin CBD
- 29kms to East Arm Wharf
- High pressure gas feed
- Synergies with other industries, benefits of co-location
- Product Corridors
- Potential future water access facilities for export and module offload

MARINE INDUSTRY PARK EAST ARM

| “We are building a long term sustainable marine hub.”

OVERVIEW

The marine service area can provide over 100 hectares of land to support the marine maintenance industry complimenting the Northern Territory Government’s new Ship Lift at East Arm.

The first stage of the Marine Industry Park comprises the existing 9 hectare Hardstand and all-tide Barge Ramp at a cost of \$28 million.

The Marine Industry Park enhances the capability of Territory businesses to service the oil and gas, resources, logistics and Defence sectors. The heavy duty hardstand is well suited for the assembly and storage of modules and large equipment associated with marine and major resource projects. The adjoining barge ramp, nearby East Arm Wharf and Marine Supply Base provide multiple marine loading opportunities for sea transport of large modules and equipment.

CURRENT STATUS

The Northern Territory Government has confirmed its commitment to deliver the largest Ship Lift in Northern Australia, adjacent to LDC’s existing marine service facilities at East Arm. A tender process is underway for the Darwin Ship Lift measuring 26 meters wide, 103m long and with the capability to lift 5,000 tonne vessels. The Northern Territory Government has committed \$100 million with the remaining \$300 million provided from the Northern Australia Infrastructure Facility (NAIF).

LDC is working closely with the Northern Territory Government to provide a seamless design and integration of the Darwin Ship Lift with the existing facilities and proposed serviced lots within the Marine Industry Park. In addition, LDC has been consulting with industry on lot sizes, services and amenities required by potential occupants of the precinct.





Stage 1 includes a 9 hectare industrial subdivision providing 5 large lots to accommodate ship repair, maintenance and marine service activities. An established local marine maintenance business has entered into an exclusive agreement on a 1.2 hectare site. Stage 2 provides a further 4 hectares across 9 lots for supporting services.

The establishment of large vessel maintenance workshops on serviced lots is an essential

component to fulfil the economic activity and job creation opportunities expected to be enabled by the Ship Lift project.

The Marine Industry Park is also an authorised First Point of Entry for biosecurity purposes for commercial vessels and goods for the Port of Darwin.

FEATURES

Marine serviced lots

- Stage 1 lots will be designed to accommodate hard standing of large vessels transported via a Self Propelled Modular Transporter (SPMT).
- Stage 2 lots will provide serviced lots ready for development for a range of potential service providers.

Hardstand

- The existing hardstand attracts a variety of businesses in a common user approach and features:
 - 9 hectares of secure hardstand area
 - 24/7 secure access and closed-circuit television (CCTV) monitoring
 - Automatic phone controlled security gate

Barge Ramp

- The Barge Ramp provides all-tide access for shallow draft barges (minimum 1.1m of water depth at the lowest astronomical tide)
- Dredged access channel with dedicated navigational aids
- Heavy duty paved access roadway and concrete ramp
- Breakwater
- A ramp designed for amphibious landing craft that can cater for a variety of coastal type barges
- First point of entry authorisation for the Port of Darwin

WISHART ESTATE

WISHART

Wishart Estate is supporting the Territory to be at the forefront of the digital economy.

OVERVIEW

Mid-way between the cities of Darwin and Palmerston, Wishart Estate is central to road, rail, sea and air transport facilities.

Truck Central

Stage 1 of Wishart Estate is Truck Central, being the Northern Territory's one-stop transport hub. This 16 hectare, heavy transport development, is designed to improve the safety and productivity for the local and national transport industry. Truck Central includes unique transport facilities with surrounding sites for the clustering of service providers and general industrial activities.

Data Centre Potential

Wishart Estate is identified as an ideal location for establishment of data centres, due to its proximity to major power infrastructure, availability

of large sized sites and potential data cable connection points.

OUR ROLE

The Land Development Corporation owns a significant portion of the land within Wishart Estate. As such, LDC's goals within the Wishart Estate include the preparation of master-planning and de-risking the resulting development concepts in order to achieve the highest possible use of the land within the estate. This requires liaising with adjacent land-owners and stakeholders within the estate with the aim of achieving strategic outcomes that are equitable and sustainable.

The design and delivery of Truck Central demonstrates this strategic approach in action. Truck Central was a collaborative development



with Ostojic Group as delivery partner; the NT Road Transport Association as a key stakeholder; and project support coming from the Department of Infrastructure, Planning and Logistics and the Australian Government for specific strategic components of the development.

In February 2020, the Northern Territory Government announced 'Terabit Territory' with \$7.9 million being invested to upgrade fibre-optic cables across the Territory and improve interstate connectivity. Terabit Territory provides enabling infrastructure to attract subsea connections with South East Asia and major data centre investment. In mid-2020, the Northern Territory Government released an Expression of Interest process for suitably qualified and experienced proponents to develop and operate data centres in Darwin. The EOI sought to capitalise on upcoming infrastructure to improve the Territory's connection with Australian and international capitals.

To support these initiatives and support Wishart Estate's future data centre potential, LDC worked

with several Northern Territory Government agencies to progress preliminary engineering investigations into a number of potential sites within Wishart Estate.

CURRENT STATUS

The Heavy Vehicle Inspection Facility (HVIF), operated by the Motor Vehicle Registry and a key component of Truck Central, is now fully operational. Complementing the existing heavy transport facilities, it allows for the inspection of fully-configured triple road trains, providing increased safety and productivity.

LDC has progressed initial planning and engineering investigations to support the delivery of data centre sites within the future stages of the Wishart Estate development.

LDC continues to engage with adjoining land owners to consolidate developable areas at Wishart Estate to achieve an efficient and cost effective subdivision for a future strategic uses.

FEATURES

The Department of Infrastructure, Planning and Logistics, with support of the NT Road Transport Association and the Land Development Corporation, secured \$9.65 million of Australian Government funding via the Heavy Vehicle Safety and Productivity Program to help deliver the Vehicle Inspection Facility and 3.2 hectare Road Train Assembly Area at Truck Central.

Heavy Vehicle Inspection Facility: Unique in Australia, and possibly the world, it allows for the inspection of fully configured road trains. This saves road train operators significant time and replaces the Goyder Road Test Shed at Parap near Darwin City.

Road Train Assembly Area: This complements the Vehicle Inspection Facility by providing a safe area for the short-term parking and queuing of trucks. The assembly area also provides areas for parking and reconfiguration of road trains, and a dual height trailer loading ramp.

BP Darwin Truck Stop: This facility has raised the bench mark for truck stops in the Northern Territory, providing heavy and light vehicle refueling, restaurant, dining area, separate 'truckies lounge' and CCTV surveillance of the adjoining Road Train Assembly Area. These complementary facilities provide a high quality and safe environment for driver fatigue management.

Lots for sale: The remaining lots at Truck Central are available for the clustering of service providers around these heavy transport features. Co-location of major road transport activities will create economies of scale and improve industry safety and productivity.

Data Centre Potential: Energy is a major input for any data centre development and proximity to the Hudson Creek Switching Station and the recently constructed Merricks Capital Hudson Creek Power Station immediately adjacent makes Wishart an ideal location to establish data centres in the Northern Territory.

DARWIN BUSINESS PARK EAST ARM

Darwin Business Park is a 200 hectare industrial estate strategically located close to the East Arm Wharf at Darwin Port, the Marine Supply Base and the Rail Freight Terminal.

OVERVIEW

The Darwin Business Park opened in 2003 and has earned a reputation as Darwin's leading industrial precinct. Since its inception, the Park has continued to grow catering to the demand for trade, logistics, oil and gas and marine-related industries.

To date, over \$320 million has been invested in the construction of private buildings and facilities within the Darwin Business Park. Blue chip national and international tenants with a substantial presence in the park include ASCO, Altus, Vopak, Toll, Linfox, Metcash, Qube and Northline. Darwin Business

Park is also home to major oil and gas supply bases for INPEX Ichthys, Santos Darwin LNG and Shell Prelude LNG production facilities.

OUR ROLE

Our role is to ensure supply of appropriately sized strategic industrial land for the Darwin market, specifically catering to the transport, trade, logistics, marine and oil and gas industries.

The development of strategic land in the Darwin Business Park opens up growth opportunities to businesses working on Darwin's major projects.





CURRENT STATUS

Late in 2019, LDC entered into a contract of sale with a fuel retailer IOR for the development of its flagship Darwin diesel stop in the latest stage of Darwin Business Park. Construction of the IOR facility was completed early 2021 and is expected to be up and running by Q3 2021.

In April 2021, LDC entered an agreement with Sun Cable that covers seven lots on O’Sullivan Circuit with a total area of 7.8 hectares. This strategic land will provide for a new facility for the assembly of solar panels, supporting the world’s largest solar energy infrastructure network project.

In January 2020, the US Government’s *Defence Logistics Agency* released an RFI to industry,

requesting proponents to consider contractor-owned and operated fuel storage facility in the Port of Darwin. The project is aimed at supporting US defence operations in the region.

Concurrently, the Australian Government made available grants to encourage fuel storage under the Boosting Australia’s Diesel Storage Program.

To cater for the anticipated interest to establish fuel facilities in response to these two initiatives LDC established a Registration of Interest process that has drawn interest from several proponents. Should the projects proceed, LDC expect the future *Bulk Liquids Area*, adjacent to the Vopak terminal at East Arm to be suitable.



FEATURES

Conveniently located only 14kms from the Darwin CBD, the Darwin Business Park offers flexible tenure arrangements including development agreements convertible to freehold, long term ground leases and licences for short term needs.

The background of the slide features a close-up photograph of a person's hand, likely of African descent, resting on a fabric with a vibrant, abstract pattern in shades of green, blue, and yellow. The lighting is soft, highlighting the texture of the skin and the fabric.

