



ACT
Government
Economic Development

 Land
Development
Agency
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Ms Anne Cahill Lambert
Chair
ACT Remuneration Tribunal
PO Box 964
CIVIC SQUARE ACT 2608

Dear Ms Cahill Lambert,

On behalf of the Governing Board of the Land Development Agency, I am writing in response to the ACT Remuneration Tribunal's call for submissions for your annual review of the remuneration and allowances to be paid to part-time statutory office holders.

New governance arrangements for the Land Development Agency (LDA) and the Economic Development Directorate (EDD) were outlined in the middle of 2011 as part of the response to the report 'Governing the City State: One Government – One ACT Public Service' by Dr Allan Hawke AC. The Government opted for a model that retained the independent expertise and commercial focus provided by the LDA Board while closely integrating the activities of the LDA and EDD. The Government subsequently agreed to a Statement of Governance Arrangements and a Memorandum of Understanding to operationalise arrangements (see Attachment A and B).

While these new arrangements are working well to improve overall land development efficiency, accountability and delivery they have nevertheless added considerable complexity to the work of LDA Board members. To effectively fulfil our responsibilities with due diligence LDA Board members now contribute to a range of sub-committees, including fulfilling the Chair role in some cases (for example Joint Venture Committees, Workplace Health and Safety Committee, and the LDA Audit Committee).

In addition, in the 2012-13 Budget the Government announced the creation of the Gungahlin to City Project Office within the LDA to coordinate the development and delivery of rapid transport and redevelopment along the Northbourne Avenue corridor (see Attachment C).

Essentially, all of these changes reflect a more complex operating environment and a larger scale and remit for the LDA and its Governing Board.

It is on this basis that I submit to you that LDA Board Members remuneration be increased as part of the ACT Remuneration Tribunal's 2012 review of the remuneration and allowances to be paid to part time statutory office holders. Please feel free to contact me or other members of the LDA Board if additional information is required as part of your deliberations.

Yours sincerely

Ross Barrett OAM
Chair
Land Development Agency Board

LDA – Statement of Governance Arrangements April 2012

Introduction

This Statement of Governance Arrangements reflects the accountabilities of the Land Development Agency Board and Chief Executive Officer under ACT legislation, sets out the ACT Government's governance, policy and reporting requirements for the Land Development Agency (LDA) and formalises the relationship between the LDA and the Economic Development Directorate (EDD).

Legislative Framework

The LDA is established under Chapter 4, Part 4.1 Section 31 of the Planning and Development Act 2007, with the LDA's governing board being established under Section 42 of the Act.

Section 32 of the Planning and Development Act 2007 states that the LDA functions are to develop land, carry out works for the development and enhancement of land; and carry out strategic or complex urban development projects. The LDA must exercise its functions in accordance with the object of the territory plan and in accordance with the latest statement of intent for the land agency.

Section 37 of the Planning and Development Act 2007 provides that the Minister [the Minister for Economic Development] may give written directions to the land agency about the principles that are to govern the exercise of its functions.

Chapter 4 Part 4.2 of the Planning and Development Act 2007 also specifies arrangements for the establishment of LDA committees, the preparation of the LDA annual report, the LDA's power of delegation, financial provisions and the payment of taxes. Part 4.3 of that Act deals with the establishment of the LDA Board and its composition.

The Financial Management Act 1996 applies to the LDA, with the relevant parts of the Act being Parts 8 and 9.

Section 56 of the Financial Management Act 1996 states that the governing board is responsible, under the responsible Minister, for the efficient and effective financial management of the authority; while Section 61 of the Financial Management Act 1996 states that the authority must give the Treasurer a statement of intent for each financial year, having consulted with the responsible Minister.

Section 77 of the Financial Management Act 1996 provides that a governing board has the following functions:

1. setting the authority's policies and strategies
2. governing the authority consistently with the authority's establishing Act and other relevant legislation
3. ensuring, as far as practicable, that the authority operates in a proper, effective and efficient way
4. ensuring, as far as practicable, that the authority complies with applicable governmental policies.

