

ANNUAL REPORT

FY 2024



LANDCOM



In the spirit of reconciliation, Landcom respectfully acknowledges the Traditional Custodians of Country throughout NSW and recognises and respects their continuing cultural heritage, beliefs and connection to land, sea and community. We pay our respects to their Elders past, present and emerging. Country across Australia always was and always will be traditional Aboriginal land.

*Artwork: 'Our Journey' by Danielle Mate

Contents

Letter to Shareholder Ministers	3		
Chair’s review	4		
CEO’s review	6		
Overview	8		
Our organisation	8		
Our customers	11		
Our goals	12		
Our values	12		
Our principal objectives and functions	13		
Our projects	14		
FY24 economic and financial highlights	16		
Management and structure	19		
Our Board of Directors	20		
Our Executive	26		
Our team	29		
Our strategy	31		
Ministerial Statement of Priorities	31		
FY24–29 Strategic Plan	32		
Performance monitoring and reporting	33		
Resource allocation to implement strategic plan	33		
Operations and performance	35		
Performance against FY24 strategic goals	35		
Driving sustainable housing supply	35		
Lead in the delivery of affordable housing	40		
Deliver built form	42		
Impactful regional presence	44		
Performance against Statement of Corporate Intent (SCI)	46		
Delivering sustainable places	47		
Commitment to reconciliation	48		
Management and accountability	50		
Leadership and organisation structure	50		
Executive diversity and remuneration	50		
The Landcom team: Three-year comparison	51		
Employee turnover and new starter by gender and age group	52		
Parental leave	53		
Leadership skills development	54		
Workforce diversity performance	54		
		Disability inclusion action plans	55
		Work health and safety	55
		Legislation	57
		Disclosure of approved exemptions	57
		Public access to information and the protection of privacy	58
		Internal audit and risk management	62
		Miscellaneous activities	64
		Sustainability	66
		Modern slavery reporting	66
		Landcom Financial statements	68
		Appendices	122
		Appendix 1 – Corporate governance	122
		Appendix 2 – Modern Slavery Act 2018 (NSW) disclosures	126
		Appendix 3 – Disclosure of approved exemptions	136
		Appendix 4 – Compliance checklist	137
		Appendix 5 – Independent Assurance Statement from ERM	144



Letter to Shareholder Ministers

The Hon Daniel Mookhey MLC
Treasurer

The Hon Courtney Houssos MLC
Minister for Finance, Minister for Domestic
Manufacturing and Government Procurement,
and Minister for Natural Resources

Parliament House
Sydney NSW 2000

Dear Treasurer and Minister

We are pleased to submit to you the Annual Report for Landcom for the year ended 30 June 2024 for presentation to the Parliament of New South Wales. The report details Landcom's performance, operations and financial results and has been prepared in accordance with section 24A of the *State Owned Corporations Act 1989* (NSW) and the *Government Sector Finance Act 2018* (NSW).

Yours sincerely



Ashley Mason
Chair



Alexander Wendler
Chief Executive Officer



Chair's review

As the new Chair, it is my pleasure to introduce Landcom's annual report for FY24.

Housing people is one of the greatest needs in Australia and I am honoured to join the Landcom Board at a time when increasing housing supply and affordability is at the forefront of the NSW Government's agenda.

Throughout the financial year, the Board and Executive have positioned Landcom to respond effectively to the NSW Government's housing objectives. We are enabling delivery of more housing, providing diverse and affordable housing options and creating sustainable and inclusive communities.

With a refined and focused set of goals and strategic aspirations to FY29, Landcom achieved \$282.6 million in sales revenue in FY24. Funds returned to the NSW Government totalled \$64.2 million from income tax equivalents expense and dividends declared.

Throughout FY24, Landcom's relevance and role in the NSW Government's response to housing supply and affordability pressures in regional and metropolitan NSW has continued to grow. Landcom's role in developing key worker housing and build-to-rent projects has also expanded.

The NSW Government is providing assistance with more than \$800 million in funding.

This includes:

- approval for Landcom to retain a special dividend of \$300 million that was previously forecast to be paid in FY25
- a \$450 million equity injection announced in FY24 to buy sites and build at least 400 new build-to-rent properties in Metropolitan Sydney
- a \$5 million boost announced in FY24 for the South Coast build-to-rent pilot, increasing funding in the regional build-to-rent pilots to \$65 million.

The NSW Government's new planning and rezoning pathways also reinforce Landcom's role in NSW housing policy. In Lachlan's Line, our development plans are already being assessed under the new state significant development pathway. The development will deliver 100% affordable housing.

Regionally, Redmond Place in Orange will be the first Landcom project to access the new priority rezoning pathway. The 25-hectare community, delivered in partnership with Orange City Council will contain at least 300 homes, with 20% set aside as affordable housing.

Sustainability continues to be part of Landcom's DNA. This year, Landcom had some excellent achievements, including multiple Green Building Council of Australia Green Star ratings. Across their various tools,

Landcom achieved two new 5 Star Communities ratings at Kellyville and Bella Vista, and seven new registrations for Buildings, Homes and Communities. We look forward to announcing these certifications in FY25.

I would like to thank Landcom's Interim Chair, Doctor Pamela Hanrahan, who retired from the Board in July 2024, for her significant contribution. Pamela supported Landcom's transformed ambitions that directly respond to the NSW Government's housing objectives. As a nationally recognised leader in corporate governance and the ever-shifting regulatory environment, Pamela's thought leadership on the Board has been invaluable.

I also thank the Board's directors – Trent Alston, John Barbeler, Susan MacDonald and Selina Short – and CEO Alexander Wendler, as well as all the staff at Landcom. Their hard work and dedication to building strong partnerships and making a positive difference to the people of NSW ensures that we collectively put more homes in the market and create well-designed and sustainable communities.

Ashley Mason
Chair





CEO's review

Housing supply, affordability and quality are among the most topical and pressing issues we face in NSW. Now is a pivotal time to influence and make change.

All levels of government must work collectively with industry and communities to give more people opportunities to build, rent or buy well-designed, well-located homes. We need to increase both supply and affordability.

Throughout FY24, Landcom has continued to step up and deliver. We understand the impact of having suitable and well-located housing available for everyone, including young people, families, key workers, and downsizers and we are determined to get more keys in doors.

The NSW Government has signalled a desire for housing development in NSW to go up, not out. It wants to see increased dwelling density, particularly in areas well-served by public transport. In response, we are creating compact, connected, walkable communities with a mix of housing, commercial activity and amenities, in other words, delivering density done well.

We continue to unlock surplus government land and de-risk complex sites to enable development. We have a significant pipeline of projects to support the NSW Government's housing targets. In addition, our build-to-rent projects are on an accelerated timeline and we are expanding our capabilities and regional footprint to make a bigger difference through well planned developments and good design.

In FY24, we settled 2,080 land lots that will enable the construction of new homes. This is lower than our target mainly due to delays in settlements for the Sydney Metro Northwest Places Program. These delays were due to the pause on the sale of NSW Government-owned land and property. The settlements have moved to our FY25 program.

We also look forward to the new opportunities the sites identified in the NSW Government land audit will bring for the delivery of affordable and market housing in the future.

Accelerating a build-to-rent program and the regions

After acquiring sites for our build-to-rent projects in Bombaderry on the South Coast and Lismore in the Northern Rivers, we submitted the development application for the Bomaderry site. A development application for the Northern Rivers is progressing. The projects will boost housing supply and deliver more secure and affordable housing for regional NSW.

Building on this \$65 million pilot program, the NSW Government announced a \$450 million equity injection for Landcom to buy sites and build at least 400 new build-to-rent homes in Metropolitan Sydney. These homes will be for essential workers to rent at a subsidised rate in areas closer to the city, their jobs and services.

In the NSW Central West, we are developing a master planned community with Orange City Council which will enable delivery of over 300 homes. The local community is also partnering with us to create a shared vision and to design neighbourhood plans that meet their wants and needs.

As of 30 June 2024, nine of our current projects are in regional areas. These are projected to deliver a diversity of dwelling options, including affordable rental housing, diverse housing and universal homes.

Increasing our impact through partnerships

We have built our business model on partnerships across the public, private and not-for-profit sectors and during FY24, we stepped these up to increase our impact.

The establishment of our new Affordable Housing Delivery Panel will reduce the resourcing requirements community housing providers face when bidding on projects. Panel members will partner with Landcom in delivering affordable housing across NSW. This initiative aims to cut costs and save time by streamlining the engagement and selection process. We look forward to releasing the first affordable housing sites through the panel in FY25.

Our partnership with Southern Cross University has unlocked land in East Lismore for one of our build-to-rent pilots. Our tripartite partnership with the university and the NSW Reconstruction Authority is seeking to provide 400 homes in a community experiencing low housing supply and the impacts of devastating floods.

Commitment to Sustainability

During FY24, we continued to demonstrate our enduring commitment to sustainability leadership. As we consider changing disclosure requirements, increased focus on climate change and nature, and new modern slavery legislation impacts, we remain steadfast in our commitment to continuous improvement.

Throughout the year, we retained our 6 Star NABERS energy rating for our Parramatta Office, continued to buy 100% Green Power, and retained our Climate Active Carbon Neutral Organisation certification. We also published our first Modern Slavery Remediation Plan, signaling to industry and our suppliers that we are firmly committed to ensuring the highest standards of human rights in our supply chain.

Our strategic direction

Alignment and clarity on where we want to be by 2029 and how we will get there is critical to achieving our mandate. In FY24, we refined our four key goals and consolidated our strategic initiatives into eight initiatives that link directly to the goals.

While we have ambitious targets and face serious challenges, we have a plan and we are getting on with the job.

Thank you to our Board and staff

I thank the Board for its leadership and oversight throughout the year. I also thank our wonderful staff for their commitment to boosting housing supply and creating communities where people are proud to live.

Being CEO of an organisation with a proud history and a meaningful purpose is a privilege and I am immensely proud of what we do and why we do it. I am excited about our future and the potential to accelerate delivery of quality housing options for the people of NSW.



Alexander Wendler
Chief Executive Officer

Overview

Our organisation

Our ambition is to make a positive difference to people's lives in NSW by increasing the supply, affordability and diversity of housing and creating sustainable communities.

We develop land and property, increasing the supply of housing for the people of NSW.

As a state-owned corporation, we are a commercial business that achieves public outcomes while also generating financial returns for the NSW Government. We enable development by de-risking and unlocking strategic and complex sites in collaboration with landowners and the market.

We supply home sites through the delivery of sustainable masterplanned communities and supply homes through targeted development projects. Our land and property development projects facilitate:

- **market housing** - to increase the overall supply of homes
- **affordable housing** - to accommodate those on low to moderate incomes
- **diverse housing** - to increase the different types of housing stock in the area in which it is being delivered
- **universal housing** - to meet the changing needs of residents over their lifetime
- **build-to-rent** - to provide long-term rental homes, typically in the form of apartments that provide people with secure tenure.







Our customers

As a commercial venture Landcom needs to clearly identify its customers, understand their needs and requirements, and target its activities accordingly. Each of our products aims at different customer groups:

- our retail lots are purchased by retail customers to build their home or investment property
- builders are our customers when they buy builder lots to be developed and on-sold to their retail customers
- the customers of our superlots are private developers and Community Housing Providers (CHPs)
- once we start delivery of build-to-rent and other residential projects, our range of customers will grow to also include renters and investors in housing developments.

Across all our products, we seek to embed sustainability. Our aim is to create innovative and productive places that demonstrate global standards of liveability, resilience, inclusion, affordability and environmental quality.

Our goals

To achieve our ambition, we are focussed on four goals. These goals are where we want to be by the end of the FY29.



Increase market housing supply and create well-designed, well-connected and sustainable places



Lead in the delivery of affordable housing



Deliver built form to help us provide housing faster and in more innovative ways, including a build-to-rent program



Have an impactful presence in regional NSW, where the local economy is affected by housing supply issues

Operating commercially and our firm commitment to sustainability underpins each of these goals.

Our values

Our people are critical to our ability to reach our ambition and achieve our goals. They have a diversity of skills and experience, combined with a strong drive to make NSW a better place. Their work is guided by our values:



Embrace challenge to deliver outcomes



Excel through strong relationships



Bring an enterprising spirit

Our principal objectives and functions

Landcom was established in 1976 as the Land Commission of NSW. In 2001, we became a state-owned corporation under the *Landcom Corporation Act 2001* (NSW), established to help the NSW Government achieve its urban management objectives. The Act establishes our principal objectives and functions.