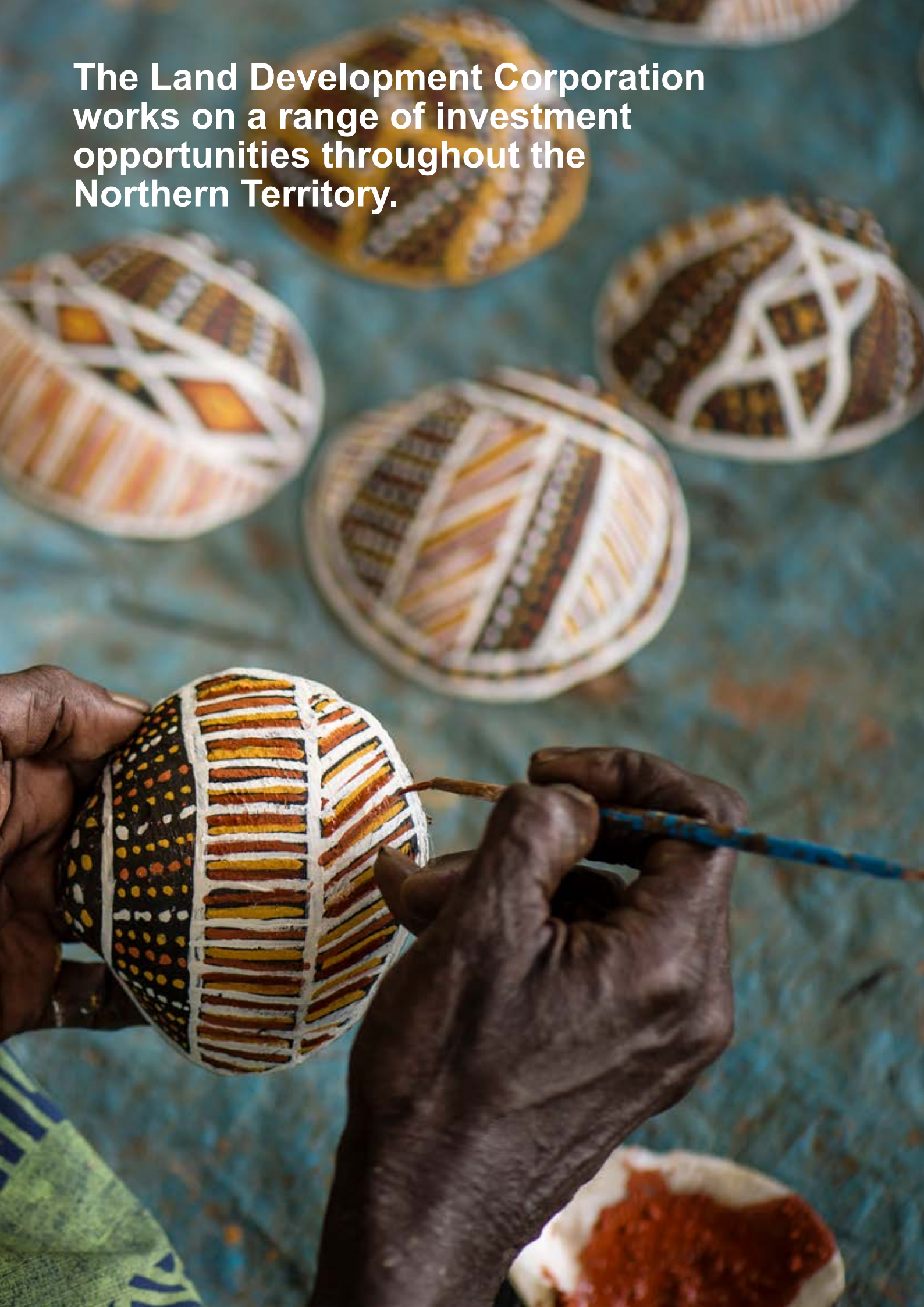
OTHER PROJECT ACTIVITY

TIWI ISLANDS
NORTHERN TERRITORY

HOLTZE INDUSTRIAL ESTATE
HOLTZE

WARATAH CRESCENT
FANNIE BAY

The Land Development Corporation works on a range of investment opportunities throughout the Northern Territory.



TIWI ISLANDS

NORTHERN TERRITORY

The Land Development Corporation is working with Traditional Owners to promote opportunities to lease land on the Tiwi Islands to investors. The special attributes of this pristine location make it well suited to unique tourism/residential, aquaculture, agriculture and industrial opportunities.

The Tiwi Development Framework Agreement allows LDC to work closely with the Tiwi Land Council and Tiwi Aboriginal Land Trust to support economic development, capitalising on the proximity and infrastructure of nearby Darwin.

During 2020-21, LDC has engaged in discussions with a number of potential investors, predominantly in the areas of eco-tourism and aquaculture. While no projects broke ground during the year, the unique opportunities provided by the Tiwi Islands and the Tiwi people remain available for prospective investors.

FEATURES

The Land Development Corporation is seeking to promote the very special attributes of the Tiwi people and the Tiwi Islands with a range of investment opportunities including:

TOURISM AND RESIDENTIAL

- Close proximity to Darwin, with easy access by plane and ferry
- Attractions such as beaches, wetlands and wildlife
- Activities such as fishing, Aboriginal art, culture and bushtucker

AGRICULTURE

- Already established port infrastructure servicing activities
- Up to 10,000 hectares of greenfield land available for development

AQUACULTURE

- Environment suitable for both sea farming and cage farming
- Opportunities for barramundi, mud crabs, sea cucumber, prawns, black lip rock oysters & clams

INDUSTRIAL SUPPORT AND DEVELOPMENT

- Existing port and barge facilities to support local industry
- Land identified and investigated to support future tourism, agriculture and aquaculture opportunities.



HOLTZE INDUSTRIAL ESTATE

HOLTZE

Holtze Industrial Estate is strategically located to provide industry support to prime and sub-contractors for Defence's requirements. With over 50 hectares available for future development, lot sizes can be customised to meet proponent needs. Current lot sizes range from 6,500m² to 50,000m².

Current anchor tenant RGM Maintenance occupies a purpose-built mechanical workshop which services defence vehicles, buses and other vehicles/machinery.

LDC has considered future stages and varying lot sizes from smaller (1 hectare) to larger lots (3.2 hectares).

Further activity will be driven by industry demand for new lot development. During the year, LDC commenced discussions with a proponent who has expressed interest in establishing business at Holtze Industrial Estate. Development activity on a new stage is expected in the coming year.

WARATAH CRESCENT

FANNIE BAY

The site of the old 'Sports House' development at 7 Waratah Crescent, Fannie Bay, is proposed for infill redevelopment.

LDC continues to investigate development options that complement the surrounding land uses and provide a commercial return. This prominent and highly desirable Fannie Bay location is proposed to showcase property development initiatives that deliver long term sustainable outcomes.



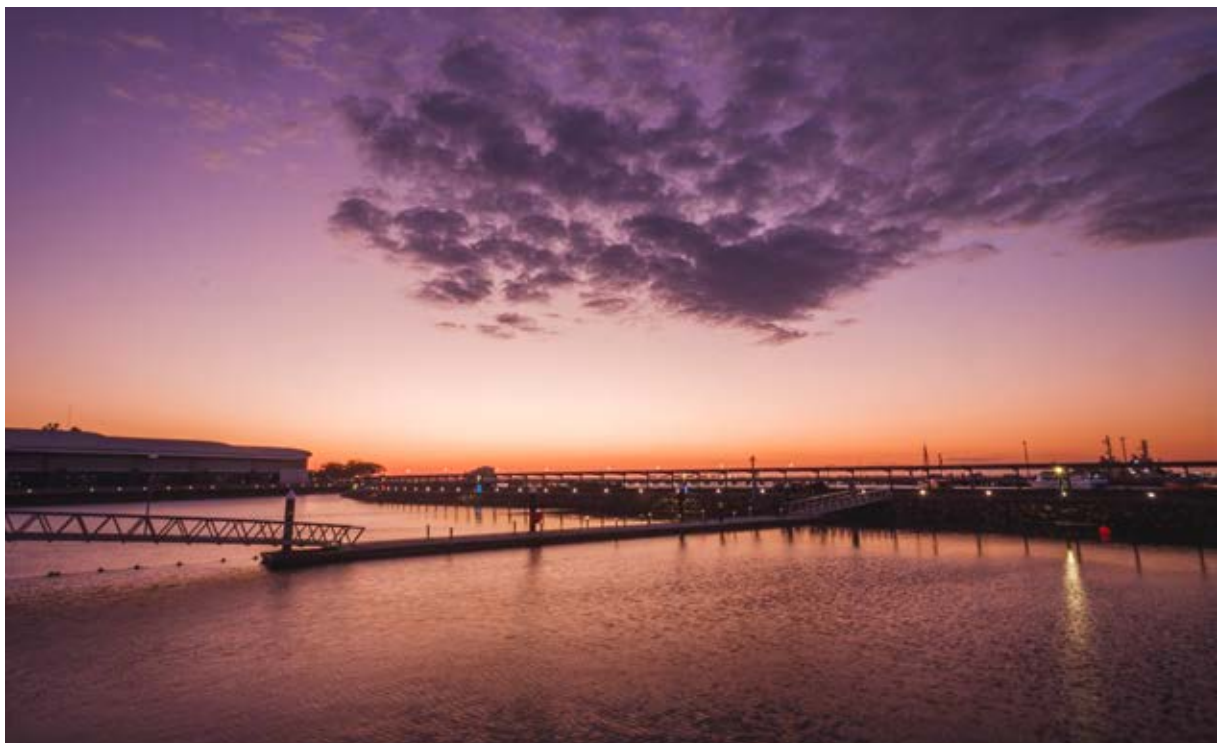
ENVIRONMENT AND HERITAGE

We are committed to the sustainable development of our environment. 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.

From the initial planning phases of development, the Land Development Corporation considers regional environmental and heritage issues. This allows us to identify the best type of development suited to a locality as well as providing the potential to minimise obstacles for prospective developers seeking to locate at a site.

In implementing these objectives the Land Development Corporation:

- Integrates its economic, social and environmental responsibilities throughout our business decision making processes
- Anticipates or identifies potential environmental concerns
- Minimises the environmental impact of its activities
- Consistently achieves socially and environmentally responsible standards
- Networks with stakeholders on environmental and heritage topics achieving good outcomes for all parties
- Preserves identified sites of cultural, historical, natural or scientific significance where possible
- Promotes environmental sustainability initiatives both with the development and at a regional and/or national level, such as renewable energy technologies.



WORK HEALTH AND SAFETY

We recognise the importance of providing all employees, visitors and contractors with a safe and healthy work environment.

Our goal is to promote responsible management practices that prevent all occupational injuries and illness. The Land Development Corporation does this by:

- Providing instruction, training and supervision to improve individual's understanding of workplace hazards, including safe work practices and emergency procedures
- Involving individuals in occupational health and safety matters and consulting with them on ways to recognise, evaluate and control workplace hazards
- Ensuring that everyone (including visitors and contractors) comply with appropriate standards and workplace directions to protect their own and others health and safety at work
- Implementing and maintaining an ongoing occupational health and safety program, including conducting regular inspections of the workplace aimed at preventing accidents and incidents
- Conducting all of our operations in accordance with relevant legislation and government policy and agreements
- Monitoring, reviewing and reporting on the health and safety performance of the organisation.