Section 80 of the Financial Management Act 1996 provides that the governing board, after consulting with the responsible Minister, appoints the CEO, while Section 84 of the Financial Management Act 1996 sets out the CEO's functions as:

1. ensuring, as far as practicable, that the authority's statement of intent is implemented effectively and efficiently
2. managing the day to day operations of the agency in accordance with (i) applicable governmental policies (if any); and (ii) the policies of the authority set by the board; and (iii) each legal requirement that applies to the

LDA Audit Committee will continue under its existing charter.

To support the LDA's budgeting and financial reporting requirements, the accounting structure for the Economic Development Directorate will separately identify all costs attributable to the achievement of the responsibilities of LDA; including where enabling functions are undertaken either in support of both LDA and EDD, or by one entity for the other.

The allocation of all costs relating to LDA will be considered and agreed by the LDA Board, in consultation with the Director-General of EDD. The allocation of support costs will be reviewed annually.

Management Principles

Accountability and Structural Arrangements

The Director-General of the Economic Development Directorate (EDD) will also be the Chief Executive Officer of the LDA and in that capacity is a member of the LDA Board.

The occupant of the position of Director-General EDD would only hold the position of CEO of LDA for the duration of that person's appointment as Director-General EDD.

The CEO of the LDA will be appointed by the LDA Board after consultation with the Minister for Economic Development. There will be no additional remuneration for the Director General in fulfilling the dual role.

The responsibilities of the CEO of the LDA will be set out in a Contract of Appointment from the LDA Board, supported by an annual performance directive from the Board to the CEO.

The Director-General of EDD will consult with the LDA Board on the organisational arrangements for the land development area of the portfolio; and on the organisational arrangements for the provision of enabling services to LDA by EDD.

As part of the Senior Management Committee structure of EDD an EDD Land Executive Committee will be established comprising the Director-General of EDD/CEO of LDA, and relevant executives from the Land Development and Land Strategy and Finance areas. The purpose of this committee will be to support the Governing Board of the LDA and the CEO of the LDA by providing timely, professional and ethical advice on the development of land, the works required to develop and enhance land, and urban development projects of a strategic or complex nature.

Resolving Potential Conflicts

If concerns regarding significant inconsistencies or potential conflicts arise between (a) the implementation of statutory responsibilities of the LDA and (b) Government policy, which cannot be resolved in a timely way as between LDA and EDD, the Board and the Director-General of EDD (in that capacity) may in the first instance seek the assistance of the Head of the Service. The Head of Service may facilitate resolution of issues of concern having regard to legal advice from the ACT Government Solicitor as necessary.

If either the Board or the Director-General (in that capacity) is concerned that serious potential issues of conflict remain outstanding after the assistance of the Head of Service, each may brief the Minister on the issues. In the event that an issue cannot be resolved, the Minister may take other actions including issuing a direction to the Board under Section 37 of the Planning and Development Act.

Conflicts of personal interest matters for executives will be addressed in accordance with Section 9 of the Public Sector Management Act 1994 and the requirements of the executive contracts. Conflicts of personal interest matters



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MEMORANDUM OF UNDERSTANDING
Between the Economic Development Directorate
and the
Land Development Agency

PARTIES

Economic Development Directorate (EDD) represented by the Director-General

Land Development Agency (LDA) represented by the Governing Board

PURPOSE

This Memorandum of Understanding sets out the understanding between the two parties mentioned above in relation to operationalising arrangements within the Economic Development Portfolio.

BACKGROUND

Governance arrangements for the Economic Development Directorate and the Land Development Agency were outlined in the middle of 2011 as part of the response to the report "Governing the City State: One Government – One ACT Public Service" by Dr Allan Hawke AC.

The Government opted for a model that retained the independent expertise and commercial focus provided by the LDA Board while closely integrating the activities of the LDA and EDD. These arrangements aim to improve overall land development efficiency, accountability and delivery.

The LDA's Governing Board is retained with its legislated responsibilities under the existing Chairman (Ray Young) and the Director-General of EDD (David Dawes) has concurrently been appointed by the LDA Board as the CEO of LDA.