We act as a master developer, developer and builder where appropriate to achieve outcomes for our stakeholders. This includes partnerships with NSW Government departments and external commercial entities to maximise our impact for the benefit of NSW communities.

Under the *Landcom Corporation Act 2001* (NSW), Landcom has seven principal objectives:

To be a successful business and, to this end:

- a. to operate at least as efficiently as any comparable businesses, and
- b. to maximise the net worth of the State's investment in it
- c. to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates
- d. to protect the environment by conducting its operations in compliance with the principles of ecologically sustainable development contained in Section 6(2) of the *Protection of the Environment Administration Act 1991* (NSW)
- e. to exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates
- f. to undertake, or assist the Government in undertaking, strategic or complex urban development projects
- g. to assist the Government in achieving its urban management objectives, and
- h. to be a responsible developer of residential, commercial and industrial land.

Under the *Landcom Corporation Act 2001* (NSW), Landcom has the following principal functions:

1. to undertake and participate in residential, commercial, industrial and mixed development projects
2. to provide advice and services related to urban development, on a commercial basis, to government agencies and others.


The corporation may also:

- a. provide facilities or services that are ancillary or incidental to its principal functions, and
- b. conduct any business or provide any service (whether or not related to its principal functions) that it considers will further its objectives.

Our projects



Project name

- 1 Austral
- 2 Bella Vista (SMNWP)*
- 3 Bomaderry (South Coast build-to-rent)
- 4 Bulli
- 5 Castle Hill (SMNWP)*
- 6 Cherrybrook (SMNWP)*
- 7 Edmondson Park (Town Centre and Station Road)
- 8 Epping (SMNWP)*
- 9 Fennell Bay
- 10 Garden Suburb (Hillsborough)
- 11 Glenfield
- 12 Goonellabah – Bristol Circuit
- 13 Goonellabah – Cynthia Wilson Drive
- 14 Hillcroft (Claymore)
- 15 Hills Showground (SMNWP)*
- 16 Kellyville (SMNWP)*
- 17 Lachlan's Line
- 18 Northern Rivers build-to-rent
- 19 Macarthur Gardens North
- 20 Macarthur Heights
- 21 Mullumbimby
- 22 Newbrook (Airds)
- 23 North Tuncurry
- 24 Norwest (SMNWP)*
- 25 Orange
- 26 Panorama (North Wilton)
- 27 Queenscliff
- 28 Riverstone Scheduled Lands (Precinct A – Stages 1-3)
- 29 Rooty Hill
- 30 Rouse Hill
- 31 Schofields – Burdekin Road
- 32 Schofields – Guntawong Road
- 33 Tallawong (SMNWP)*
- 34 Wentworth Point 

* Sydney Metro North West Places



FY24 economic and financial highlights



\$64.2m

returned to NSW Government
(FY24 income tax equivalents and dividend declared)



\$57.3m

net profit after tax



\$282.6m

sales revenue



\$42.3m

dividend paid
(in relation to 2023 results)



2,080

home sites settled

We are a proud **carbon neutral organisation**, certified under the Climate Active Carbon Neutral Standard

GRESB Real Estate Assessment ranked Landcom in the **top six most sustainable residential development organisations in Oceania**

We undertake transparent sustainability reporting under **Global Reporting Initiative Standard**

Our internal risk audit approach conforms to the International Professional Practice Framework and Internal Audit Standards of the Institute of Internal Auditors.





Management and structure

Our governance structure



Our Board of Directors



Board Directors (from left to right): Selina Short, The Hon Craig Knowles AM*, Ashley Mason (Chair)*, John Barbeler, Trent Alston, Susan MacDonald.

*Dr Pamela Hanrahan (not pictured) retired from the Board and her role as Interim Chair in July 2024. Ashley Mason and Craig Knowles were appointed to the Board in August 2024.



Our Board of Directors



Dr Pamela Hanrahan
Interim Chair - Independent Non-executive Director

Appointed to the Board in October 2018
Appointed as Deputy Chair in March 2022

Member of the People & Culture Committee and member of the Audit & Risk Management Committee

Dr Hanrahan is a company director and lawyer specialising in corporate law, financial product and services law, and environmental, social and governance (ESG) regulation and reporting. She is an Emerita Professor of the University of NSW Business School and has more than 20 years' experience as a lawyer in private practice and as a senior regulator in Australian Commonwealth and state government agencies.

Dr Hanrahan was the Registrar of Community Housing for NSW from 2013 to 2015. She was instrumental in leading the successful commencement of the National Regulatory System for Community Housing, working with community housing providers in NSW and nationally to provide quality outcomes for residents and build the confidence of funders, financiers and the community in the sector.

Dr Hanrahan holds a Bachelor of Arts (with Honours) and Bachelor of Laws (with Honours) from The University of Melbourne, a Master of Laws (with Honours) from Case Western Reserve University and Doctor of Juridical Science from The University of Melbourne.



Trent Alston
Independent Non-executive Director

Appointed to the Board in August 2021

Chair of the People & Culture Committee

Mr Alston has more than 30 years' experience in the real estate industry including construction, project management, development, corporate real estate, investment management and funds management. He was Head of Real Estate at Challenger, General Manager Wholesale Funds at Colonial First State Global Asset Management and held a range of roles at Lendlease.

Mr Alston is also a Non-executive Director for Abacus Property Group and Chair of its People Performance & Culture Committee; an Independent Representative and the Chair of the Investor Review Committee for the Australian Prime Property Fund Commercial, the Australian Prime Property Fund Retail and the Australian Prime Property Fund Industrial; and a principal at Kokusai Business Advisory.

Mr Alston holds a Bachelor of Building (Honours) from the University of NSW, a Graduate Management Qualification from the Australian Graduate School of Management, an Advanced Management Program (INSEAD) and is a graduate of the Australian Institute of Company Directors.



Susan MacDonald

Independent Non-executive Director

Appointed to the Board in August 2021

Member of the Audit & Risk Management Committee

Ms MacDonald has more than 30 years' domestic and international experience in property investment management, primarily in the retail sector, including asset, development, and funds management. She has extensive experience in people management, organisational culture, strategy development and stakeholder engagement.

Ms MacDonald has held senior and executive positions with Mirvac, Lendlease, AMP Capital and Galileo Funds Management. She is the past Joint Deputy Chair, Shopping Centre Council of Australia. She holds a Bachelor of Arts from the University of NSW, is a graduate of the Australian Institute of Company Directors, a member of Chief Executive Women and a Global Trustee of Urban Land Institute.

Ms MacDonald is an Independent Director of Cbus Property, a Non-executive Director of QIC Limited, a Non-executive Director of Waypoint Real Estate Investment Trust (and associated entities) and a strategic advisor to Mainbrace Constructions.



John Barbeler

Independent Non-executive Director

Appointed to the Board in March 2018

Chair of Audit & Risk Management Committee

Mr Barbeler has held chief financial officer (CFO) and business leadership positions in both the public and private sector and for the Sydney Organising Committee for the Olympic Games (SOCOG).

From 2010 to 2015, Mr Barbeler was the CFO at the Commonwealth Department of Health. Prior to that he was CFO/Director of Corporate Services at the City of Sydney, General Manager, Finance at SOCOG and held CFO and business-enabling executive roles with major global private sector organisations including PepsiCo, BTR and CSR.

Mr Barbeler is a former member of the Audit, Risk and Improvement Committee for Penrith City, Cumberland City and Snowy Monaro Regional councils. He is a former Director for Alzheimer's Australia ACT Ltd and a former member of NSW Electoral Commission Audit Committee.

Mr Barbeler is a FCPA and holds a Bachelor of Commerce (Honours) from the University of Queensland.



Selina Short
Independent Non-executive Director

Appointed to the Board in December 2021

Member of the People & Culture Committee

A Partner and member of EY's Oceania Executive Leadership Team, Ms Short has spent two decades helping some of the world's biggest companies to grow, transform and succeed through complex problem-solving, value creation and impact acceleration.

With a deep background in the economics and strategy focused on the built environment, Ms Short has led numerous projects focused on fuelling economic prosperity, liveability and sustainability.

Determined to help companies seize the opportunities of decarbonisation and the energy transition, Ms Short was instrumental in establishing the EY Net Zero Centre in 2021.

Ms Short sits on several high-profile boards, including the Green Building Council Australia, and was previously a foundation member of the Property Council of Australia's National Cities Roundtable.

Ms Short holds credentials in disruptive strategy from Harvard Business School and in climate change strategy from the University of Cambridge, as well as a Bachelor of Economics and a Master of Commerce.





Our Executive



Executive (Back row from left to right): Nicholas Lennon, Duncan Thomas*, Andrew Cooper and Raema Melverton.
(Front row from left to right): Sandra Lee, Robert Dodd, Alexander Wendler (CEO), Tasha Burrell.

*Duncan Thomas joined Landcom in July 2024 as Acting Executive General Manager People, Culture & Safety while Christalla Michael (not pictured) is on leave.