All managers and supervisors are responsible and accountable for the safety of employees, contractors and company property under their control.

Managers and supervisors are responsible for ensuring all regulations, procedures and safe work practices are followed at all times.



LDC closely monitored the Coronavirus (COVID-19) pandemic situation which was officially declared in March 2020 and followed advice of both the Australian and Northern Territory Governments. LDC's main priority during this time was to keep both its staff and clients safe and well.

In conjunction with current Work Health and Safety and Business Continuity Plans, LDC developed and implemented a COVID-19 Plan incorporating LDC's Safety Plan to deal with the unique circumstances of the pandemic. The Plan focused on minimising health risks to staff and clients, by introducing remote working arrangements, social distancing measures and health and hygiene principles.

KEY EVENTS

2020-2021



POP-UP PARKS | KILGARIFF ESTATE

ALICE SPRINGS | 6 SEPTEMBER 2020

On a sunny Sunday morning, Ruffino Park was featured as one of the parks in Alice Springs town council pop-up parks series.

The event featured live music, crafts, superheroes and a meet 'n greet of snakes and lizards from the Reptile Centre.

It was a great day in the park!



NT RESOURCE WEEK

VIRTUAL | 11-13 NOVEMBER 2020

NT Resources Week combines three of the NT's foremost resource and construction industry events; South East Asia Australia Offshore and Onshore Conference (SEAAOC), Mining the Territory and Environmental Management and Logistics Forum along with an extensive combined exhibition.

In 2021 the event went virtual and LDC hosted a vertical booth, sharing information on our current projects which included the Middle Arm Industrial Precinct, Marine Industry Park, Darwin Business Park and Wishart Estate.



UDIA AWARDS NIGHT

DARWIN | NOVEMBER 2020

The LDC team attended the UDIA NT Award for Excellence Gala Dinner.

We are proud to be a part of the Urban Development Institute of Australia.

Thank you to the UDIA NT team for a great night!



LIGHT UP KILGARIFF ESTATE

ALICE SPRINGS | DECEMBER 2020

LDC invited Kilgariff residents to participate in the Alice Springs Town Council's Christmas Lights Trail with a prize for the best home in the estate awarded.

Kilgariff Estate residents did a fantastic job at getting on board with 11 homes beautifully lighting up the estate and created a great festive season cheer!



ALICE SPRINGS GOLF DAY

ALICE SPRINGS | 19 MARCH 2021

LDC Kilgariff Estate project team attended the Master Builders Home Timber and Hardware Alice Springs Golf Day. The day was organised by Master Builders NT and was a great opportunity to get to know more builders, business owners and construction workers from Alice Springs.

The weather was fantastic and the day provided a great opportunity to network and talk about Kilgariff Estate Stage 2.



EASTER COLOURING COMPETITION | KILGARIFF ESTATE

ALICE SPRINGS | MARCH 2021

LDC organised an Easter colouring competition for the children of Kilgariff Estate.

The children all jumped on board and there were a number of beautiful entries. LDC worked with a local florist to create Easter themed gift hampers for the two winners.

Charlotte and Cody loved the Easter egg hampers! Well done to all participants.



KILGARIFF ESTATE BALLOT EVENT

ALICE SPRINGS | JUNE 2021

On Thursday 3 June LDC together with LJ Hooker Alice Springs held its first ever Ballot event for the pre-sale of lots in the Kilgariff Estate Coolibah Release.

The event was held at DoubleTree by Hilton in Alice Springs, with over 30 attendees excited to secure a Multi-Dwelling or Traditional Lot. 14 Traditional Lots were secured on the night with a further 5 Multi-Dwelling.

The night was a great success!



GOLF IN THE TROPICS

PALMERSTON | JUNE 2021

LDC sponsored a hole at the Energy Club Golf in the Tropics event.

The golf day was a great opportunity to connect with industry, and share the latest on the Kittyhawk development in the Middle Arm Sustainable Development Precinct with the civil construction for Stage 1 development almost complete.

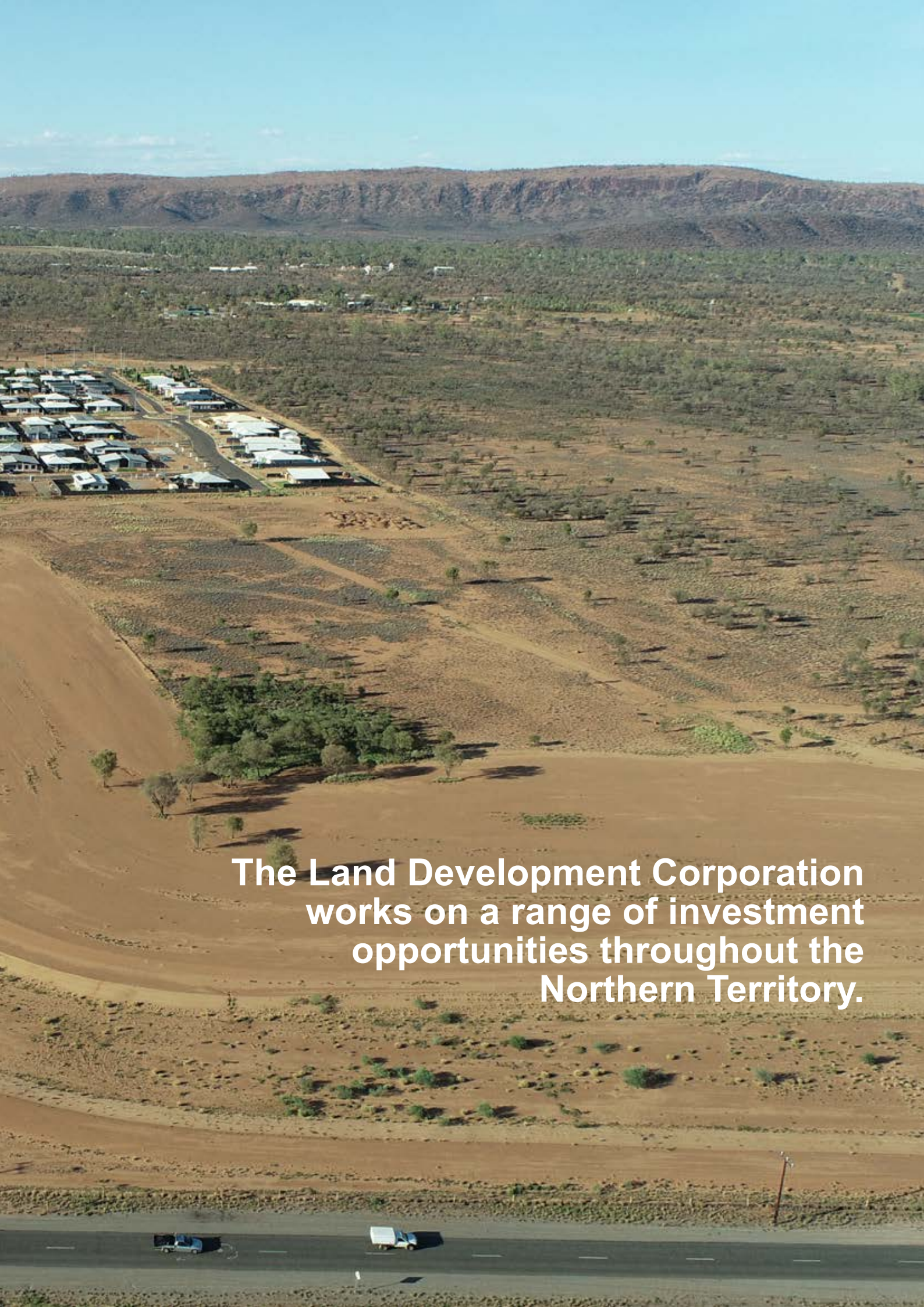
An aerial photograph of a rural landscape. In the foreground, a paved road curves through a dry, brownish field. To the right, a small settlement of white-roofed houses is visible. In the middle ground, a large solar panel array is situated. The background features rolling hills and mountains under a clear blue sky with some light clouds.

OUR FINANCIAL REPORT

INDEPENDENT AUDITORS
REPORT

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL
STATEMENTS



**The Land Development Corporation
works on a range of investment
opportunities throughout the
Northern Territory.**



Auditor-General
Independent Auditor's Report
to the Minister for Major Projects and Territory Economic Reconstruction
Land Development Corporation

Page 1 of 3

Opinion

I have audited the accompanying financial report of Land Development Corporation (the Corporation), which comprises the balance sheet as at 30 June 2021, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive Officer.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Land Development Corporation as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	Audit scope response to the Key Audit Matter
Revenue from land sales The recognition of revenue from land sales, as described in Note 4a, is a key audit matter due to the complexity of conditions included within land sales contracts, the interpretation of which affects revenue from land sales of \$31.529 million, as reported in Note 4a, and unearned contract revenue of \$2.577 million, as reported in Note 19.	<p>My procedures included but were not limited to:</p> <ul style="list-style-type: none">• obtaining an understanding of the Corporation's approach, processes and controls to assess and classify revenue in accordance with Accounting Standards relating to revenue recognition;• understanding policy position papers and guidance approved by those charged with governance;• reviewing, on a sample basis, the agreements in place with customers;• assessing the completeness and accuracy of inputs used by management to determine and classify revenue and unearned contract revenue; and• considering and assessing the advice sought and received from professional service providers. <p>I also assessed the adequacy of the related disclosures in the notes to the financial statements.</p>



Auditor-General

Page 2 of 3

Key Audit Matter

Audit scope response to the Key Audit Matter

Valuation of land inventory

The determination of the value of land inventory of \$114.872 million (including the recognition of the costs associated with getting the land ready for sale and the classification between current and non-current), as reported in Note 11 to the financial statements, represents a key audit matter due to the complexity of the estimated values.

My procedures included but were not limited to:

- obtaining an understanding of the Corporation's approach, processes and controls to assess the carrying value of its inventory in accordance with *AASB 102 Inventories*;
- testing on a sample basis, development costs capitalised during the year for compliance with the recognition and measurement requirements of *AASB 102 Inventories*;
- testing on a sample basis, that land inventory held at the end of the period was recorded at the lower of cost and net realisable value by agreeing values to market values; and
- obtaining an understanding of the methodology applied for categorisation of inventory between current and non-current and testing on a sample basis, the appropriateness of the classification.