In October 2011, the Government agreed to the Statement of Governance Arrangements and that a MOU will operationalise arrangements and include:

The detail on how LDA's non-decision making administrative functions will be consolidated and co-located with EDD to improve efficiency and effectiveness in the following areas: ministerial, policy and corporate; communications and marketing; finance and procurement; infrastructure and capital works; and legal services;

The detail on how the development of business cases will incorporate sustainability issues;

The process for the development of the Annual Statement of Government Policy in EDD which is to inform the LDA's preparation of its Statement of Intent;

The detail on the management and financial arrangements between EDD and LDA.

7. Functions managed by EDD on behalf of LDA

EDD will undertake the following functions on behalf of LDA:

- Workforce and Human Resources
- Work Health and Safety
- Business and IT Support
- Governance
- Accommodation support
- Ministerial, Assembly and Cabinet (coordination role)
- Policy
- Communications and media
- Community consultation

8. Sustainability considerations on land development

In order that the Government's commitment to the key decisions on land in the ACT are being made by balancing economic, social and environmental considerations LDA's Sustainability and Innovation Framework will guide the development of business cases (see attachment A).

9. Development of the Annual Statement of Government Policy

The process for the development of the Annual Statement of Government Policy is as follows:

- The policy area of EDD in consultation with the Land Strategy area of EDD will develop a draft Statement of Government Policy in September of each year outlining the land development objectives for the following financial year.
- The EDD Land Executive Committee will consider the draft Statement of Government Policy in September/ October of each year
- The LDA Board will be consulted on the draft Statement of Government Policy prior to consideration by the Strategic Board and Cabinet in November of each year (Annual Statements of Government Policy are available at http://www.economicdevelopment.act.gov.au/about_us or <http://www.lda.act.gov.au/?/home/about/reports>)

10. Management and financial arrangements between EDD and LDA

The EDD Senior Executive Committee will consider matters of importance that are functions managed by LDA on behalf of EDD (see section 6 above for these matters) and functions managed by EDD on behalf of LDA (see section 7 above for these matters). Attachment B provides details of the senior executive committee membership.

The LDA Board will be consulted on any substantive matters of importance.

The Statement of Governance outlines processes for the development of the draft Statement of Intent and the financial principles to apply, including that the allocation of all costs relating to LDA will be considered and agreed by the LDA Board and the Director-General of EDD. The allocation of support costs will be reviewed annually in April.

Next steps for rapid transport

Released 05/06/2012

The ACT Labor Government has taken the next step towards rapid transport with the creation of the Gungahlin to City Project Office, which will coordinate the development and delivery of rapid transport that links the City to the town centre, the Minister for the Environment and Sustainable Development, Simon Corbell, announced today.

The ACT Government is serious about delivering better and quicker public transport options between Gungahlin and the City, and the Gungahlin to City Project Office will provide the opportunity not only for examining rapid transport options, but also for redevelopment along the transport corridor.

The renewal of the corridor between Gungahlin and the City is a major focus for redevelopment with the Government investigating replacing the existing bus service with either a bus rapid transport (BRT) or light rail transport (LRT) option.

The Gungahlin to City Project Office will be established in the Land Development Agency (LDA) recognising that delivery of this project is a significant urban development project for Canberra.

Mr Corbell will be the coordinating minister and will work on the project with Minister Barr and Minister Burch through the urban development sub-committee of Cabinet.

The office will bring together the various parts of government that have a role to play on the development of the corridor including the Economic Development Directorate, the Environment and Sustainable Development Directorate, the Community Services Directorate and Treasury Directorate.

Some of the key focuses of the project office will include:

- Identifying financing a procurement options, including private sector investment and/or Commonwealth Government support;
- Appropriate Planning interventions in the form of a corridor planning study to explore development scenarios that could support higher density usage; and,
- Investigation of light rail vehicle options appropriate for the ACT

The new project office demonstrates the government's commitment to giving Canberrans better options to move between Gungahlin and the City as well as creating a more vibrant community along the corridor.

The Government has also just completed a design competition for the redevelopment of Northbourne Flats, and is progressing work on the renewal of the Allawah, Bega Courts and Currong Apartments.

The new office will also prepare further detailed costings and analysis that allow for the financing a delivery of options for the government.

An announcement on the government's preferred option between BRT and LRT will be announced later this year after further consideration.