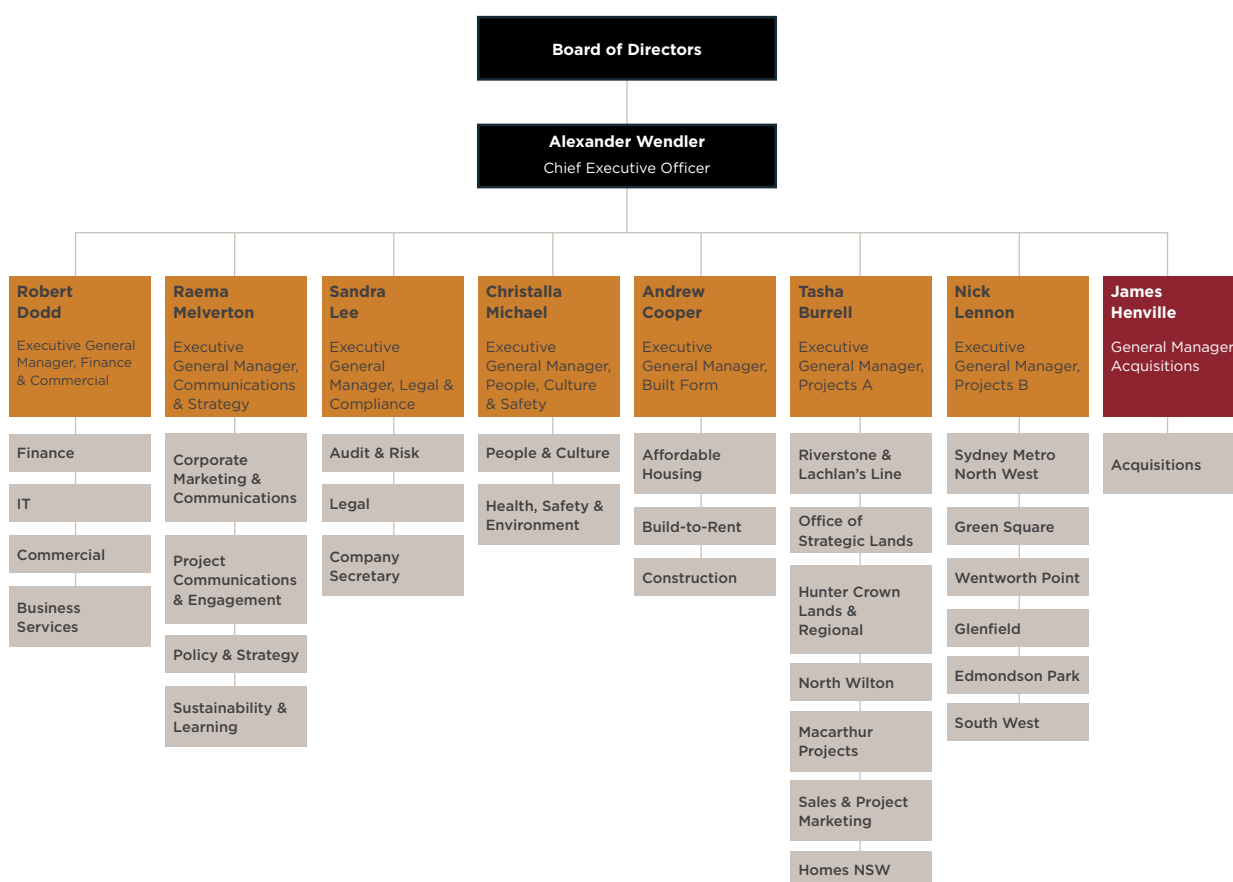


Our Executive

Executive	Qualification/Office held	Institution
Alexander Wendler Chief Executive Officer	Master of Public Administration	Hertie School of Governance, Berlin, Germany
	Diplom-Oekonom (Master of Management & Economics)	Ruhr Universitaet Bochum, Germany
	Company Directors Course	The Australian Institute of Company Directors
Tasha Burrell Executive General Manager, Projects	Bachelor of Architecture	University of Technology Sydney
	Bachelor of Arts	University of Technology Sydney
	Director	Women's Housing Company
Andrew Cooper Executive General Manager, Built Form <i>Commenced 9 October 2023</i>	Bachelor of Engineering (Civil) (Honours)	University of NSW
	Bachelor of Science (Architecture)	University of Sydney
	Diploma of Laws (BAB)	University of Sydney
	Company Directors Course	The Australian Institute of Company Directors
Robert Dodd Executive General Manager, Finance & Commercial	Bachelor of Commerce	University of NSW
	Certified Public Accountant	CPA Australia
	Company Directors Course	The Australian Institute of Company Directors
Sandra Lee Executive General Manager, Legal & Compliance	Bachelor of Commerce	University of NSW
	Bachelor of Laws	University of NSW
	Company Directors Course	The Australian Institute of Company Directors
Nicholas Lennon Executive General Manager, Projects	Bachelor of Commerce (Property Economics)	Western Sydney University
	Diploma in Business (Real Estate Management)	Western Sydney University
Raema Melverton Executive General Manager, Communications & Strategy <i>Commenced 9 October 2023</i>	Bachelor of Arts Communication (Journalism)	University of Canberra
	Graduate Certificate of Management	Chifley Business School
Christalla Michael Executive General Manager, People, Culture & Safety	Master of Business Administration	Western Sydney University
	Graduate Diploma in Management	Western Sydney University

Our team

Landcom's staff consists of both Project and Corporate teams, with a target staff split of 60% Projects and 40% Corporate. We prioritise staff members' learning and development at all levels and participate in the NSW Government's Graduate Program. This enables consistent growth of talent within the organisation. The organisational chart below shows our structure and leadership team as of 30 June 2024.





Our strategy

We are a commercial business that both achieves public outcomes and generates financial returns for the NSW Government. Our strategic plan aligns with our Ministerial Statement of Priorities and Statement of Corporate Intent.

Ministerial Statement of Priorities


Under the *Landcom Corporation Act 2001*, Landcom's Portfolio Minister periodically issues a Statement of Priorities. The current priorities to enhance the affordability and diversity of housing supply, issued in May 2024 by the Portfolio and Shareholder Ministers are for Landcom to:

1. **Establish a sustainable and scalable build-to-rent program** with pilot projects on the NSW South Coast and in the Northern Rivers in accordance with NSW Government policy.
2. **Demonstrate leadership in affordable housing through the delivery of an Affordable Housing Program.** This program should deliver 1,800 affordable homes by 2029 in line with the NSW Government's commitment of 3,100 to the National Housing Accord, with a goal to deliver substantially more if provided access to surplus government land and relevant approvals.
3. **Intensify Landcom's work to increase the supply, affordability and diversity of housing** and achieve more sustainable communities by being the lead developer for surplus NSW Government land and transacting with private landowners.
4. **Expand the activities of Landcom to regional NSW** with a focus on areas where the regional economy is impacted by low housing supply and/or low rental vacancy rates.
5. **Partner with NSW Government agencies** on a commercial basis to deliver housing supply and improve housing affordability across the state and in accordance with NSW Government policy and any relevant housing targets.

FY24-29 Strategic Plan

In April 2023, the Board approved our FY24-27 Strategic Plan – *Making a bigger difference*. The Strategic Plan reflects our role in the NSW Government’s action to boost housing supply and deliver more affordable rental housing. It was prepared with regard to the relevant policy priorities and commitments announced by the incoming Government in 2023.

In April 2024, the Landcom Board approved an update of the Strategic Plan which extends to 2029, in line with the National Housing Accord period. We have also enhanced clarity in our Strategic Plan by refining our four goals. These goals describe where we want to be by the end of FY29.



<p>Increase market housing supply and create well-designed, well-connected and sustainable places</p>	<p>Lead in the delivery of affordable housing</p>	<p>Deliver built form to help us provide housing faster and in more innovative ways, including a build-to-rent program</p>	<p>Have an impactful presence in regional NSW, where the local economy is affected by housing supply issues</p>
--------------------------------------------------------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------

Our goals are supported by eight strategic initiatives. Each initiative has clear FY25 key results so we can track progress throughout the year.

Strategic initiatives

<p>+ Create a strong culture and achieve full strategic alignment for all people across the organisation.</p>	<p>+ Secure new projects in metropolitan and regional areas by 2029 that have the capacity to deliver 30,000 dwellings.</p>	<p>+ Develop projects to achieve settlement of lots for 22,000 dwellings by 2029.</p>	<p>+ Demonstrate and promote the benefits of density done well for communities.</p>
<p>+ Grow the affordable housing pipeline, to deliver at least 1,800 affordable homes by 2029.</p>	<p>+ Grow and deliver on a build-to-rent program.</p>	<p>+ Establish and embed our built form expertise.</p>	<p>+ Proactively build and promote Landcom’s brand.</p>

Performance monitoring and reporting

We actively monitor our progress towards achieving our Strategic Plan goals through a range of mechanisms. We regularly provide progress updates on our strategic initiatives and key results to the Board and Executive Committee.

Resource allocation to implement strategic plan

We operate in accordance with our approved Statement of Corporate Intent. This ensures we strategically execute agreed Divisional Plans which drive achievement of the Strategic Plan. Individual goal setting within Performance Development Plans, annual talent reviews and personal development opportunities ensure growth opportunities are realised for our staff while achieving our corporate targets. In addition, workforce planning occurs throughout the year in partnership with our people leaders to ensure that we have the right people for the right roles at the right time.

Market context

Despite higher interest rates, housing prices – both sales prices and rents – have continued to increase as supply of new dwellings lags behind demand.

Dwelling approvals in the year to June 2024 remain below historic averages, particularly for apartments. While apartment sales prices and rents have increased, construction cost escalation and low sales rates due to purchaser financing restrictions have placed developer margins and feasibilities under pressure.

Land lot enquiry and sales at greenfields projects in south west Sydney, where we have active projects, continue to be subdued at post-Global Financial Crisis levels. Monthly market sales per project in the region have turned down following a small uptick in the December 2023 quarter, with pricing remaining relatively static.

Our more affordable projects, Newbrook (Airds) and Hillcroft (Claymore), continue to generate interest due to their relative affordability, with most lots reserving on the release day.

In some areas, infrastructure servicing is delaying the release of lots to the market.



Render of a playground in Bella Vista.



Operations and performance

Over the past year, the need for Landcom and others in the development industry to do more to boost housing supply and ease housing affordability pressures has increased.

Rising interest rates have led to higher mortgage repayments for homeowners and investors and difficulty in obtaining mortgage loans. Construction cost increases have also slowed construction activity.

Landcom is ready to deliver and has an ambitious agenda to get 'shovels in the ground' and more people into homes - to make a real difference in NSW.



Performance against FY24 strategic goals

This section outlines our performance against our strategic plan goals to FY29 and against our Statement of Corporate Intent. While our projects have been grouped into goals, some extend across several goals.

In FY24, we achieved sales revenue of \$282.6 million, an increase of \$5.9 million from FY23. We also returned \$64.2 million in funds to the NSW Government in income tax equivalents and dividends declared.

We settled 2,080 land lots that will enable the construction of new homes. This is lower than our target mainly due to delays in settlements for the Sydney Metro Northwest Places Program. These delays were due to the pause on the sale of NSW Government-owned land and property. The settlements have moved to our FY25 program.

Driving sustainable housing supply

Increase market housing supply and create well-designed, well-connected and sustainable places

Between FY24 and FY29 we aim to release 22,000 home sites to the market.

To do this, we will be looking to grow our pipeline of projects by acquiring sites and partnering with both the NSW Government and the private sector. We are focused on sites near existing or planned transport connections that enable residents to access jobs and social infrastructure.

We are committed to enabling the delivery of homes that meet the needs of households in diverse communities, different life stages and budgets, and different household sizes. We also recognise the importance of creating places that have a distinct local character that contribute to people's health and wellbeing.

Our achievements

Of the 1,417 home sites we released to market in FY24, 1,329 were in Metropolitan Sydney and 88 in regional NSW, including:

- Airids (Newbrook)
- Goonellabah
- Claymore (Hillcroft) stages 3-6
- Edmondson Park
- Lachlan's Line
- North Wilton (Panorama)
- Mullumbimby.

Releases are when lots are taken to market. We also report on settlements on page 46. Settlements are when titles change hands.

The Edmondson Park release included seven superlots which will enable delivery of 953 homes.

Of the 1,417 home sites:

- 124 were for affordable rental housing managed by registered community housing providers
- a further four were for affordable ownership sold to retail buyers at a price that is affordable to households earning a moderate or below moderate income
- 19 were for social housing, registered in partnership with Homes NSW
- 168 were for diverse housing including terrace housing or row housing and three-storey, low-rise medium density housing
- 233 homes were for universal homes with minimum of Silver Level Livable Housing accessibility standards or higher. These homes can adapt to accommodate changing needs, such as ageing in place, or support those with disability.

In May 2023, all NSW Government agencies paused the sale of NSW Government-owned land and property. This impacted Landcom's divestment program with planned dwelling releases for several sites put on hold. The NSW Government lifted the pause on sales in June 2024. We will resume the release of relevant sites in FY25.

The pause was a temporary measure while the NSW Government undertook an audit to determine what land could potentially be used to address the housing supply shortage in NSW. The audit focused on NSW Government-owned property that is no longer needed for service delivery or infrastructure in areas where there is a community need for housing.

We have been working closely with the NSW Government as part of the Land Audit and will be looking to deliver homes on a number of the sites identified.

The land audit is part of a broad range of policy objectives and initiatives to increase housing supply across the state. The NSW Government has also clearly signalled a desire for housing development in New South Wales to go up, not out, meaning that it wants to see increased dwelling density, particularly in areas well-served by public transport.

In December 2023, the NSW Government launched the Transport Orientated Development (TOD) Program. This will encourage sustainable, mixed-use development around public transport and create vibrant, connected and walkable communities. The TOD program includes eight accelerated precincts to be rezoned by the Department of Planning, Housing and Infrastructure.

We are partnering with Sydney Metro on two of the accelerated precincts: Bella Vista and Kellyville. These are part of the Sydney Metro Northwest Places Program (SMNWP Program) that will see 10,000 new dwellings on NSW Government-owned land along the Metro North West Line in seven precincts.

In November 2023, we exhibited plans to transform the former Bulli Hospital site. The site will include a diverse mix of 50 homes for different lifestyles and budgets.

Residents will have easy access to Bulli rail station, schools, shops and community facilities and a new 2,500m² park. We will recognise and celebrate the site's history through a mix of interpretive signs and re-used materials from the former hospital buildings.

In Edmondson Park, Liverpool City Council approved all Precinct 9 development applications. Construction works began in July 2024, with Western Earthmoving engaged as principal contractor.

In June 2024, Urban Property Group settled on six superlots to a value of \$52.8 million. The superlots have the capacity for approximately 600 dwellings, consisting of a mix of apartments and terraces.

FY24 also saw us settle on a site in Glenfield which will become a new sustainable, walkable and connected community and deliver more than 3,900 new homes over the next 15 years. Glenfield is conveniently located with easy access to freeways and a major transport interchange.

Well-designed and well-connected places

Local communities play a crucial role in creating well-designed, well-connected and sustainable places.

During FY24, we partnered with communities in Glenfield, Rooty Hill and Redmond Place (Orange) to create a shared vision and to design neighbourhood plans that meet their wants and needs.

In Macarthur Heights, the community helped create an open space through a community planting day. The Lake Thomson precinct in Macarthur Heights also progressed throughout FY24 and will open early in FY25, providing a fun and safe play space for families.