I also assessed the adequacy of the related disclosures in the notes to the financial statements.

Other Information

The Chief Executive is responsible for the other information. The other information comprises the information included in the Corporation's financial statement overview for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer 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 Officer 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.

In preparing the financial report, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



Auditor-General

Page 3 of 3

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however future events or conditions may cause the Corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

27 September 2021

FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2021

The year ended 30 June 2021, represents the tenth year that the Land Development Corporation (LDC) has operated as a Government Business Division (GBD).

FINANCIAL PERFORMANCE

LDC's total income of \$14.42 million comprises net income from residential and industrial land sales of \$8.06 million; grants and subsidies of \$3.83 million and additional income items totaling \$2.53 million. Total income is up from \$12.67 million in the previous year, largely reflecting an increase in grants, partially offset by a reduction in net income from land sales.

LDC holds land as current and non-current inventory representing land available for development and sale. Development costs incurred by LDC are initially recorded as inventory assets on the balance sheet and recognised in the comprehensive operating statement as the cost of land sold at the time of sale.

LDC's main operating expenditure during the year relates to residential and industrial land development being the cost of land sold of \$23.47 million. LDC's employee expenses for the year were \$2.95 million and LDC employed 20 full time equivalent employees as at 30 June 2021. LDC purchases services from other agencies (\$0.32 million).

FINANCIAL POSITION

Overall LDC maintains a strong financial position with \$125.18 million in net assets at 30 June 2021 compared to \$121.25 million in the previous year.

LDC has a secure liquidity position with \$21.55 million in cash. LDC also has a healthy portfolio of land with \$36.95 million in current land inventory and \$77.93 million in non-current land inventory.

CERTIFICATION OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

We certify that the attached financial statements for the Land Development Corporation have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* 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 2021 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.



TONY STUBBIN

LAND DEVELOPMENT CORPORATION
CHIEF EXECUTIVE OFFICER

27 September 2021



CARLY BEH

LAND DEVELOPMENT CORPORATION
FINANCIAL CONTROLLER

27 September 2021

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
INCOME			
Revenue from land sales	4a	31 529	40 553
Cost of land sold		(23 467)	(30 490)
<i>Net revenue from land sales</i>		8 062	10 063
Grants and subsidies	4b	3 825	182
Interest revenue		46	200
Royalties, rents and dividends	4c	1 641	1 547
Other income	4d	842	682
TOTAL INCOME	3	14 416	12 674
EXPENSES			
Employee expenses		2 947	2 792
Administrative expenses			
Purchases of goods and services	6	1 952	2 031
Repairs and maintenance		507	566
Depreciation and amortisation	13,15	735	752
Other administrative expenses		1 904	405
Impairment losses	11,13	1 221	5 746
Interest expenses	7	771	898
TOTAL EXPENSES	3	10 037	13 190
NET SURPLUS/(DEFICIT) BEFORE INCOME TAX		4 379	(516)
Income tax expense	5	208	-
NET SURPLUS/(DEFICIT)		4 171	(516)
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to net deficit</i>			
Decrease in asset revaluation reserve	22	-	(591)
Transfer from reserves		-	445
TOTAL OTHER COMPREHENSIVE INCOME		-	(146)
COMPREHENSIVE RESULT		4 171	(662)

The comprehensive operating statement is to be read in conjunction with the notes to the financial statement

BALANCE SHEET
As at 30 June 2021

	Note	2021 \$000	2020 \$000
ASSETS			
Current assets			
Cash and deposits	9	21 548	27 865
Receivables	10	595	337
Inventories	11	36 945	39 200
Other Assets	12	6	5
Total current assets		59 094	67 407
Non-current assets			
Inventories	11	77 927	75 512
Property, plant and equipment	13	13 956	14 690
Heritage and cultural assets	15	64	65
Other Assets	12	279	285
Total non-current assets		92 226	90 552
TOTAL ASSETS		151 320	157 959
LIABILITIES			
Current liabilities			
Payables	16	232	864
Borrowings and advances	17	5 281	5 290
Provisions	18	592	320
Other liabilities	19	8 856	14 037
Deposits held	20	223	168
Income tax payable	5	208	-
Total current liabilities		15 392	20 679

BALANCE SHEET (Continued)**As at 30 June 2021**

	Note	2021 \$000	2020 \$000
Non-current liabilities			
Borrowings and advances	17	10 750	16 031
Total non-current liabilities		10 750	16 031
TOTAL LIABILITIES		26 142	36 710
NET ASSETS		125 178	121 249
EQUITY			
Capital		54 339	54 339
Reserves	22	-	-
Accumulated funds		70 839	66 910
TOTAL EQUITY		125 178	121 249

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 2021

	Note	Equity at 1 July	Comprehensive result	Transactions with owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2020-2021					
Accumulated funds		66 910	-	-	66 910
Surplus for the period		-	4 171	-	4 171
Dividends		-	-	(242)	(242)
Transfers from reserves		-	-	-	-
		66 910	4 171	(242)	70 839
Reserves	22	-	-	-	-
Capital – transactions with owners		54 339	-	-	54 339
Total equity at end of financial year		121 249	4 171	(242)	125 178
2019-2020					
Accumulated funds		66 981	-	-	66 981
Deficit for the period		-	(516)	-	(516)
Transfers from reserves		-	445	-	445
		66 981	(71)	-	66 910
Reserves	22	591	(591)	-	-
Capital – transactions with owners		54 339	-	-	54 339
Total equity at end of financial year		121 911	(662)	-	121 249

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT
For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Capital grants		3 825	182
Receipts from sales of goods and services		32 997	21 110
Interest received		49	219
Total operating receipts		36 871	21 511
Operating payments			
Payments to employees		(2 908)	(2 728)
Payments for goods and services		(34 255)	(20 759)
Income tax paid		-	-
Interest paid		(794)	(894)
Total operating payments		(37 957)	(24 381)
Net cash used in operating activities	23	(1 086)	(2 870)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Finance lease received		5	5
Total investing receipts		5	5
Net cash from investing activities		5	5
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Deposits received		55	-
Total financing receipts		55	-

CASH FLOW STATEMENT (Continued)

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
Financing payments			
Repayment of borrowing		(5 000)	-
Finance lease payments		(290)	(235)
Total financing payments		(5 290)	(235)
Net cash used in financing activities		(5 235)	(235)
Net decrease in cash held		(6 317)	(3 100)
Cash at beginning of financial year		27 865	30 965
CASH AT END OF FINANCIAL YEAR	9	21 548	27 865

The cash flow statement is to be read in conjunction with the notes to the financial statements

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1. OBJECTIVES AND FUNDING

LDC'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.

LDC'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 LDC and its project partners; and
- realise the opportunities to optimise returns on LDC's assets whilst operating within the guidelines set by the Northern Territory Government for its Government Business Divisions (GBD).

LDC is the developer and manager of Northern Territory Government owned land identified for strategic industrial development. It operates under the *Land Development Corporation Act 2003* and reports to the Minister for Major Projects and Territory Economic Reconstruction.

In 2009, the *Land Development Corporation Act 2003* was amended to expand LDC's role to include the development of residential land. LDC has entered into joint partnership arrangements with participants from the private sector in developing residential land.

LDC has been determined by the Treasurer under Section 3(1) of the *Financial Management Act 1995* to be a GBD, commencing 1 July 2011 and is classified as a Not-for-Profit Entity. This has resulted in LDC 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 LDC being self-funded through the sale of land and hence no longer receiving output appropriation. As a GBD, LDC receives interest earned on cash balances and is required to pay income tax and dividends. Similarly, commencing from 1 July 2011, LDC is required to pay full charges previously received free of charge when it was a general government agency.

The financial statements encompass all funds through which LDC controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by LDC are summarised into several output groups. Note 3 provides summarised financial information in the form of a Comprehensive Operating Statement by output group.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires LDC to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of LDC's financial statements should 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.

b) Basis of accounting

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

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

The form of LDC's financial statements is 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.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2020-21.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

c) Reporting entity

The financial statements cover LDC as an individual reporting entity. LDC is a Northern Territory Government Business Division ("GBD") established under the *Land Development Corporation Act 2003*.

The principal place of business of LDC is Level 2, 37 Woods Street, Darwin NT, 0800.

The postal address of LDC is GPO Box 353, Darwin, NT 0801.

d) Corporation and Territory items

The financial statements of LDC include income, expenses, assets, liabilities and equity over which LDC has control (LDC items). Certain items, while managed by LDC, are controlled and

recorded by the Territory rather than LDC (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

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

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

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

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

e) Comparatives

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

f) 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. Figures in the financial statements and notes may not equate due to rounding.

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2020-21 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in Note 1. k) below.

h) Accounting judgments and estimates

The preparation of the financial report 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.

i) 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.

j) Contributions by and distributions to government

LDC may receive contributions from Government where the Government is acting as owner of LDC. Conversely, LDC may make distributions to Government. In accordance with the *Financial Management Act 1995* 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 LDC as adjustments to equity.

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

k) Impact of COVID-19

LDC has developed and distributed a policy to support tenants experiencing difficulties through waiver or postponement of rent due to COVID-19. The policy was consistent with the National Cabinet Mandatory Code of Conduct SME Commercial Leasing Principles.

LDC Management assessed that COVID-19 has had minimal impact on LDC business and the 2020-21 financial statements with no impact on residential land sales at Zuccoli Village or Kilgariff Estate. Scheduled commercial transactions have also proceeded and have not been held up to a great extent by COVID-19.

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Residential		Industrial		Total	
		2021	2020	2021	2020	2021	2020
		\$000	\$000	\$000	\$000	\$000	\$000
INCOME							
Revenue from land sales	4a	24 302	9 261	7 227	31 292	31 529	40 553
Cost of land sold		(21 634)	(8 587)	(1 833)	(21 903)	(23 467)	(30 490)
<i>Gross profit</i>		2 668	674	5 394	9 389	8 062	10 063
Grants and subsidies	4b	645	58	3 180	124	3 825	182
Interest revenue		14	39	32	161	46	200
Royalties, rents and dividends	4c	-	-	1 641	1 547	1 641	1 547
Other income	4d	112	166	730	516	842	682
TOTAL INCOME		3 439	937	10 977	11 737	14 416	12 674
EXPENSES							
Employee expenses		589	558	2 358	2 234	2 947	2 792
Administrative expenses							
Purchases of goods and services	6	390	407	1 562	1 624	1 952	2 031
Repairs and maintenance		101	113	406	453	507	566
Depreciation and amortisation	13,15	59	48	676	704	735	752
Other administrative expenses ⁽¹⁾		42	81	1 862	324	1 904	405
Impairment losses ⁽²⁾	11,13	-	1 526	1 221	4 220	1 221	5 746
Interest expenses	7	154	179	617	719	771	898
TOTAL EXPENSES		1 335	2 912	8 702	10 278	10 037	13 190
NET SURPLUS/(DEFICIT) BEFORE INCOME TAX		2 104	(1 975)	2 275	1 459	4 379	(516)
Income tax expense	5	42	-	166	-	208	-
NET SURPLUS/(DEFICIT)		2 062	(1 975)	2 109	1 459	4 171	(516)

⁽¹⁾ In 2020-21 \$1.68 million relates to Middle Arm intersection expenses on land not owned by LDC (2019-20: \$0.12 million).

⁽²⁾ In 2020-21 \$1.22 million impairment of inventory from a net realisable value assessment of land at East Arm (2019-20: \$3.19 million impairment of land at East Arm, \$1.53 million impairment from an inventory valuation at Fannie Bay and \$1.03 million relating to property, plant and equipment impairments from valuations undertaken)

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP (Continued)

	Note	Residential		Industrial		Total	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to net deficit							
Decrease in asset revaluation reserve	22	-	-	-	(591)	-	(591)
Transfers from reserves		-	-	-	445	-	445
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-	(146)	-	(146)
COMPREHENSIVE RESULT		2 062	(1 975)	2 109	1 313	4 171	(662)

This comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

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. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Interest revenue

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

4. REVENUE

a) Revenue from land sales

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Revenue from land sales	31 529	-	31 529	40 553	-	40 553
Total land sales revenue	31 529	-	31 529	40 553	-	40 553

Revenue from sales of land is recognised when LDC satisfies its performance obligations of transferring control of the land to the customer. LDC typically satisfies its performance obligations at a point in time when legal title to the land is transferred to the customer.

Revenue from these sales are based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

Land sales revenue that satisfy recognition requirements under AASB 15 are disaggregated below.

	2021	2020
	\$000	\$000
Type of good and service:		
Sales of land inventory	31 529	40 553
Total revenue from contracts with customers by good or service	31 529	40 553
Type of customer:		
Non-government entities	31 529	40 553
Total revenue from contracts with customers by type of customer	31 529	40 553
Timing of transfer of goods and services:		
Point in time	31 529	40 553
Total revenue from contracts with customers by timing of transfer	31 529	40 553

b) Grants and subsidies

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Capital grants	2 581	1 244	3 825	124	58	182
Total grants and subsidies revenue	2 581	1 244	3 825	124	58	182

Grants revenue is recognised at fair value exclusive of the amount of GST.

Where a grant agreement is enforceable and has sufficiently specific performance obligations for LDC to transfer goods or services to the grantor or a third party beneficiary, the transaction is accounted for under AASB 15. In this case, revenue is initially recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when the performance obligations are satisfied.

A financing component for consideration is only recognised if it is significant to the contract and the period between the transfer of goods and services and receipt of consideration is more than

one year. For the 2020-21 and 2019-20 reporting periods, there were no adjustments for the effects of a significant financing component.

Where grant agreements do not meet criteria above, it is accounted for under AASB 1058 and income is recognised on receipt of funding except for capital grants revenue received for the purchase or construction of non-financial assets to be controlled by LDC. Capital grants with enforceable contracts and sufficiently specific obligations are recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when LDC satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the LDC.

For constructed assets, revenue is recognised over time, using the percentage of completion method, measured as the costs incurred as a proportion of estimated total project costs.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

Grant agreements that satisfy recognition requirements under AASB 15 are disaggregated below.

	2021	2020
	\$000	\$000
Type of good and service:		
Construction services	2 581	124
Total revenue from contracts with customers by good or service	2 581	124
Type of customer:		
State and Territory Government	2 581	124
Total revenue from contracts with customers by type of customer	2 581	124
Timing of transfer of goods and services:		
Overtime	2 581	124
Total revenue from contracts with customers by timing of transfer	2 581	124

c) Royalties, rents and dividends

	2021			2020		
	\$000 Revenue from contracts with customers	\$000 Other	\$000 Total	\$000 Revenue from contracts with customers	\$000 Other	\$000 Total
Revenue from licence fees	203	-	203	130	-	130
Rent income	-	1 438	1 438	-	1 417	1 417
Total rent revenue	203	1 438	1 641	130	1 417	1 547

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

Revenue from licence fees in regards to LDC land is recognised when LDC satisfies its performance obligations. LDC's sole performance obligation for the issue of a non-intellectual property licence is the issue of the licence, as such revenue is recognised upfront on issue of the licence and invoice. LDC recognises licences with a term less than 12 months or a low value of \$10 000 or less, upfront on issue of the invoice.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

Licence agreements that satisfy recognition requirements under AASB 15 are disaggregated below.

	2021 \$000	2020 \$000
Type of good and service:		
Licence of land	203	130
Total revenue from contracts with customers by good or service	203	130
Type of customer:		
State and Territory Government	9	4
Non-government entities	194	126
Total revenue from contracts with customers by type of customer	203	130
Timing of transfer of goods and services:		
Point in time	203	130
Total revenue from contracts with customers by timing of transfer	203	130

d) Other income

	2021			2020		
	\$000 Revenue from contracts with customers	\$000 Other	\$000 Total	\$000 Revenue from contracts with customers	\$000 Other	\$000 Total
Other income	467	375	842	259	423	682
Total other income	467	375	842	259	423	682

Rendering of services

Revenue from rendering of services is recognised when the LDC satisfies the performance obligation by transferring the promised services. The nature of the services LDC typically promises to transfer is employee and consultancy services to other NT Government agencies, studies and survey information. LDC typically satisfies its performance obligations at a point in time when employee and consultancy services, studies and surveys in relation to land are provided to the customer.

On charging of costs incurred

Outgoings in connection with LDC land where LDC have executed formal agreements (leases, licences, project delivery agreements and development agreements) are charged to the customer (lessee, licensee, project delivery partner and buyer). The customer reimburses LDC for the following types of outgoings: rates, water and sewerage, body corporate fees and repairs and maintenance on LDC land. Under AASB 1058, income is recognised at the time the invoice is issued.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2021 \$000	2020 \$000
Type of good and service:		
Service delivery	467	259
Total revenue from contracts with customers by good or service	467	259
Type of customer:		
State and Territory Government	343	211
Non-government entities	124	48
Total revenue from contracts with customers by type of customer	467	259
Timing of transfer of goods and services:		
Point in time	467	259
Total revenue from contracts with customers by timing of transfer	467	259

5. INCOME TAX RECONCILIATION

	2021	2020
	\$000	\$000
The income tax for the year can be reconciled to the accounting profit as follows:		
Net surplus/(deficit) before tax for the year	4 379	(516)
<i>Add: Non-deductible – current year</i>		
Expense – unrealised loss ⁽¹⁾	1 221	5 666
<i>Less: Non-deductible – prior year</i>		
Expense – impairment expense relating to assets sold ⁽²⁾	(44)	(117)
Prior year loss applied	(4 863)	(5 033)
Taxable surplus	693	-
Income tax at 30%	208	-

⁽¹⁾ In 2020-21 \$1.22 million of inventory assets were impaired from a net realisable assessment (2019-20: \$4.72 million was impaired from a net realisable assessment and valuation undertaken and building assets were impaired by \$1.03 million from a revaluation undertaken).

⁽²⁾ In 2020-21 \$0.04 million of various inventory assets impaired in previous years from a net realisable assessment were sold (2019-20: \$0.117 million).

6. PURCHASES OF GOODS AND SERVICES

	2021	2020
	\$000	\$000

The net surplus/(deficit) has been arrived at after charging the following expenses:

Goods and services expenses:

Property management	1 143	1 260
Consultants	166	70
Marketing and promotion ⁽¹⁾	79	112
Document production	2	7
Legal expenses ⁽²⁾	68	46
Training and study	31	47
Official duty fares	16	15
Travelling allowance	4	3
Agency service arrangements	336	365
Information technology charges and communications	107	106
Total purchases of goods and services	1 952	2 031

⁽¹⁾ Includes advertising for marketing and promotion.

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

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

Repairs and maintenance expenses

No output appropriation funding is received for repairs and maintenance works associated with LDC assets. Costs associated with repairs and maintenance works on LDC's assets are expensed as incurred.

7. INTEREST EXPENSES

	2021	2020
	\$000	\$000
Interest from lease liabilities	19	19
Interest from loans and advances	752	879
Total interest expenses	771	898

Interest expenses consist of interest and other costs incurred in connection with the borrowing of funds. It includes interest on loans and advances and lease liabilities.

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

	2021	No. of Trans.	2020	No. of Trans.
	\$000		\$000	
Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i>	23	6	3	2
Represented by: <i>Amounts written off, postponed and waived by delegates</i>				
Waiver or postponement of right to receive or recover money or property ⁽¹⁾	23	6	3	2
Total written off, postponed and waived by delegates	23	6	3	2
Gifts authorised under other legislation ⁽²⁾	-	-	-	1

⁽¹⁾ Waiver and postponement of rent for a LDC tenant experiencing difficulties due to COVID-19. The deferred rent was paid back to LDC from November 20 to February 21.

⁽²⁾ Under the Land Development Corporation Act, LDC gifted at nil value 16 concrete pipes of varying diameters and length to the Territory Wildlife Park on 20 February 2020.

9. CASH AND DEPOSITS

	2021	2020
	\$000	\$000
Cash at bank	21 548	27 865
Total cash at bank	21 548	27 865

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 29.

10. RECEIVABLES

	2021	2020
	\$000	\$000
Current		
Accounts receivable	151	51
Less: Loss allowance	(12)	-
	139	51
Contract receivables	53	92
Interest receivables	2	6
GST receivables	341	148
Prepayments	26	25
Other receivables	34	15
Total receivables	595	337

Receivables are initially recognised when LDC becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments. Accounts receivable, contract receivables and other receivables are generally settled within 30 days.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. LDC applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables and contracts receivables. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors. LDC generally maintains strong debt management practices with its tenants. However, there is one expected credit loss for receivables in 2020-21.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery.

The loss allowance for receivables and reconciliation as at the reporting date is disclosed below.