From 15 December 2023 to 23 February 2024, the Bella Vista and Kellyville communities provided input into the design of open spaces. We engaged with over 880 community members via an interactive platform and are collating the feedback and submitting the Development Application to The Hills Shire Council.



Art Eats and Beats in the Pocket Park, Bella Vista.



Macarthur Heights community planting day.

Our place making program creates safe and desirable spaces, motivating people to visit, stay and return. Under our project delivery agreement with Sydney Metro, we curated a range of initiatives to engage community and help develop the future place character.

In the Pocket Park in Bella Vista, we held 197 events that attracted more than 1,800 people. These included:

- A Patch from Scratch gardening workshops
- weekly dance classes for pre-schoolers with The Stage Door Performing Arts
- free fitness classes with Live Life Get Active, skate workshops and learn to ride classes
- cultural festivals such as Art Eats and Beats, A Taste of Diversity Festival in collaboration with the Community Migrant Resource Centre, and Harmony Day in The Hills in partnership with The Hills Shire Council.

Public art also develops community identity and a strong sense of place as Sydney Metro Northwest Places develop over time. It includes art delivered by both Landcom and development partners. During FY24 we:

- collaborated with Muralisto (a public art enterprise), Glenwood High School art students and the wider Northwest Community to install a painted mural - 'The Golden Hour'
- partnered with illustrator, Dave Coleman to transform creative writing pieces by students from Glenwood High School and Crestwood High School into vibrant public art hoardings
- launched the Art Track Map, which brings together the artworks on display along the Metro North West Line. The map was launched in May 2024 and had over 1,600 visits.

Our Design Review Panel also provides independent, expert and impartial design advice on our development projects. In February 2024, we refreshed the membership of the panel with the appointment of all panellists endorsed by Government Architect NSW. We encourage all project teams to 'come early, come often' to ensure we use the expert advice of the panel to create well designed communities.

The year ahead

Upcoming milestones for our projects in FY25 include:

- **Austral** – Lodging the development application for a sales centre.
- **Bella Vista and Kellyville** – Executing a \$140 million voluntary planning agreement with The Hills Shire Council and lodging a detailed infrastructure development application and relaunching the divestment campaign along the Sydney Metro Northwest Places Program.
- **Bulli** – Obtaining approval of a subdivision development application and completing demolition and remediation works.
- **Edmondson Park** – Seeking approval of Modification 5 to the Edmondson Park South Concept Plan to increase the yield from 440 to 3,030 dwellings in Precinct 9, seeking approval of Precinct 3 development application (250 lots), constructing Precinct 9 residential subdivision, engaging with the community on Station Plaza Park and officially open Mont St Quentin Oval.
- **Glenfield** – Finalising a shared vision for Glenfield with Campbelltown City Council and the community to support the review of the Structure Plan.
- **Hillcroft (Claymore)** – Completing Stage 5 (86 lots) and starting construction for Stage 4 (199 lots).
- **Hills Showground** – Settling the sale of Precinct East to Deicorp (873 homes and a 3,000m² park).
- **Lachlan's Line** – Finalising financial settlement for lots 102, 110 and 116.
- **Lachlan's Line (117)** – Finalising a state significant development application for 135 affordable housing dwellings to be delivered by Link Wentworth Housing.
- **Macarthur Gardens North** – Completing civil works and parks, and obtaining approval of the planning proposal for yield uplift, new concept masterplan development application and pedestrian bridge development.
- **Macarthur Heights** – Completing Sportsfield Precinct bulk earthworks to allow for landscaping to commence, lodging the application for the amenities building under the self-assessment pathway and opening Lake Thomson.
- **Newbrook (Airds)** – Starting construction for Stage 7 (201 lots) and cottage subdivision site (45 lots).
- **North Wilton** – Obtaining development application approvals for Stages 2-3 and Stage 4 (421 residential lots and medium density superlots); starting and completing construction for Stage 4 (103 residential lots); progressing the development application for Stage 1 open space, demonstration home, sales office and the temporary park; starting and completing construction of the sustainable demonstration home; progressing approvals for Hume Highway ramps and bridge infrastructure; and executing the voluntary planning agreement with Wollondilly Shire Council for Stages 1-4.
- **Queenscliff** – Completing civil works to achieve four lot subdivision so that Link Wentworth Housing can start construction works that will include the adaptive re-use of an existing building.
- **Riverstone** – Registering Stage A2 (final stage) and settling land sales in Stage A2.
- **Rouse Hill** – Releasing the final Northern Residential Precinct superlot (400 dwellings) to market.
- **Schofields** – Lodging the state significant development application with Link Wentworth Housing seeking approval of 63 affordable units, completing civil construction to create 88 lots and start construction of homes.
- **Tallawong** – Starting construction of Terry Road where Deicorp is opening the first Sydney Metro Northwest Places site to residents and commercial tenants.
- **Wentworth Point** – Lodging the state significant development application for a mixed-use site and starting construction (subject to approvals) and holding land dedication discussions with City of Parramatta Council and preparing a voluntary planning agreement offer.



Lead in the delivery of affordable housing

In line with our Statement of Priorities, we have committed to delivering 1,800 affordable homes. These homes are a significant share of the 3,100 affordable homes the NSW Government has committed to deliver in the period from FY25 to FY29 under the National Housing Accord.

In December 2023, the NSW Government enabled new development assessment pathways that will streamline the development of affordable rental housing. These pathways included:

- a self-assessment pathway for 100% affordable housing developments up to 75 dwellings, allowing Landcom to deliver smaller affordable housing projects faster
- a state significant development pathway for larger scale developments with an estimated development cost of more than \$30 million, or more than 75 dwellings that deliver a minimum of 50% affordable housing
- an industry-wide state significant development approval pathway for developments with an estimated development cost greater than \$75 million that include a minimum of 10% affordable housing.

The NSW Government also added a priority rezoning pathway in May 2024 for certain Landcom housing projects that include affordable housing.

Our achievements

Working with councils, NSW Government agencies, community housing providers and other stakeholders, we are increasing housing supply and improving affordability.

In the Northern Rivers, we partnered with councils to release two affordable housing tenders to enable the development of 86 affordable housing dwellings on three council-owned sites.

We continued to work with metropolitan and regional councils to help unlock land for development of affordable housing.

In Lachlan's Line, our development plans are being assessed under the new state significant development pathway. The development will deliver 100% affordable housing, providing homes for low to moderate income earners. We tendered and selected Link Wentworth Housing to partner with and provide 135 affordable dwellings for Lachlan's Line.

We also tendered and selected Link Wentworth Housing to deliver up to 63 affordable housing dwellings within the wider project at Schofields, enabling 30% of the housing to be affordable housing. The Schofields project is also progressing under the new state significant development pathway.

In addition, we achieved development consent for the Queenscliff project to enable the construction of 37 dwellings. These will include a mix of diverse and affordable housing with a focus on women over 55 at risk of homelessness and seniors.

We are also increasing collaboration with community housing providers and launched a tender for an Affordable Housing Delivery Panel in April 2024. Establishing the Panel will reduce the resourcing requirements community housing providers face when bidding on projects. Panel members will partner with us in delivering affordable housing across NSW. By removing the formal request for tender requirement, this initiative aims to cut costs and save time by streamlining the engagement process.



Local worker in Thornton (Penrith).



Render of Lachlan's Line.

The year ahead

Upcoming milestones for our affordable housing projects in FY25 include:

- **Bella Vista** – Releasing affordable housing site through our Affordable Housing Delivery Panel.
- **Bulli** – Releasing affordable housing site through our Affordable Housing Delivery Panel and superlots through our Builder's Panel.
- **Preparing and lodging development applications** for the:
 - Mullumbimby Affordable Housing Project with the preferred tenderer (28 dwellings)
 - East Lismore Affordable Housing Project with the preferred tenderer (56 dwellings)
 - Edmondson Park Site 24 Affordable Housing Project (64 dwellings).
- **Pursuing** the potential development of Site R3 for Affordable Housing Project (144 dwellings) and Garden Suburb (39 dwellings).
- **Partnering with regional councils** to develop future affordable housing projects in regional areas including Kempsey and Orange.



Deliver built form

Deliver built form to help us provide housing faster and in more innovative ways including a build-to-rent program

While we will continue to create serviced land lots for sale to retail customers and wholesale customers, we are also investing in new capability.

In October 2023, we established a Built Form division that will allow us to deliver housing sooner and in more innovative ways, challenging existing patterns of development. The division includes:

- a specialist affordable housing team that manages our program to deliver 1,800 dwellings by 2029
- a build-to-rent team that manages the \$65 million regional build-to-rent pilot program and will manage the \$450 million build-to-rent program announced in the 2024 State budget
- a construction team focused on build-to-rent and affordable housing including modern methods of construction and asset management.

Our achievements

Our build-to-rent program will increase the supply of long-term rental housing in the South Coast (Bomaderry) and Northern Rivers (East Lismore) regions where people are feeling the stresses of rising rents and limited housing availability.

In FY24, we secured land, finalised the design and submitted the development application for the Bomaderry site. As part of our design and planning, it became evident that we could deliver additional dwellings for a small increase in funding. The NSW Government provided a \$5 million boost in February 2024 to deliver an additional 10 dwellings. This funding increased the NSW Government's investment in the project to \$35 million, allowing delivery of about 60 build-to-rent apartments.

In the Northern Rivers, we secured a build-to-rent site for the Lismore community. Our agreement with Southern Cross University unlocked about 4,500m² of land for 50 new rental homes, with 20% set aside for affordable housing. We also completed the concept design for the project with development application design underway.

Our progress on the build-to-rent pilots has shown that we can deliver a bigger program. Accordingly, the NSW Government announced a \$450 million equity injection for Landcom to build at least 400 new build-to-rent dwellings for essential workers in the next three to four years (subject to planning approvals).

We will acquire up to four new sites preferably on surplus NSW Government-owned land identified as suitable for housing with the specific locations to be determined. These sites will be located in Metropolitan Sydney, meaning essential workers can work and live in the same communities.



The year ahead

Upcoming milestones for our built form projects in FY25 include:

- **Edmondson Park (Block 24)** – Starting the development application for built form, intended for affordable housing.
- **Northern Rivers (East Lismore) build-to-rent** – Obtaining development approval and starting construction.
- **South Coast (Bomaderry) build-to-rent** – Obtaining development approval and starting construction.
- **Build-to-rent for essential workers in Metropolitan Sydney** – Acquiring sites and progressing planning approvals for at least 400 dwellings. We anticipate construction on the first site will begin in 2026.
- **Macarthur Gardens North** – Lodging the development application for built form, intended for affordable housing.



Render of the Bomaderry build-to-rent project.



Impactful regional presence

Have an impactful presence in regional NSW where the local economy is affected by housing supply issues

Our expansion into regional NSW is focused on areas where low housing supply and/or low rental vacancy rates directly influence local economies. Increasing housing supply in regional NSW will give more people the choice to live and work where they wish to, while also boosting regional economies.

Our achievements

Building new relationships and partnerships is key to growing our portfolio of regional projects and identifying new opportunities. Following on from our partnerships with Byron Shire Council and Lismore Council in the Northern Rivers we have initiated further project opportunities with Kempsey and Orange councils to progress our affordable housing program.

In addition to our build-to-rent pilots in the Northern Rivers and South Coast, Landcom, Southern Cross University and the NSW Reconstruction Authority announced a partnership in February 2024 which seeks to unlock a parcel of university land for housing development.

Before the 2022 floods, Lismore was already experiencing a rental housing crisis. The project is planning to deliver over 400 dwellings in East Lismore with at least 20% set aside for affordable housing. Many of the serviced lots would be made suitable for the relocation of existing homes from flood affected areas.

Landcom is planning to invest \$60 million to develop the site, including providing the infrastructure for development such as new roads, power, water, and wastewater connections.

An additional \$15 million contribution from the NSW Reconstruction Authority would give participants in the Commonwealth and State funded Resilient Homes Program priority access to buy the new land and housing before it is offered to the broader market.

In Orange, we reached the next milestones in building a new residential precinct that aims to deliver diverse and affordable housing. In November 2023, we signed a project delivery agreement with Orange City Council that outlines the plans for a new 25-hectare precinct alongside Redmond Place. The estate will contain at least 300 homes with at least 20% designated as affordable housing.

The project will also be the first Landcom project to access the NSW Government's new priority rezoning pathway.