Loss allowance for receivables

	2021			2020			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Internal receivables^(a)							
Not overdue	2	-	-	34	-	-	34
Overdue for less than 30 days	3	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-
Total internal receivables	5	-	-	34	-	-	34
External receivables^(a)							
Not overdue	213	-	-	90	-	-	90
Overdue for less than 30 days	8	-	-	2	-	-	2
Overdue for 30 to 60 days	-	-	-	38	-	-	38
Overdue for more than 60 days	14	100	(12)	-	-	-	-
Total external receivables	235	-	(12)	130	-	-	130

^(a) Total amounts disclosed exclude statutory amounts and prepayments and include contract receivables.

Reconciliation of loss allowance for receivables

Internal receivables^(a)	2021	2020
	\$000	\$000
Opening balance	-	-
Written off during the year	-	-
Recovered during the year	-	-
Increase/decrease in allowance recognised in profit or loss	-	-
Total internal receivables	-	-
External receivables^(a)		
Opening balance	-	-
Written off during the year	-	-
Recovered during the year	-	-
Increase/decrease in allowance recognised in profit or loss	(12)	-
Total external receivables	(12)	-

^(a) Internal receivables are from entities controlled by the NTG, whereas external receivables are from parties external to the NTG. Reconciliation of loss allowances includes loss allowances attributed to contract receivables and accrued contract revenue.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

11. INVENTORIES

	2021	2020
	\$000	\$000
Current – under development and developed land		
At cost	36 945	39 200
At net realisable value	-	-
Total current inventories	36 945	39 200
Non-current – undeveloped land		
At cost	72 229	65 469
At net realisable value	5 698	10 043
Total non-current inventories	77 927	75 512
Total inventories	114 872	114 712

Land inventories comprises:

Cost of acquisition	78 325	83 643
Development costs	36 547	31 069
Total inventories	114 872	114 712

Inventories – land held for sale

Land held for development and sale in the ordinary course of business operations is valued at the lower of cost and net realisable value. Cost of inventories includes the cost of acquisition and development associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Amounts are disclosed as current where it is anticipated that land will be developed ready for sale within twelve months of the 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.

During the 2020-21 year inventory costs amounting to \$1.22 million was impaired due to a net realisable value assessment undertaken at East Arm. In 2019-20 inventory costs amounting to \$4.72 million was impaired from the net realisable value assessment undertaken at East Arm (\$3.19 million) and an external valuation undertaken at Fannie Bay (\$1.53 million).

12. OTHER ASSETS

	2021	2020
	\$000	\$000
Current		
Lease receivables	6	5
	6	5
Non-current		
Lease receivables	279	285
	279	285
Total other assets	285	290

a. Agency as a lessor

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

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

Finance leases

At the lease commencement date, LDC recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

LDC entered into a 40-year head lease arrangement with the Tiwi Aboriginal Land Trust to lease 3.66 hectares of land at Wurrumiyanga on the Tiwi Islands. At the same time LDC entered into a 40-year sublease arrangement with Indigenous Essential Services for the same portion of land at Wurrumiyanga on the Tiwi Islands. The arrangement was assessed as a finance sublease arrangement.

Future minimum rentals receivable (undiscounted) under non-cancellable finance lease as at 30 June are as follows:

	2021	2020
	\$000	\$000
Not later than one year	11	11
Later than one year and not later than five years	44	44
Later than five years	355	366
Total	410	421

Reconciliation of net investment in leases are as follows:

Future undiscounted rentals receivable	410	421
Less: Unearned finance income	(125)	(131)
Net investment in finance leases	285	290

Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying 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.

LDC owns land and buildings that is leased to tenants under operating lease arrangements with rentals payable monthly. The term of these leases range from 1 month to 50 years. Lease payments for all contracts include CPI increases and market reviews.

LDC also subleases carpark spaces on Level 2, 37 Woods Street, Darwin City, which is leased under a month to month head lease agreement. As this sublease has a month to month lease term, it is classified as an operating sublease.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are as follows:

	2021	2020
	\$000	\$000
Not later than one year	1 342	1 288
Later than one year and not later than five years	1 858	2 546
Later than five years	-	-
Total	3 200	3 834

13. PROPERTY, PLANT AND EQUIPMENT

a) Total property, plant and equipment

	2021	2020
	\$000	\$000
Land		
At fair value	-	117
Less: Impairment losses	-	(117)
	-	-
Buildings		
At fair value	4 679	4 679
Less: Accumulated depreciation	(1 830)	(1 468)
	2 849	3 211
Infrastructure		
At fair value	12 433	12 433
Less: Accumulated depreciation	(1 376)	(1 035)
	11 057	11 398
Transport equipment		
At fair value	104	104
Less: Accumulated depreciation	(54)	(23)
	50	81
Total property, plant and equipment	13 956	14 690

2021 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end year is set out below:

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Carrying amount as at 1 July 2020	-	3 211	11 398	81	14 690
Additions	-	-	-	-	-
Depreciation/amortisation expense	-	(362)	(341)	(31)	(734)
Additions/disposals from asset transfers	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Impairment losses ^(a)	-	-	-	-	-
Carrying amount as at 30 June 2021	-	2 849	11 057	50	13 956

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses'. LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent a balance exists in the 'Asset revaluation surplus' for that class of asset.

2020 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end year is set out below:

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Carrying amount as at 1 July 2019	263	3 349	11 739	35	15 386
Additions	-	1 307	-	69	1 376
Depreciation/amortisation expense	-	(388)	(341)	(23)	(752)
Additions/disposals from asset transfers	(146)	-	-	-	(146)
Revaluation increments/decrements	-	(1 057)	-	-	(1 057)
Impairment losses ^(a)	(117)	-	-	-	(117)
Carrying amount as at 30 June 2020	-	3 211	11 398	81	14 690

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses'. LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent that a balance exists in the 'Asset revaluation surplus' for that class of asset.

b) Property, plant and equipment held and used by LDC

A reconciliation of the carrying amount of property, plant and equipment held and used by LDC is set out below:

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Balance at 1 July 2020					
Gross carrying amount	-	1 337	12 433	104	13 874
Accumulated depreciation/amortisation	-	(234)	(1 035)	(23)	(1 292)
Carrying amount as at 1 July 2020	-	1 103	11 398	81	12 582
Additions	-	-	-	-	-
Depreciation/amortisation expense	-	(261)	(341)	(31)	(633)
Impairment losses ^(a)	-	-	-	-	-
Carrying amount as at 30 June 2021	-	842	11 057	50	11 949

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses' in 'Expenses'. LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent that a balance exists in the 'Asset revaluation surplus' for that class of asset.

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Balance at 1 July 2019					
Gross carrying amount	117	46	12 433	35	12 631
Accumulated depreciation/amortisation	-	(16)	(694)	-	(710)
Carrying amount as at 1 July 2019	117	30	11 739	35	11 921
Additions	-	1 307	-	69	1 376
Depreciation/amortisation expense	-	(234)	(341)	(23)	(598)
Impairment losses ^(a)	(117)	-	-	-	(117)
Carrying amount as at 30 June 2020	-	1 103	11 398	81	12 582

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses'. LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent that a balance exists in the 'Asset revaluation surplus' for that class of asset.

c) Property, plant and equipment where LDC is lessor under operating leases

A reconciliation of the carrying amount of property, plant and equipment where LDC is lessor under operating leases is set out below:

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Balance at 1 July 2020					
Gross carrying amount	-	2 262	-	-	2 262
Accumulated depreciation/amortisation	-	(154)	-	-	(154)
Carrying amount as at 1 July 2020	-	2 108	-	-	2 108
Additions	-	-	-	-	-
Depreciation/amortisation expense	-	(101)	-	-	(101)
Additions/disposals from asset transfers	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Impairment losses ^(a)	-	-	-	-	-
Carrying amount as at 30 June 2021	-	2 007	-	-	2 007

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses', LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent that a balance exists in the 'Asset revaluation surplus' for that class of asset.

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Balance at 1 July 2019					
Gross carrying amount	146	4 383	-	-	4 529
Accumulated depreciation/amortisation	-	(1 064)	-	-	(1 064)
Carrying amount as at 1 July 2019	146	3 319	-	-	3 465
Additions	-	-	-	-	-
Depreciation/amortisation expense	-	(154)	-	-	(154)
Additions/disposals from asset transfers/subleased	(146)	-	-	-	(146)
Revaluation increments/decrements	-	(1 057)	-	-	(1 057)
Impairment losses ^(a)	-	-	-	-	-
Carrying amount as at 30 June 2020	-	2 108	-	-	2 108

^(a) For use where impairment losses are recognised (or reversed) in 'Expenses'. LDC asset impairment losses relating to revalued assets are recorded as revaluation decrements to the extent that a balance exists in the 'Asset revaluation surplus' for that class of asset.

Acquisitions

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

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 below. 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 LDC 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.

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 the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land;
- buildings;
- infrastructure assets; and
- heritage and cultural assets.

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

The latest revaluations of LDC's building assets were independently conducted during the 2019-20 year. The valuer was Herron Todd White. Refer to Note 24: Fair value for additional disclosures.

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 LDC assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, LDC determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's current 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 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 22 provides additional information in relation to the asset revaluation surplus.

LDC's property, plant and equipment assets were assessed for impairment as at 30 June 2021. No impairment adjustments were required as a result of this review in 2020-21 (2019-20: \$1.03 million of impairment losses were recognised against the land and building asset class. \$0.11 million of impairment losses were charged to the asset revaluation surplus).

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:

	2021	2020
Land	Infinite – not depreciated	Infinite – not depreciated
Buildings	10 - 50 years	10 - 50 years
Infrastructure assets	8 - 50 years	8 - 50 years
Plant and equipment	5 years	5 years
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.

The estimated useful lives disclosed above includes the useful lives of right-of-use assets under AASB 16. For further detail, refer to Note 14.

14. AGENCY AS A LESSEE

LDC leases land, motor vehicles and office accommodation. Lease contracts are typically made for fixed periods of between 5 to 40 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

An extension option is included in the office accommodation lease and is used to maximise operational flexibility in terms of managing the contract. The extension option is exercisable by LDC. LDC does not have extension options for the land lease or the motor vehicle leases.

Potential future cash outflows for the office accommodation of \$1.356 million have not been included in the lease liability because it is not reasonably certain the lease will be extended.

LDC has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 13.

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Balance as at 1 July 2020	-	1 088	-	81	1 169
Additions	-	-	-	-	-
Amortisation expense	-	(261)	-	(31)	(292)
Transfers in/(Out)	-	-	-	-	-
Revaluation increments/decrements including remeasurement	-	-	-	-	-
Carrying amount as at 30 June 2021	-	827	-	50	877

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2019	146	-	-	35	181
Additions	-	1 306	-	69	1 375
Amortisation expense	-	(218)	-	(23)	(241)
Transfers in/(Out)	(147)	-	-	-	(147)
Revaluation increments/decrements including remeasurement	1	-	-	-	1
Carrying amount as at 30 June 2020	-	1 088	-	81	1 169

The following amounts were recognised in the statement of comprehensive income for the year in respect of leases where LDC is the lessee:

	2021	2020
	\$000	\$000
Amortisation expense of right-of-use assets	(292)	(241)
Interest expense on lease liabilities	(19)	(19)
Expense relating to short-term leases	(16)	(63)
Income from subleasing right-of-use assets	11	11
Gains or losses arising from initial recognition of sublease and reversal of right-of-use asset	-	148
Total amount recognised in the comprehensive operating statement	(316)	(164)

Recognition and measurement

LDC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

LDC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

LDC recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	40 years
Building	5 to 10 years
Plant and equipment	5 years

The right-of-use assets are subsequently measured at fair value which approximates costs. The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

15. HERITAGE AND CULTURAL ASSETS

	2021	2020
	\$000	\$000
Carrying amount as at 1 July		
At valuation	74	74
Less: Accumulated depreciation	(10)	(9)
Written down value – 30 June	64	65
Reconciliation of movements		
Carrying amount as at 1 July	65	66
Depreciation	(1)	(1)
Carrying amount as at 30 June	64	65

Heritage and cultural assets valuation

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

Impairment of heritage and cultural assets

LDC's heritage and cultural assets were assessed for impairment as at 30 June 2021. No impairment adjustments were required as a result of this review.

16. PAYABLES

	2021	2020
	\$000	\$000
Accounts payable	107	666
Accrued expenses	125	198
Total payables	232	864

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 LDC. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

17. BORROWING AND ADVANCES

	2021	2020
	\$000	\$000
Current		
Loans and advances	5 000	5 000
Lease liabilities	281	290
	5 281	5 290
Non-current		
Loans and advances	10 000	15 000
Lease liabilities	750	1 031
	10 750	16 031
Total borrowings and advances	16 031	21 321

Borrowings and advances are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Lease liabilities

At the commencement date of the lease where LDC is the lessee, LDC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects LDC exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2021	2020
	\$000	\$000
Balance at 1 July	1 321	181
Additions/remeasurements	-	1 375
Interest expenses	19	19
Payments	(309)	(254)
Balance at 30 June	1 031	1 321

LDC had total cash outflows for leases of \$0.290 million in 2020-21 (\$0.235 million in 2019-20).

Future minimum lease payments under non-cancellable leases not recorded as liability are as follows:

	2021		2020	
	Internal	External	Internal	External
Within one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	-	-

18. PROVISIONS

	2021	2020
	\$000	\$000
Current		
<i>Employee benefits</i>		
Recreation leave	263	242
Leave loading	28	28
Other employee benefits	-	-
<i>Other current provisions</i>		
Provision for dividend	242	-
Other provisions	59	50
Total current provisions	592	320

LDC employee headcount is 21 with 20 full time equivalent employees as at 30 June 2021 (21 employee headcount with 20 full time equivalent employees as at 30 June 2020).

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 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 LDC and therefore no long service leave liability is recognised in LDC's financial statements.

19. OTHER LIABILITIES

	2021	2020
	\$000	\$000
Current		
Unearned contract revenue	2 577	7 241
Unearned capital grants	3 485	4 729
Other liabilities	2 794	2 067
Total current other liabilities	8 856	14 037

Unearned contract revenue

Unearned contract revenue relates to consideration received in advance from customers in respect of Industrial land sales and from the Department of Infrastructure, Planning and Logistics for the Middle Arm intersection and access road. Unearned contract revenue balances as at 30 June 2021 is \$2.58 million (2019-20: \$7.24 million).

LDC anticipates to recognise as revenue, any liabilities for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2021	2020
	\$000	\$000
Not later than one year	1 619	7 241
Later than one year and not later than five years	958	-
Later than five years	-	-
Total	2 577	7 241

Unearned capital grants

Below is a reconciliation of financial assets and corresponding liabilities arising from transfers to construct non-financial assets to be controlled by LDC:

	2021	2020
	\$000	\$000
Unearned capital grants at the beginning of the year	4 729	4 787
Add: Receipt of cash during the financial year	-	-
Less: Income recognised during the financial year	1 244	58
Total unearned capital grants	3 485	4 729

For constructed assets, performance obligations are typically satisfied overtime as the asset is constructed and revenue is recognised accordingly. An input method is used to measure the progress towards the satisfaction of performance obligations and hence the amount of revenue recognised. The progress towards satisfaction of the performance obligations is measured using the percentage of completion method, which is the cost incurred to date as a proportion of the total project costs.

Of the amount included in the unearned capital grant revenue balance from the Department of Infrastructure, Planning and Logistics for Kittyhawk Stage 1 infrastructure works and the Kilgariff Stage 2 development, \$1.24 million of capital grants revenue was recognised in 2020-21 (2019-20: \$0.058 million).

LDC anticipates to recognise as income, any liability for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2021	2020
	\$000	\$000
Not later than one year	2 385	2 129
Later than one year and not later than five years	1 100	2 600
Later than five years	-	-
Total	3 485	4 729

Other liabilities

Of the amount included in the other liabilities balance as at 30 June 2021, \$2.52 million relates to LDC's future profit entitlement from the Zuccoli joint arrangement project (2019-20: \$1.78 million).

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued where the total value being guaranteed is greater than \$1 million. The liability is initially measured at fair value, calculated as the present value of the difference between the net contractual cash flows required under a debt instrument and the net contractual cash flows that would have been required without the guarantee.

At the end of each subsequent reporting period, financial guarantees are subsequently measured at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation, where appropriate.

The amount of the loss allowance at each subsequent reporting period equals the 12-month expected credit losses. However, where there has been a significant increase in the risk that the specified debtor will default on the contract, the loss allowance is equal to the lifetime expected credit losses.

Expected credit losses for a financial guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows. Cash shortfalls are the difference between:

- the expected payments to reimburse the holder for a credit loss that it incurs
- any amount that LDC expects to receive from the holder, the debtor or any other party.

LDC has previously provided vacant and titled land lots at Zuccoli as security and a financial guarantee to enable its joint operator partner, Urbex Pty Ltd (Urbex), to obtain external financing in respect of the next stage of the Zuccoli Village development. At 30 June 2021, LDC does not have a financial guarantee liability.

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.

LDC 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 therefore not recognised in LDC's financial statements.

20. DEPOSITS HELD

	2021	2020
	\$000	\$000
Accountable officer's trust account	28	18
Other deposits held	195	150
Total deposits held	223	168

21. COMMITMENTS

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

Disclosures in relation to capital commitments are detailed below.

	2021		2020	
	Internal ^(a)	External ^(a)	Internal	External
	\$000	\$000	\$000	\$000
(i) Capital expenditure commitments				
Capital expenditure commitments relate to the Corporation's approved 2021-22 capital works program but not recognised as liabilities are payable as follows:				
Within one year	8 047	-	8 609	-
Later than one year and not later than five years	9 909	-	16 306	-
	17 956	-	24 915	-

^(a) Internal commitments reflect commitments with entities controlled by the NTG, whereas external commitments reflect those to third parties external to the NTG.

22. RESERVES

Asset revaluation surplus

(i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

(ii) Movements in the asset revaluation surplus

	Land		Buildings		Infrastructure		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July	-	-	-	591	-	-	-	591
Increment/decrement	-	-	-	(109)	-	-	-	(109)
Impairment losses	-	(37)	-	-	-	-	-	(37)
Transfers to accumulated funds	-	37	-	(482)	-	-	-	(445)
Balance as at 30 June	-	-	-	-	-	-	-	-

23. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of cash

The total of LDC 'cash and deposits' of \$21.55 million recorded in the balance sheet is consistent with that recorded as 'cash' in the cash flow statement.

Reconciliation of net surplus/(deficit) to net cash from operating activities

	2021	2020
	\$000	\$000
Net surplus/(deficit)	4 171	(516)
<i>Non-cash items:</i>		
Depreciation and amortisation	735	752
Impairment	1 221	5 746
<i>Changes in assets and liabilities:</i>		
Increase in receivables	(257)	(75)
(Increase)/decrease in inventories	(1 382)	35 342
Decrease in trade and other payables	(631)	(6 990)
Increase in provision for employee benefits	20	36
Increase in other provisions	10	8
Increase in tax liabilities	208	-
Decrease in other liabilities	(5 181)	(37 173)
Net cash used in operating activities	(1 086)	(2 870)

b) Reconciliation of liabilities arising from financing activities

	Cash Flows				Non-Cash				
	1 July \$000	Deposits received \$000	Dividends paid \$000	Finance lease payments \$000	Loans and advances repaid \$000	Total cash flows \$000	Dividends declared \$000	Lease acquisitions and other movements \$000	30 June \$000
Deposits held	168	55	-	-	-	55	-	-	223
Dividends	-	-	-	-	-	-	242	-	242
Finance leases	1 321	-	-	(290)	-	(290)	-	-	1 031
Borrowings and advances	20 000	-	-	-	(5 000)	(5 000)	-	-	15 000
Total	21 489	55	-	(290)	(5 000)	(5 235)	242	-	16 496
2020-21									
	1 July \$000	Deposits received \$000	Dividends paid \$000	Finance lease payments \$000	Loans and advances repaid \$000	Total cash flows \$000	Dividends declared \$000	Lease acquisitions and other movements \$000	30 June \$000
Deposits held	168	-	-	-	-	-	-	-	168
Dividends	-	-	-	-	-	-	-	-	-
Finance leases	181	-	-	(235)	-	(235)	-	1 375	1 321
Borrowings and Advances	20 000	-	-	-	-	-	-	-	20 000
Total	20 349	-	-	(235)	-	(235)	-	1 375	21 489
2019-20									

c) Non-cash financing and investing activities

Lease transactions

During the financial year, LDC recorded no right-of-use assets for the lease of land, buildings and plant and equipment (2019-20: \$1.38 million).

24. 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 minimise 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 relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by LDC include, but are not limited to, published sales data for land, general office buildings and infrastructure.