(Pictured left to right): NSW Minister for Planning and Public Spaces Paul Scully, Lismore MP Janelle Saffin, Landcom CEO Alexander Wendler, and NSW Premier Chris Minns with an early render of the proposed new housing development for the Northern Rivers.



Family pictured in Victoria Park.

The year ahead

Upcoming milestones for our regional projects in FY25 include:

- **Garden Suburb** – Completing pothole remediation work, subdivision and intersection civil works.
- **Goonellabah (Lismore)** – Appointing a community housing provider partner and holding consultation before lodging a development application.
- **North Tuncurry** – Finalising site drainage and flooding workshops and progressing biodiversity certification approval.
- **Mullumbimby** – Appointing a community housing provider partner and holding community consultation before lodging a development application.
- **Redmond Place (Orange)** – Lodging a planning proposal with the Department of Planning, Housing and Infrastructure under the priority rezoning pathway and progressing the masterplan development application.

Performance against Statement of Corporate Intent (SCI)

	FY24 Actual	FY24 SCI
Sales revenue	\$282.6m	\$332.8m
Gross margin	\$124.7m	\$129m
Earnings before interest and tax	\$69m	\$76.7m
Net profit after tax*	\$57.3m	\$55.8m
Return to government – tax	\$24.6m	\$23.9m
Return to government – dividend	\$39.6m	\$39.1m
Return to government – Government Guarantee Fee	0	0.8
Return on equity	8.3%	8.0%
Dwellings settled**	2,080	3,581

* Net profit after tax is higher than the SCI due to higher interest income.

** Dwellings reported are land lots settled in the financial year for construction of homes.

Land disposal

We settled 2,080 dwellings in FY24 with a total revenue from contracts with customers of \$282.6 million. Further detailed information is in the Financial Statements Note number 3 – Revenue from contracts with customers.

The 2,080 dwellings represent a shortfall of 1,501 against our target for the year. This shortfall is mainly due to delays in settlements for the Sydney Metro Northwest Places Program because of the pause on the sale of government owned land and property. These settlements will now be part of our FY25 program.

Performance against non-financial commitments

In addition to financial targets, our Statement of Corporate Intent includes non-financial targets from our FY24-27 Strategic Plan. Notable achievements in FY24 include progress on our build-to-rent programs on the South Coast and the Northern Rivers, creating a sustainable pipeline of projects and leading in the delivery of affordable housing which are covered under the goals in this Operations and performance chapter.

Our refined Strategic Plan to FY29 identifies key results for FY25. Additional initiatives and key results for subsequent years of the Strategic Plan will be nominated by the Executive, for Board approval, before the start of each financial year.



Render of Edmondson Park.

Delivering sustainable places

We are committed to delivering places that are sustainable and resilient for the people of NSW. Our Sustainable Places Strategy sets our long-term goals for creating environmentally, socially and economically sustainable places.

We first adopted the strategy in 2017. It is founded in the four pillars of *Climate Resilient Places, Healthy & Inclusive Places, Productive Places and Accountable & Collaborative Places*. Each pillar is guided by a long-term goal, and short-term performance targets applicable to every Landcom project. Our performance against these targets is disclosed each year in our FY24 Sustainability Report.

In FY24 some of our performance highlights include:

- 100% of projects achieved a net urban heat island reduction, and 100% of projects adopted industry best practice solar reflective index scores for roof colour. Together these initiatives help drive down urban heat island effect.
- 100% of construction timber used was industry certified for sustainable forestation, while 99.7% of construction waste was diverted from landfill.

- engaged 490 students across excursion programs aimed at enhancing education on sustainability related topics, while investing a further \$70,000 cash and \$13,429 in-kind for sustainability related research projects.

We also recertified as a Climate Active *Carbon Neutral Organisation* during the reporting period and attained an overall GRESB score of 95/100. Furthermore, we continued to voluntarily adopt the Task Force on Climate-related Financial Disclosures framework to better understand climate and transition risks to our organisation.

To read more on our sustainability performance across all targets in FY24, see our Climate-related Financial Disclosures, and learn more about our research investments and industry collaborations throughout the year, see our FY24 Sustainability Report.

Commitment to reconciliation

We confirmed our commitment to fostering respectful and meaningful relationships with Traditional Owners and Aboriginal and Torres Strait Islander communities in our sphere of operation by successfully closing out our first Reconciliation Action Plan, our Reflect RAP, in December 2023.

This milestone marked the progress we made in FY24 in our reconciliation journey across the four pillars of Respect, Relationships, Opportunities and Governance. Some of the key achievements under our Reflect RAP include:

- launching and implementing our Connecting with Country guidance document, which was co-designed with Balarinji through a series of workshops with Landcom staff (more information is included in our FY24 Sustainability Report)
- continuing to elevate the profile of Landcom's reconciliation work through internal communications channels and updating communication templates to include Acknowledgement of Country
- increasing staff knowledge of culture and history through staff cultural awareness training and celebrating significant events such as Reconciliation Week and NAIDOC Week
- creating dedicated resources to inform staff on the facts surrounding the Voice to Parliament referendum

- engaging with nine Aboriginal-owned businesses with majority certified by Supply Nation and included a spend target with Aboriginal-owned businesses for our office refurbishment
- improving employment outcomes by creating an Indigenous Employment Framework in partnership with Stonecrab, who also facilitated staff workshops as part of this process
- collaborating with other RAP like-minded organisations to drive reconciliation outcomes by participating in the NSW Government Reconciliation Action Community meetings
- maintaining effective governance of the RAP through six-weekly meetings of the RAP Collaborative and having two Executive representatives as the RAP champions.

In FY24, we started developing our Innovate RAP and engaged Aboriginal-owned consultancy Ngurra Advisory for strategic support. Ngurra Advisory interviewed key staff, including members of the Executive Committee and the new members of the RAP Collaborative to inform the commitments that will be made under our Innovate RAP.



Artwork produced with the guidance of Trevor from Dalmari by the outgoing and incoming RAP Collaborative.



Management and accountability

We value the passion and dedication of our staff. Our senior leaders are instrumental in achieving our strategic goals by inspiring their teams and deepening their relationships with stakeholders.

Leadership and organisation structure

See page 19 for our governance structure and page 29 for our organisational chart.

Executive diversity and remuneration

As at 30 June 2024, Landcom's Executive team had eight members, of which four are female and four are male, a 50% gender split.

Total remuneration for senior executives is calculated as the sum of the cost of employment, which includes contributions for superannuation and novated lease payments for a motor vehicle, where such option has been exercised. The Chief Executive Officer's performance is reviewed annually by the People & Culture Committee, which reports the outcomes of the review to the Board.

The Chief Executive Officer reviews the performance of each of the Executives on a yearly basis, with high level findings reported verbally to the People & Culture Committee.

PSSE ⁱ band equivalent	2024		2023 ⁱⁱⁱ		2022 ⁱⁱⁱ		Average remuneration		
	Female	Male	Female	Male	Female	Male	2024 (\$)	2023 (\$)	2022 (\$)
Above Band 4 equivalent	-	1	-	1	-	3 ^{ix}	665,239	638,600	621,666
Band 4 equivalent	-	1 ^v	-	-	-	-	520,199	-	-
Band 3 equivalent	4 ^{iv}	2 ^{vi}	4	4 ^{vii}	4 ^{vii}	4 ^x	436,363	439,937	421,837
Band 2 equivalent	-	-	-	-	-	-	-	-	-
Band 1 equivalent	-	-	- ^{viii}	-	1	1 ^{xi}	-	-	248,175
Totals	4	4	4	5	5	8			

i PSSE Public Sector Senior Executive (PSSE).

ii 2024 - Landcom does not use the PSSE remuneration ranges. Landcom has revised our methodology used to the above new PSSE band.

iii 2023 and 2022 have been revised to adopt the new PSSE band equivalents.

iv 2024 - Female substantive left 6 July 2023 and one female substantive hired 9 October 2023.

- v 2024 – One male substantive moved from band 3 to band 4 equivalent.
- vi One male substantive hired 9 October 2023.
- vii 2023 – Male substantive role holder left 22 July 2022, replaced by male substantive role holder and male substantive role holder left 30 June 2023.
- viii 2023 – Female role no longer reported as part of the Executive Charter.
- ix 2022 – Male substantive left 22 April 2022, interim male replacement 22 April 2022 - 29 May 2022 covering vacancy, new male substantive 30 May 2022.
- x 2022 – Interim male replacement 22 April 2022 - 29 May 2022.
- xi 2022 – Interim male replacement covering female substantive holder 20 April 2022 - 16 December 2022.

Staff employed, or acting, in recurrent senior executive roles represented 17.3% of total net employee related expenditure in FY24, compared with 17.7% in FY23. Staff employed, or acting, in recurrent senior executive roles represented 11.6% (FY23: 11.3%) of total gross employee related expenditure in FY24.

The Landcom team: Three-year comparison

Staff numbers by employment type	Gender	FY24	FY23	FY22
Full time	Female	94	80	79
	Male	89	83	82
Part time	Female	7	6	13
	Male	1	1	1
Total		191	170	175

Staff numbers by contract type	Gender	FY24	FY23	FY22
Award staff	Female	81	70	72
	Male	64	62	58
Non-award contract staff	Female	20	16	20
	Male	26	22	25
Total		191	170	175

Award staff breakdown	Gender	FY24	FY23	FY22
Permanent	Female	77	66	64
	Male	58	57	53
Fixed term	Female	4	4	8
	Male	6	5	5
Total		145	132	130

Non-award contract staff breakdown	Gender	FY24	FY23	FY22
Permanent	Female	19	13	18
	Male	24	21	23
Fixed term	Female	1	3	2
	Male	2	1	2
Total		46	38	45

Location of employees (at last pay FY24)	Female	Male	Total
Parramatta	100	87	187
Other	1	3	4
Total	101	90	191

Employee turnover and new starter by gender and age group

Age group	Gender	FY24	New starters	Leavers
<30	Female	13	6	2
	Male	14	5	0
	Total	27	11	2
30-50	Female	65	16	7
	Male	61	19	15
	Total	126	35	22
>50	Female	23	5	3
	Male	15	3	6
	Total	38	8	9
All	Female	101	27	12
	Male	90	27	21
	Total	191	54	33

Turnover	Gender	FY24	FY23	FY22
New starters	Female	27	14	18
	Male	27	18	20
	Total	54	32	38
Leavers	Female	12	20	18
	Male	21	17	16
	Total	33	37	34

Ratio of average base pay of female to male	FY24	FY23	FY22
Award staff	95.7%	93.4%	94.9%
Non-award contract staff	96.4%	97.2%	93.5%
All staff	89.3%	88.5%	88.2%

Parental leave

Total number of employees eligible for parental leave in accordance with the Landcom Award

Gender	Entitled	Not entitled
Female	82	19
Male	70	20
Total	152	39

Total number of employees that took parental leave during the reporting period, including CEO discretion to approve beyond the bounds of the Landcom Award

Gender	Leave taken
Female	8
Male	5
Total	13

Total number of employees that returned to work, continue on parental leave or left prior to returning from parental leave

Gender	Returned to work	Still on parental leave	Left during or within 12 months from return from parental leave
Female	0	8	0
Male	3	2	0
Total	3	10	0

A return to work rate based on number of eligible returns to those left during or within 12 months

Gender	Eligible to return	Left during or within 12 months from return from parental leave	% Left during or within 12 months from return from parental leave
Female	0	0	0.0%
Male	3	0	0.0%
Total	3	0	0.0%

Leadership skills development

Our team has a diverse range of leadership skills covering both project delivery and corporate knowledge. We offer a robust Learning Program that drives our Landcom Capability Framework and our strategic priorities.

Our staff learning experiences include:

- Executive Committee Development Program
- Frontier Program, developing future female leaders
- Senior Leaders Development covering core leadership and management skills

- Project Capabilities including Negotiating with Councils, Build-to-Rent, Green Star Foundations
- Soft skills including Building Trust and Accountability, Managing Emotionally Charged Situations, Courageous Conversations.

We have also sought to build the skills of our people in the area of diversity, with Indigenous Cultural and Intellectual Property and Connecting with Country Framework development.