Unobservable inputs are data, assumptions and judgments not available publicly, but 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.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost;
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument; and

- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

a) Fair value hierarchy

LDC does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximates their fair value. The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total fair value		Carrying amount	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets¹										
Land (Note 13)	-	-	-	-	-	-	-	-	-	-
Buildings (Note 13)	-	-	-	-	2 849	3 211	2 849	3 211	2 849	3 211
Infrastructure (Note 13)	-	-	-	-	11 057	11 398	11 057	11 398	11 057	11 398
Plant and equipment (Note 13)	-	-	-	-	50	81	50	81	50	81
Heritage and cultural assets (Note 15)	-	-	-	-	64	65	64	65	64	65
Total assets	-	-	-	-	14 020	14 755	14 020	14 755	14 020	14 755

There were no transfers between Level 1 and Levels 2 or 3 during 2020-21.

b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2020-21 are:

Asset Classes	Level 1		Level 2		Level 3	
	Techniques	Techniques	Techniques	Techniques	Techniques	Techniques
Land	-	-	-	-	-	Cost approach
Buildings	-	-	-	-	-	Market/cost approach
Infrastructure	-	-	-	-	-	Market approach
Plant and equipment	-	-	-	-	-	Cost approach
Heritage and cultural assets	-	-	-	-	-	Cost approach

There were no changes in valuation techniques from 2019-20 to 2020-21.

Level 3 fair values of specialised land were determined by computing their costs because an active market does not exist for such land. Buildings and infrastructure assets were determined by valuations conducted by independent certified property valuers. Plant and Equipment assets were determined by their right-of-use. Heritage and Cultural assets 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 of non-financial assets

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Heritage and cultural assets \$000
2020-21					
Fair value as at 1 July 2020	-	3 211	11 398	81	65
Additions	-	-	-	-	-
Depreciation/amortisation expense	-	(362)	(341)	(31)	(1)
Losses recognised in net deficit ^(a)	-	-	-	-	-
Fair value as at 30 June 2021	-	2 849	11 057	50	64

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Heritage and cultural assets \$000
2019-20					
Fair value as at 1 July 2019	117	3 349	11 739	35	66
Additions	-	1 307	-	69	-
Depreciation/amortisation expense	-	(388)	(341)	(23)	(1)
Losses recognised in net deficit ^(a)	(117)	(1 057)	-	-	-
Fair value as at 30 June 2020	-	3 211	11 398	81	65

^(a) Includes revaluations and impairment.

(ii) Sensitivity analysis

Land, Buildings, Infrastructure, Plant and Equipment and Cultural assets – Unobservable inputs used in computing the fair value of these assets include the historical cost and the consumed economic benefit for each asset. These assets are depreciated on useful life range from 5 to 100 years. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

25. 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 assets and financial liabilities are recognised on the balance sheet when LDC becomes a party to the contractual provisions of the financial instrument. Financial instruments held by LDC include cash and deposits, receivables, payables and borrowings and advances. LDC has limited exposure to financial risks as discussed below.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 *Financial Instruments Presentation*. These include statutory receivables arising from taxes including GST and penalties.

Exposure to interest rate risk, credit risk, price risk and liquidity risk arise in the normal course of activities. LDC's borrowings are managed by the Northern Territory Treasury Corporation (NTTC).

a) Categories of financial instruments

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

	2020-21	2019-20
	Amortised cost	Amortised cost
	\$000	\$000
Cash and deposits	21 548	27 865
Receivables ⁽¹⁾	228	164
Other assets – lease receivables	284	290
Total financial assets	22 060	28 319
Deposits held ⁽¹⁾	195	150
Payables	232	864
Loans	15 000	20 000
Lease liabilities	1 031	1 321
Total financial liabilities	16 458	22 335

⁽¹⁾ Total amounts disclosed here exclude statutory amounts

Categories of financial instruments

LDC's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit and loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost; or
- fair value through profit and loss (FVTPL).

The classification depends on LDC's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. LDC reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by LDC to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. LDC's financial assets categorised at amortised cost include cash and deposits, receivables and lease receivables.

Financial assets at fair value through other comprehensive income

Financial assets are classified at fair value through other comprehensive income when they are held by LDC to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when LDC's right to receive payments is established.

LDC does not have any financial assets under this category.

Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

LDC does not have any financial assets under this category.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. LDC's financial liabilities categorised at amortised cost include all accounts payable, deposits held, borrowings and lease liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in LDC's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

LDC does not have any financial liabilities under this category.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

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

Credit risk relating to receivables is disclosed in Note 10.

c) Liquidity risk

Liquidity risk is the risk that LDC will not be able to meet its financial obligations as they fall due. LDC's approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in LDC's bank account to meet various current employee and supplier liabilities. LDC's exposure to liquidity risk is minimal.

The following tables detail LDC's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet which are based on discounted cash flows.

2021 Maturity analysis for financial liabilities

	Carrying amount	Less than one year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Deposits held	195	-	195	-	195
Payables	232	232	-	-	232
Loans	15 000	5 552	10 444	-	15 996
Lease liabilities	1 031	295	642	173	1 110
Total financial liabilities	16 458	6 079	11 281	173	17 533

2020 Maturity analysis for financial liabilities

	Carrying amount	Less than one year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Deposits held	150	150	-	-	150
Payables	864	864	-	-	864
Loans	20 000	5 775	15 997	-	21 772
Lease liabilities	1 321	309	932	178	1 419
Total financial liabilities	22 335	7 098	16 929	178	24 205

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

LDC's exposure to interest rate risk by asset and liability classes is disclosed below.

2021 Interest rate risk for financial assets and liabilities

	Interest bearing		Non- interest bearing	Total	Weighted average
	Variable	Fixed			
	\$000	\$000	\$000	\$000	%
Assets					
Cash and deposits	21 548	-	-	21 548	0.15%
Receivables	-	-	228	228	
Other assets – lease receivables	-	284	-	284	2.09%
Total financial assets	21 548	284	228	22 060	
Liabilities					
Deposits held	-	-	195	195	
Payables	-	-	232	232	
Loans	-	15 000	-	15 000	4.42%
Lease liabilities	-	1 031	-	1 031	1.51%
Total financial liabilities	-	16 031	427	16 458	

2020 Interest rate risk for financial assets and liabilities

	Interest bearing		Non- interest bearing	Total	Weighted average
	Variable	Fixed			
	\$000	\$000	\$000	\$000	%
Assets					
Cash and deposits	27 865	-	-	27 865	0.66%
Receivables	-	-	164	164	
Other assets – lease receivables	-	290	-	290	2.09
Total financial assets	27 865	290	164	28 319	
Liabilities					
Deposits held	-	-	150	150	
Payables	-	-	864	864	
Loans	-	20 000	-	20 000	4.39%
Lease liabilities	-	1 321	-	1 321	1.51%
Total financial liabilities	-	21 321	1 014	22 335	

Sensitivity analysis

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

	Profit or loss and equity	
	100 basis points increase	100 basis points decrease
	\$000	\$000
30 June 2021		
Financial assets – cash at bank	215	(215)
Net sensitivity	215	(215)
30 June 2020		
Financial assets – cash at bank	279	(279)
Net sensitivity	279	(279)

(ii) Price risk

LDC is not exposed to price risk as LDC does not hold units in unit trusts.

(iii) Currency risk

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

26. RELATED PARTIES

i) Related parties

LDC is a government business division and is wholly owned and controlled by the Territory Government. Related parties of LDC include:

- the Portfolio Minister who has the power to direct LDC to act in a certain manner under section 8 of the *Land Development Corporation Act 2003*;
- key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the LDC directly;
- close family members of the Portfolio Minister or KMP including spouses, children and dependants;
- all public sector entities that are controlled and consolidated into the whole of government financial statements; and
- any entities controlled or jointly controlled by KMP's or the Portfolio Minister or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

Key management personnel of the LDC are those persons having authority and responsibility for planning, directing and controlling the activities of LDC. These include the Chief Executive Officer, and 5 members of the LDC management team.

iii) Remuneration of key management personnel

The table below excludes the salaries and other benefits of the Minister for Major Projects and Territory Economic Reconstruction as the minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the Land Development Corporation is set out below:

	2021	2020
	\$000	\$000
Short-term benefits	1 037	986
Post-employment benefits	106	101
Total	1 143	1 087

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

2021

Related party	Revenue from related parties \$000	Payments to related parties \$000	Amounts owed by related parties \$000	Amounts owed to related parties \$000
All Territory Government departments	3 973	2 707	6	19 935

2020

Related party	Revenue from related parties \$000	Payments to related parties \$000	Amounts owed by related parties \$000	Amounts owed to related parties \$000
All Territory Government departments	525	2 596	24	28 554

LDC recognised \$3.83 million in Capital Grants Revenue from the Department of Infrastructure, Planning and Logistics (DIPL) during 2020-21. LDC paid \$0.762 million to the Department of Chief Minister and Cabinet for land rates, \$0.752 million to the Northern Territory Treasury Corporation (NTTC) for interest on loans and \$0.271 million to the Department of Corporate and Digital

Development (DCDD) for office rent. LDC has three loans with the NTTC of \$5 million each and capital grant funding of \$4.59 million from DIPL.

LDC's transactions with other government entities are not individually significant.

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory Public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. All other related party transactions in excess of \$10,000 have been provided in the table below.

2021	Transaction value for year ended	Net receivable/ (payable) as at	Commitments as at
Transaction type	30 June 2021	30 June 2021	30 June 2021
	\$000	\$000	\$000
Sales of land ¹	215	-	-

¹ LDC sold residential land worth \$215,000 during the year to an individual of a close family member of KMP and there was no amount outstanding at year end.

2020	Transaction value for year ended	Net receivable/ (payable) as at	Commitments as at
Transaction type	30 June 2020	30 June 2020	30 June 2020
	\$000	\$000	\$000
Sales of land ¹	-	-	-

Outside of normal citizen type transactions with LDC, there were no related party transactions that involved key management personnel and their close family members in 2019-20. No provision has been required, nor any expense recognised, for bad or doubtful debts in respect of amounts owed by related parties.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

LDC had no contingent liabilities as at 30 June 2021 or 30 June 2020.

(b) Contingent assets

LDC had no contingent assets as at 30 June 2021 or 30 June 2020.

28. 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.

29. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act 1995*, 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 1 July 2020	Receipts	Payments	Closing balance 30 June 2021
	\$000	\$000	\$000	\$000
Security bonds	18	16	(6)	28

Deposits held

Deposits held include deposits held by LDC 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 security bonds held in trust in accordance with Section 7 of the *Financial Management Act 1995*.

30. JOINT ARRANGEMENTS

Zuccoli Project Delivery Agreement

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

LDC holds the land in its accounts, while the joint operator partner recognises its own expenses (pays for the development) and its liabilities (finance raised for the development).

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



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