Workforce diversity performance

Workforce diversity group	Landcom Benchmark	FY24	FY23	FY22
Women	50.0%	52.9%	50.6%	52.6%
Aboriginal and/or Torres Strait Islander People	3.3%	1.6%	0.6%	0.6%
People whose first language spoken as a child was not English	23.2%	32.5%	35.9%	32.6%
People with a disability	5.6%	11.5%	11.8%	10.3%
People with a disability, requiring work related adjustments	n/a	0.5%	1.2%	1.1%

Diversity initiatives during FY24 included:

- coaching for leaders and staff in anti-bullying, harassment and discrimination as part of our mandatory compliance training program, including training new staff on these areas
- celebrating multiple days of significance including International Women's Day (with a Board and all-staff event), NAIDOC Week, Diwali and International Day of Disability
- running the Positive Action towards Career Engagement Mentoring Program in partnership with the Australian Network on Disability, enabling five Landcom staff to mentor university students with a disability and support their career progression and growth
- introducing the Landcom Frontier Program, designed to develop future female leaders.

Disability inclusion action plans

As part of our commitment to our Diversity and Inclusion Action Plan, we participated in the Australian Network on Disability's Positive Action Towards Career Engagement Program. Five Landcom mentors partnered with university students with disability to help support the students' progression into full-time employment aligned to their skills and aspirations.

We also designed our office refit to provide an inclusive office environment for staff. This includes:

- a wheelchair accessible office with meeting rooms
- kitchen access
- meeting pod availability
- larger doors with auto sliders for access
- installation of hearing loops in the boardroom and two collaboration spaces
- tactiles on internal stairs
- focus rooms to support those with noise sensitivity/neurodiverse needs
- light dimming facilities and mood sonic/sound scaping to cater for diverse needs.

Work health and safety

Our Health, Safety & Environment Policy states:

- We aim to eliminate incidents and injuries, both mental and physical, across all our operations and sites because we want our people to return home safely.
- We encourage our people to live happy, healthy lives, with healthy bodies and minds, and in healthy places.
- We endeavour to protect and enhance the natural and built environment recognising that a successful future for our business is dependent on the sustainability of the environments, communities and economies in which we operate.

To enable to these commitments, we ensure that our Health, Safety & Environment Framework remains effective and fit-for-purpose for the sectors and markets in which we operate, and positively influences health, safety and environment outcomes in everything we do.

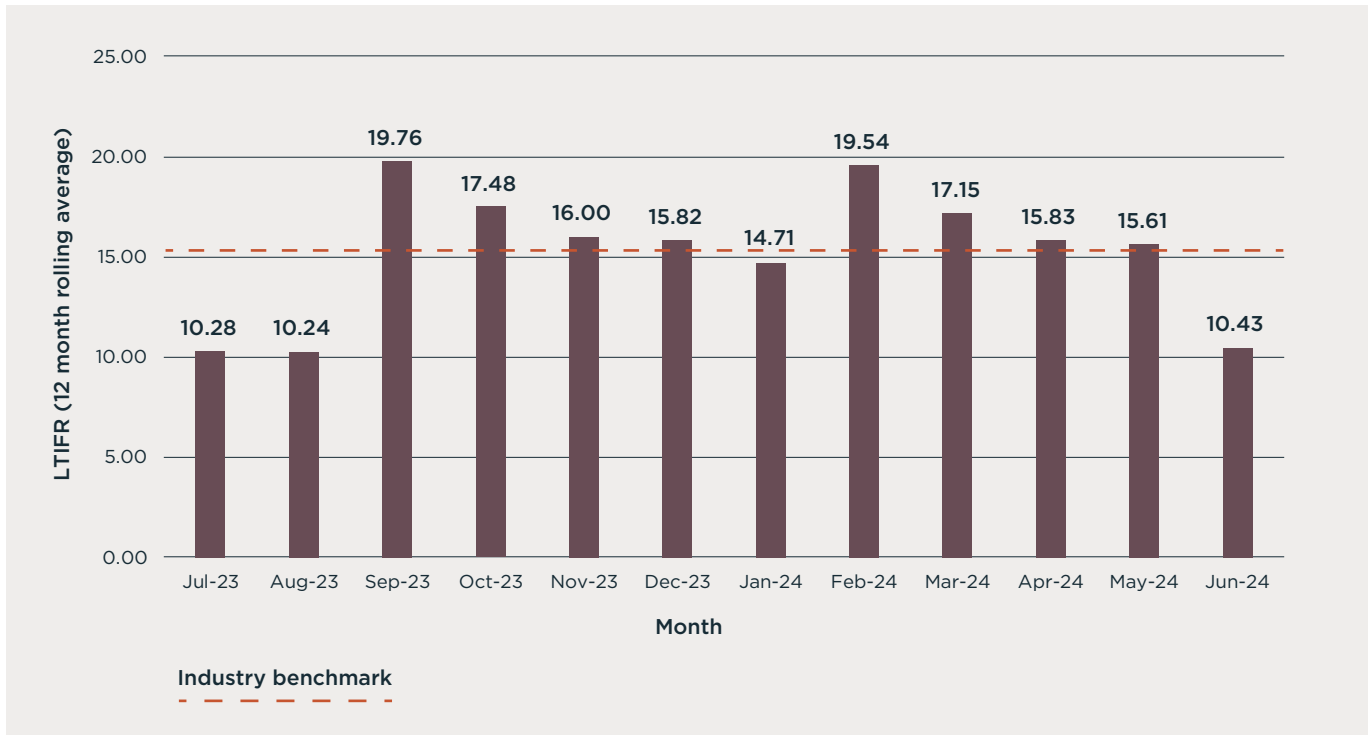
Incident statistics – Injury frequency rates recorded and prosecutions under the *Work Health and Safety Act 2011 (NSW)*

Lost time injury frequency rate (LTIFR), FY24 – employees	0
Lost time injury frequency rate (LTIFR), FY24* – contractors	10.43**
Prosecutions under the Act, FY24	0

* 12 months rolling LTIFR for appointed principal contractors during this reporting period

** According to SafeWork Australia the industry benchmark for the construction/land development and site preparations services is LTIFR= 15.3. [Lost time injury frequency rates \(LTIFR\) | dataswa \(safeworkaustralia.gov.au\)](https://www.safeworkaustralia.gov.au/data-and-research/industry-benchmarks).

LTIFR (12 month rolling) for active sites with appointed principal contractors



In FY24, Landcom staff did not experience any incidents resulting in significant injuries.

During the same period, external principal contractors recorded only two incidents that resulted in lost time injuries, with an average duration of lost time of less than two working days. Both injured workers made a full recovery and returned to work.

The total number of 'hours worked' by all appointed principal contractors during this period averaged 15,976 hours per month. This relatively low volume of 'hours worked' contributed to the significant spikes observed in the LTIFR on a 12-month rolling graph in September 2023 and February 2024. Nevertheless, the total FY24 LTIFR for contractors was 10.43, which is below the relevant industry benchmark of 15.3.

Legislation

In FY24, the following significant legislative changes occurred which have or will impact our business:

Amendments to the NSW environmental planning regime

Amendments to the NSW environmental planning regime, intended to increase the supply of affordable housing, came into effect in the second half of 2023 via amendments to the following environmental planning instruments:

1. *Environmental Planning and Assessment Amendment (Housing) Regulation 2021*
2. *State Environmental Planning Policy Amendment (Housing) 2021* (Housing SEPP)
3. *State Environmental Planning Policy Amendment (Planning Systems) 2021* (Planning Systems SEPP)

The amendments make it easier for Landcom to deliver more affordable housing more quickly. In particular, the amendment to the Housing SEPP will enable Landcom to:

- self-assess developments of up to 75 dwellings, provided the development is 100% affordable housing and meets relevant development standards; and
- lodge applications for development of over 75 dwellings or a capital improved value of over \$30 million with at least 50% affordable housing as state significant developments.

Landcom reviewed the legislative changes, and obtained external planning, probity and legal advice, then developed and implemented robust processes to support the delivery of affordable housing using these pathways.

Amendment to the *Privacy and Personal Information Protection Act 1998* (NSW)

Amendments to the *Privacy and Personal Information Protection Act 1998* (NSW) commenced in November 2023 which:

- broadened the scope of the term ‘public sector agency’ to include state owned corporations for the first time
- established a new mandatory data breach notification scheme for public sector agencies; and
- requires a data breach policy to be published and an internal register maintained for eligible data breaches.

Landcom has implemented the necessary systems, processes and documentation to be fully compliant with these changes.

Public Interest Disclosures Act 2022 (NSW)

The *Public Interest Disclosures Act 2022* (NSW) commenced on 1 October 2023.

The new legislation provides protection to a broader range of people than the previous legislation, including those who make public interest disclosures (PIDs), investigators and witnesses in investigations who may otherwise be at risk of detrimental action. It creates positive obligations on Landcom to take practical action to deal with PIDs received, prevent detrimental action and protect the identity of makers of PIDs. Another significant change is to allow public officials to make PIDs to their manager as opposed to the head of the agency or to certain nominated ‘disclosure officers’.

Landcom is currently fully compliant with the new legislation and provided mandatory training to all disclosure officers and staff.

Disclosure of approved exemptions

Disclosure of approved exemptions are included in Appendix 3, see page 130.

Public access to information and the protection of privacy

Privacy and Personal Information Protection Act 1998 (NSW) requirements

We are committed to protecting the personal information of our customers, stakeholders, staff members and the public. We are subject to both the *Privacy and Personal Information Protection Act 1998* (NSW) and the *Health Records and Information Privacy Act 2002* (NSW). We ensure that we:

- only collect relevant personal information for lawful purposes directly related to our activities
- take reasonable steps to protect personal information from misuse and unauthorised access
- take reasonable steps to check the accuracy of personal information before we use it
- do not give personal information to other organisations for marketing purposes
- only use personal information for the purposes it was collected
- protect privacy, with targeted training provided to those staff who handle personal information
- only disclose personal information to third parties if:
 - it is in accordance with the collection notice provided
 - we are authorised or required to by law
 - we have verbal or written authority or we can reasonably assume, in the circumstances, that the person would give consent
 - there is a danger of injury or loss of life.

In FY24, we:

- completed a Privacy Compliance Review to ensure full compliance when the amendments to the *Privacy and Personal Information Protection Act 1998* (NSW) commenced in November 2023
- developed and published our first Privacy Management Plan and Data Breach Policy, both of which are published on our website to ensure compliance with the amendments to the *Privacy and Personal Information Protection Act 1998* (NSW)
- improved the resources available in Landcom's Privacy Framework that provides staff with access to the Privacy Management Plan, Data Breach Policy, template collection notices, factsheets, checklists and links to the NSW privacy legislation
- raised awareness of the amendments to the *Privacy and Personal Information Protection Act 1998* (NSW) through articles on our intranet and announcements at various internal forums
- delivered a new online privacy awareness training module, which is required to be completed by all staff
- delivered targeted privacy training to the Landcom divisions that frequently handle personal information
- further embedded the requirement for privacy impact and cyber assessments to be undertaken for relevant new engagements
- arranged for relevant staff to attend webinars and participate in Privacy Practitioners' Network events and seminars.

Government Information (Public Access) Act 2009 (NSW) (formal access applications)

During the reporting period, Landcom received one formal access application under the *Government Information (Public Access) Act 2009* (NSW) which was determined during the reporting period. The following tables contain statistical information about the formal access application decided in FY24.

Table A – Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	1	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

* More than one public interest consideration may apply in respect to a particular access application. If so, a recording must be made in respect to each such application. This also applies to table B.

Table B – Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	1	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* A 'personal information application' is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C - Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid Applications that subsequently became valid applications	0

Table D - Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used**
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Privilege generally - Sch 1(5A)	0
Information provided to High Risk Offenders Assessment Committee	0

** More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E - Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Business interests of agencies and other persons	0
Environment, culture economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0

Table F - Timelines

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within timeframe (deemed refusal)	0
Total	1

Table G - Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld
Internal review	0	0
Review by Information Commissioner	0	0
Internal review following recommendation under section 93 of the Act	0	0
Review by NSW Civil and Administrative Tribunal	0	0
Total	0	0

Table H - Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by people to whom information the subject of access application relates (see section 54 of the Act)	0

Table I - Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications for review
Agency-initiated transfers	0
Applicant-initiated transfers	0

Authorised proactive release of information under section 7(3) of *Government Information (Public Access) Act 2009 (NSW)*

Under section 7 of the *Government Information (Public Access) Act 2009 (NSW)*, agencies must identify the kinds of government information that can be made publicly available at least every 12 months.

Landcom's program for the proactive release of information involves regularly updating our website and individual project websites to provide information about our policies, projects and initiatives. We also consider publishing information about the community consultations we undertake and other commonly requested categories of information and the impact, if any, of proactively releasing this information.

During the year, we:

- considered the informal requests for information received and categories of information that are frequently requested, including input from relevant staff
- determined that there were no specific additional categories of information that were being regularly requested in the informal requests for information.

In addition, we regularly build on our industry knowledge and expertise through the work we do. Where we can, we share our knowledge freely within government, throughout the development industry and among interested members of the public. This practice is an effective way to build and maintain credibility.

Internal audit and risk management

Risk management framework, implementation and monitoring

The Board's consolidated approach to risk management incorporates governance, compliance, risk appetite and business continuity management. This approach is consistent with the Australian Standard AS ISO 31000:2018 Risk Management – Guidelines. The Enterprise Risk Management Framework is reviewed at least annually for currency and to ensure the approach to risk management continues to be sound.

Our Enterprise Risk Management Framework clarifies our appetite and limits for business risk, raises risk awareness throughout the organisation and provides the framework, policies and guidelines required to successfully manage the risks inherent in our business.

The Board oversees and annually reviews that an effective Enterprise Risk Management Framework is in operation and has delegated to management responsibility for risk management activities, following a three lines model:

- **Line 1 – Ownership, Responsibility and Accountability:** assessing, controlling and mitigating risk through management controls and internal control measures such as internal policies and procedures
- **Line 2 – Oversight:** identifying, documenting and reporting risks; developing policies, procedures and internal controls; and monitoring risk through risk management, compliance and safety functions
- **Line 3 – Assurance:** independent and objective assurance over all governance and risk management activities through an internal audit function.

The Board last approved the Enterprise Risk Management Framework in March 2024. To ensure our risk management processes continue to work effectively and create value, we:

- promote a culture of risk management throughout the organisation from the Board, CEO, Executive Committee and all staff
- continuously enhance the integration of risk management within our business processes
- assign risk management responsibilities within the organisation
- review our Enterprise Risk Management Framework annually to continually improve decision-making and business processes and ensure they provide clear, consistent methodology, reporting and auditing tools.

Management and reporting of risks in key areas of the business are continuously performed throughout the year, and include:

- strategic, entity and operational risks
- projects risks
- health, safety and environment risks
- fraud and corruption prevention.

Our Enterprise Risk Management Framework also provides for appropriate processes to govern, review and audit our risks. These include:

- regular risk reviews by the Audit & Risk Management Committee
- detailed discussions of strategic risks at each Board meeting
- regular risk workshops held with the CEO and the Executive Committee to monitor and update risks
- a risk-based internal audit program that assesses our treatment of risks
- comprehensive risk reporting at all levels of the business.

The Board's Audit & Risk Management Committee consists of Non-executive Directors and is attended by management representatives as well as independent advisers and observers. The committee regularly considers risk matters arising from internal and external audits as well as independent assessments of performance against key risk management systems such as the Legal Compliance Framework, Health, Safety and Environment Management System; Fraud Control Framework; and others.

Crisis management and business continuity

Our Crisis Management and Business Continuity Strategy, which comprises a Crisis Management Plan and Business Recovery Plan, is designed to minimise adverse impacts on our staff, stakeholders and business operations in the event of a major incident or crisis. It identifies critical business processes and scenarios that could disrupt our business and outlines steps to stabilise and restore business processes in the event of a business disruption.

Both plans are tested and reviewed annually to ensure that we have the resources and capability to respond to any event that could disrupt or threaten our business.

Insurance

Landcom is insured through the NSW Treasury Managed Fund. This fund is based on the principles of self-insurance and prioritises the implementation of sound risk management practices. The self-insurance scheme is administered by Insurance and Care NSW (icare) and provides cover for motor vehicle, property, public/product liability, professional indemnity, director and officer liability, and workers compensation.

We completed our FY24-25 Renewal Declarations for the Treasury Managed Fund in September 2023 and all policies have been renewed for the current policy period.

Internal audit

Landcom has co-sourced the internal audit function, led by our Director, Audit & Risk and supported by an external internal audit provider. The function provides the Audit & Risk Management Committee and senior management with independent, objective assurance around internal controls.

The internal audit function reports to the Chair of the Audit & Risk Management Committee. The Director, Audit & Risk attends and reports to each meeting of the Audit & Risk Management Committee against the internal audit plan, as approved by the Audit & Risk Management Committee.

Risks affecting our goals

Landcom is exposed to a range of political, economic, industrial, commercial and operational, legal and regulatory, social, technological, sustainability and environmental risks. In FY24, the Board and Executive updated the strategic risks against the FY24-29 Strategic Plan to ensure key internal and external risks were commensurate with our four goals. These strategic risks are monitored and discussed continually by the Board.

In addition, we have processes in place to reduce inherent risks and manage residual risks across the organisation, including the CEO and Executive Committee participating in quarterly risk workshops to review Landcom's Strategic Risk Register and Entity Risk Register.

Miscellaneous activities

Production cost of annual report

The FY24 Annual Report total cost of production is estimated at \$14,500 ex GST.

Consultants

Payments to consultants for engagements valued at over \$50,000.

Consultant Name	Contract description	Amount (\$)
JBS&G Australia Pty Ltd	Advice on imported mulch risks to project sites	53,098
Total		53,098

In 2023-24, we engaged 20 consultants for \$50,000 or less, with total costs of \$368,000.



Promotion (overseas visits)

Date of travel	Name	Destination	Purpose
July 2023	Alexander Wendler	United Kingdom ¹	Engaged with peer property developers in London and visited exemplary affordable housing developments to support our strategic goals.
March 2024	Tasha Burrell	New Zealand	Joined executive leaders from across the Asia Pacific for the Institute of Strategic Leadership (ISL) Program. This program builds advanced-level executive capability and explores leadership of self, teams and organisations.
June 2024	Alexander Wendler	United Kingdom	Travelled with a delegation from local councils, universities, NSW Government organisations, businesses, charities, developers and private sector companies as part of the Western Sydney Leadership Dialogue East London Study Tour. Engaged with people involved in housing, transport, universities, governance models, consultation with communities and shaping East London.
June 2024	Raema Melverton and Tasha Burrell	New Zealand	Engaged with Australian and New Zealand state-owned land and property developers to share insights, challenges and opportunities and discuss density done well as part of the Government Land Organisations conference. Visited large-scale urban development sites and new communities across New Zealand.

1. Landcom only covered the cost of a return flight from Germany to the United Kingdom and two nights' accommodation in London.



Sustainability

To read about our sustainability performance across all targets in FY24 and our Climate-related Financial Disclosures, see our FY24 Sustainability Report.

Modern slavery reporting

Our public **human rights statement** affirms our commitment to human rights and acting to ensure our operations uphold and protect the human rights of every person in our value chain. This commitment is a fundamental pillar to our leadership intent to create more affordable and sustainable communities.

Our **approach** is informed by international best practice initiatives, including the United Nations Guiding Principles on Business and Human Rights. We are committed participants of the United Nations Global Compact Network Australia, report our contribution to the Sustainable Development Goals, and have been addressing Human Rights and Modern Slavery as part of our Sustainable Places Strategy since 2017.

As a NSW state-owned corporation with dual reporting obligations under the *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2018* (NSW), our approach continues to be informed by guidance published by state and Commonwealth entities.

The *Modern Slavery Act 2018* (Cth) requires entities with an annual consolidated revenue of \$100 million or more based or operating in Australia to prepare annual statements on potential modern slavery risks in their operations and supply chains and disclose the steps taken to address those risks.

The *Modern Slavery Act 2018* (NSW) requires eligible entities (which includes state-owned corporations in their capacity as government-sector finance agencies) to provide a statement in their annual report that details the steps taken during the financial year to ensure that any goods or services procured by the entity were not the product of modern slavery. Under section 31(1)(a) of the *Modern Slavery Act 2018* (NSW), as an eligible entity, Landcom must also report on significant operational issue raised by the Anti-Slavery Commissioner.

Accordingly, appendix 2 on page 120 contains information disclosed in accordance with the *Modern Slavery Act 2018* (NSW) and the Guidance on Reasonable Steps, issued by Office of the NSW Anti-Slavery Commissioner that came into force on 1 January 2024 for the financial year ending 30 June 2024.

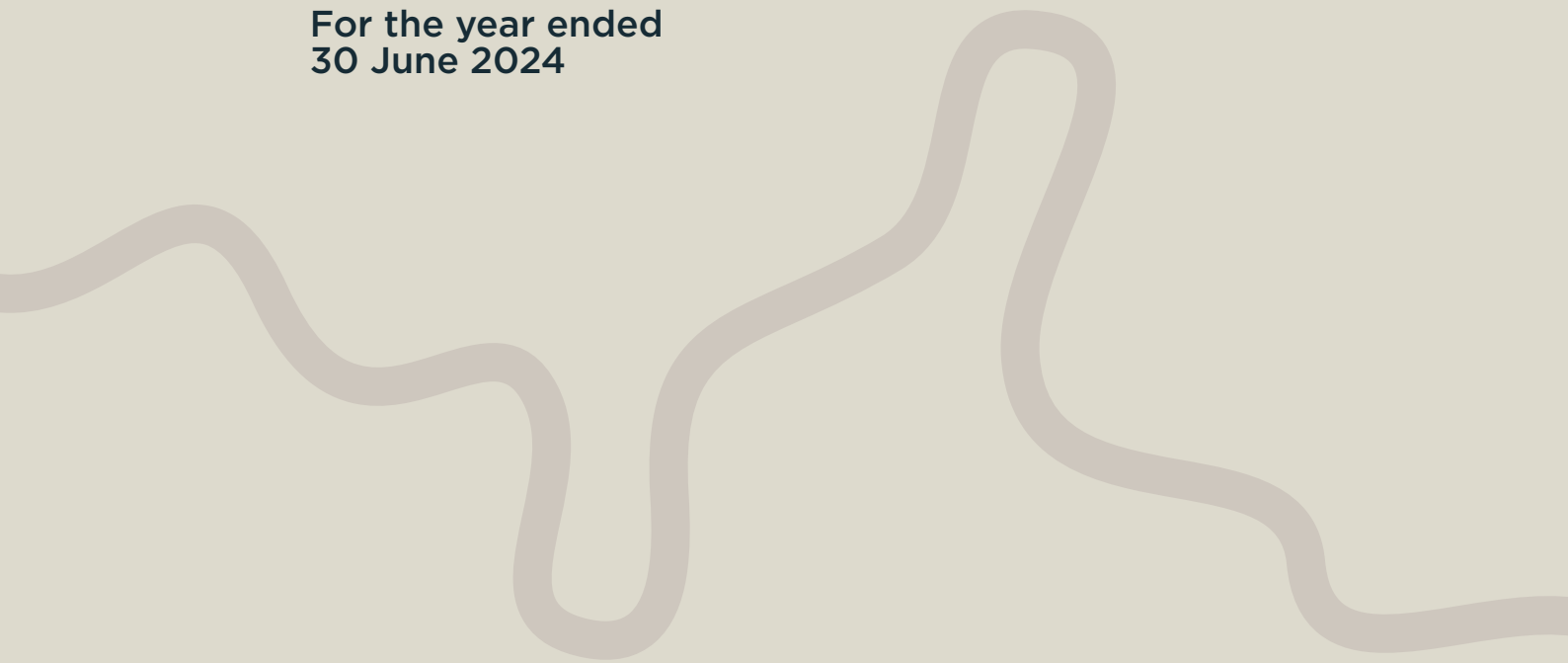
This statement is signed by Alexander Wendler in his role as the Chief Executive Officer of Landcom.





Landcom Financial statements

For the year ended
30 June 2024





INDEPENDENT AUDITOR'S REPORT

Landcom

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Landcom (the Corporation), which comprise the Directors' Declaration, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a Summary of material accounting policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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 statements for the year ended 30 June 2024. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Key Audit Matter

How my audit addressed the matter

Measurement of inventory

At 30 June 2024, the Corporation's Statement of Financial Position reported \$543.2 million as inventories.

The Corporation has a portfolio of long-term land development projects, classified as inventories, that are being developed for future sale.

Inventory is measured at the lower of cost and net realisable value (NRV), which is assessed at each reporting date.

The cost of inventory includes land acquisition costs, development costs and capitalised overhead associated with bringing the inventory to its present location and condition.

NRV is calculated based on the estimated selling price of the inventory, less the estimated costs of completion. Where a project's NRV is lower than cost it is written down to its NRV.

This is a key audit matter because:

- inventories are financially significant to the Statement of Financial Position
- the measurement of NRV requires the use of significant judgements and estimates related to future project sales and costs to complete.

Further information on recognition and measurement of inventories is disclosed in Note 8.

Key audit procedures included:

- obtaining profitability forecasts for each of the projects and assessing management's review and certification of the recoverability of inventories at reporting date
- selecting a sample of projects to perform the following procedures:
 - inquiring of management to understand the status of selected projects, including the related key project risks, opportunities and changes in general macro-economic factors on forecasts
 - reviewing documentation that supports the basis of significant judgements and estimates made to forecast sales and costs to complete (this included independent valuation reports, evidence of sales data for comparable sold properties, committed costs under contracts, external and internal cost and price estimates)
 - testing additions to the cost of inventory, on a sample basis, to ensure they qualified for capitalisation and were directly attributable to the relevant project
 - comparing the carrying value to the selected project's NRV to assess whether any write down was required.

Provision for cost to complete projects

At 30 June 2024, the Corporation's Statement of Financial Position reported a \$67.1 million provision for cost to complete projects (the provision).

The provision captures future development costs based on the original land development schedule and estimates of other known obligations expected to be incurred when the land is ready for settlement.

This is a key audit matter because:

- the provision is financially significant to the Statement of Financial Position
- the measurement of the provision requires the use of significant judgements and estimates that are subject to revision.

Further information on recognition and measurement of the provision for cost to complete projects is disclosed in Note 16(ii) and a reconciliation of the movements in the balance is disclosed in Note 16(i).

Key audit procedures included:

- reviewing the nature and value of the provision and any changes from the prior year to determine the reasonableness of the current year provision
- obtaining evidence demonstrating management had reviewed the provision for each project and certified the accuracy of the balance at reporting date
- selecting a sample of projects to perform the following procedures:
 - inquiring of management to understand the status of selected projects and basis for recognising a provision
 - reviewing documentation to assess the reasonableness of significant judgements and estimates used in calculating the provision (including current contract rates, committed contract costs and other cost estimates)
 - testing movements in the provision for selected projects, to ensure they were attributable to the relevant project provision

Key Audit Matter**How my audit addressed the matter**

- reviewing the appropriateness of the rate used to index future cost estimates and discount the provision, and the mathematical accuracy of the calculation.

Valuation of defined benefit superannuation liabilities

At 30 June 2024, the Corporation's Statement of Financial Position reported net defined benefit superannuation liabilities totalling \$3.5 million.

This liability balance is provided to the Corporation by the Administrator of the SAS Trustee Corporation based on an independent actuarial assessment.

This is a key audit matter because:

- the gross balances of the defined benefit obligation and fair value of fund assets are financially significant.
- the underlying liability valuation model (the model) is complex due to the significant degree of judgment required to determine key assumptions used to value the liability
- the value of the liability is sensitive to minor changes in valuation inputs.

Further information on the significant actuarial assumptions and sensitivity analysis is disclosed in Note 19.

Key audit procedures included:

- obtaining an understanding of the processes and key controls in place supporting the:
 - membership data used in the model
 - defined benefit superannuation liability calculation
- assessing the completeness and accuracy of the membership data used in the model
- with the assistance of actuarial experts, reviewing the methodology and key assumptions for reasonableness
- assessing the qualifications, competence and objectivity of actuarial experts
- evaluating the adequacy of financial statement disclosures against the requirements of applicable Australian Accounting Standards and Treasurer's Directions.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions and the *State Owned Corporations Act 1989*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar6.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'CHarper', with a long horizontal stroke extending to the right.

Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

5 September 2024
SYDNEY

Directors' declaration

Pursuant to Section 7.6 of the *Government Sector Finance Act 2018*, we state that in the opinion of the Directors of Landcom:

- (a) The financial statements:
 - (i) present fairly the financial position of Landcom as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date;
 - (ii) comply with Australian Accounting Standards, Australian Accounting Interpretations, the *State Owned Corporations Act 1989*, the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2024* and Treasurer's Directions mandated by the Treasurer.
- (b) We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
- (c) At the date of this statement, there are reasonable grounds to believe that Landcom will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors:



ASHLEY MASON
Chair



JOHN BARBELER
Director

3 September 2024
Sydney

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
Revenue from contracts with customers	3	282,618	276,714
Cost of sales	8	(157,916)	(147,639)
Gross Profit		124,702	129,075
Other revenue		261	94
Finance income	4	13,352	9,248
Employee related expenses	18	(28,984)	(23,297)
Other expenses	5	(23,970)	(16,296)
Depreciation and amortisation expense	14	(2,974)	(3,218)
Finance costs	4	(420)	(9,617)
Profit before income tax equivalent expense		81,967	85,989
Income tax equivalent expense	20(i)	(24,657)	(25,797)
Net profit for the year		57,310	60,192
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Superannuation actuarial (loss)/gain on defined benefit plans	19(vi)	(72)	1,386
Income tax equivalent benefit/(expense)	20(i)	21	(416)
Total items that will not be reclassified to profit or loss		(51)	970
Other comprehensive (loss)/income for the year (net of income tax equivalent)		(51)	970
Total comprehensive income for the year		57,259	61,162

The above Statement of Comprehensive Income is to be read in conjunction with the attached notes to the financial statements.

Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
Assets			
Current Assets			
Cash and cash equivalents	6	211,773	287,778
Trade and other receivables	7	115,462	66,158
Inventories	8	139,583	196,003
Prepayments	10	6,467	3,943
Total Current Assets		473,285	553,882
Non-Current Assets			
Trade and other receivables	7	-	92,861
Inventories	8	403,570	202,001
Property, plant and equipment	11	2,747	1,250
Right-of-use assets	13	11,098	9,270
Intangible assets	12	1,330	1,799
Deferred tax assets	20(ii)	26,707	30,561
Total Non-Current Assets		445,452	337,742
TOTAL ASSETS		918,737	891,624
Liabilities			
Current Liabilities			
Trade and other payables	9	120,450	91,985
Borrowings	15	901	-
Lease liabilities	13	1,390	1,807
Current tax liability	20(iii)	8,208	16,702
Provisions	16	71,180	83,748
Total Current Liabilities		202,129	194,242
Non-Current Liabilities			
Trade and other payables	9	9,035	6,990
Borrowings	15	-	863
Lease liabilities	13	10,526	8,071
Provisions	16	8,995	11,137
Total Non-Current Liabilities		28,556	27,061
TOTAL LIABILITIES		230,685	221,303
NET ASSETS		688,052	670,321
Equity			
Contributed capital	21	272,827	272,827
Retained earnings		415,225	397,494
TOTAL EQUITY		688,052	670,321

The above Statement of Financial Position is to be read in conjunction with the attached notes to the financial statements.

Statement of Cash Flows

for the year ended 30 June 2024

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		356,921	95,932
Interest received		8,994	8,679
Government grants received		-	214
Payments to suppliers and employees (inclusive of GST)		(366,134)	(113,225)
Income tax equivalent paid	20(iii)	(29,276)	(5,735)
Finance costs		(420)	(275)
Net cash flows used in operating activities	6	(29,915)	(14,410)
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(2,178)	(835)
Proceeds from sale of property, plant and equipment		13	10
Net cash flows used in investing activities		(2,165)	(825)
Cash flows from financing activities			
Proceeds from borrowings		-	856
Principal element of lease payments		(1,656)	(2,110)
Dividends paid to NSW Treasury		(42,269)	(13,669)
Net cash flows used in financing activities		(43,925)	(14,923)
Net decrease in cash and cash equivalents		(76,005)	(30,158)
Cash and cash equivalents at the beginning of the year		287,778	317,936
Cash and cash equivalents at the end of the year	6	211,773	287,778

The above Statement of Cash Flows is to be read in conjunction with the attached notes to the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2023		272,827	397,494	670,321
Profit for the year ended 30 June 2024			57,310	57,310
Other comprehensive income/(loss)		-		
Superannuation actuarial loss on defined benefit plans	19(vi)	-	(72)	(72)
Income tax relating to components of other comprehensive loss	20(i)	-	21	21
Total other comprehensive loss		-	(51)	(51)
Total comprehensive income for the year		-	57,259	57,259
Transactions with owners in their capacity as owners				
Dividends to NSW Treasury	9	-	(39,528)	(39,528)
Total transactions with owners in their capacity as owners		-	(39,528)	(39,528)
Balance as at 30 June 2024		272,827	415,225	688,052
Balance as at 1 July 2022		272,827	378,601	651,428
Profit for the year ended 30 June 2023		-	60,192	60,192
Other comprehensive income/ (loss)				
Superannuation actuarial gain on defined benefit plans	19(vi)	-	1,386	1,386
Income tax relating to components of other comprehensive income	20(i)	-	(416)	(416)
Total other comprehensive income		-	970	970
Total comprehensive income for the year		-	61,162	61,162
Transactions with owners in their capacity as owners				
Dividends to NSW Treasury	9	-	(42,269)	(42,269)
Total transactions with owners in their capacity as owners		-	(42,269)	(42,269)
Balance as at 30 June 2023		272,827	397,494	670,321

The above Statement of Changes in Equity is to be read in conjunction with the attached notes to the financial statements.

Notes to the Financial Statements

Contents

About this report

- 1 Summary of material accounting policies79
- 2 Key judgements and estimations.....81

Financial performance

- 3 Revenue from contracts with customers.....82
- 4 Finance income and costs84
- 5 Other expenses84

Working capital management

- 6 Cash and cash equivalents85
- 7 Trade and other receivables86
- 8 Inventories87
- 9 Trade and other payables89
- 10 Prepayments90

Capital investments

- 11 Property, plant and equipment.....91
- 12 Intangible assets92
- 13 Leases93
- 14 Depreciation and amortisation expense.....95

Financial and operational risk management

- 15 Borrowings95
- 16 Provisions.....96
- 17 Financial instruments and risk management.....98

Reward and recognition

- 18 Employee related expenses.....102
- 19 Superannuation103

Other information

- 20 Taxation114
- 21 Contributed capital116

Related parties and joint arrangements

- 22 Related party transactions117
- 23 Joint arrangements118

Unrecognised items

- 24 Expenditure commitments.....119
- 25 Contingent assets and liabilities119
- 26 Events occurring after the reporting period119

Notes to the Financial Statements

About this report

1 Summary of material accounting policies

1.1 Reporting Entity

Landcom (the Corporation) is a NSW Government statutory State Owned Corporation established on 1 January 2002 by the *Landcom Corporation Act 2001* and is controlled by the State of New South Wales, which is the ultimate parent. The Corporation operates under the commercial disciplines of the NSW Government's Commercial Policy Framework and is a for-profit entity for financial reporting purposes.

Landcom works with the NSW Government to improve the supply, diversity and affordability of housing across the state. Landcom is focused on supporting this government priority and delivering the local infrastructure required to help communities grow and thrive. Landcom unlocks surplus or underutilised government-owned sites, or large institutional and/or private land holdings, to create vibrant urban places with housing choices, community facilities, open spaces and access to sought-after services.

Landcom has a long history of building award-winning sustainable urban developments and delivering civic projects, which add economic and social value to the state of NSW. Landcom is regularly working with the NSW Government to manage strategic and complex residential projects on vacant land and established sites.

These financial statements for the year ended 30 June 2024 have been authorised for issue by the Landcom Board of Directors on 3 September 2024.

1.2 Basis of Preparation

These general purpose financial statements have been prepared on an accrual basis in accordance with:

- The *State Owned Corporations Act 1989*;
- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Government Sector Finance Act 2018* and *Government Sector Finance Regulation 2024*; and
- Mandated Treasurer's Directions issued under the *Government Sector Finance Act 2018*.

Material accounting policies that describe the recognition and measurement bases used, as well as key judgements and estimates applied in preparing the financial statements, are disclosed in the relevant notes to the financial statements.

Where necessary, comparative information has been restated to conform to the current year's presentation and disclosures.

All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency, which is also the Corporation's functional currency.

Landcom is subject to various macroeconomic factors that are considered in the preparation of the financial statements. These include supply chain pressures driven by supply and labour shortages and construction material price increases, increases in inflation and interest rates and climate related risks. Landcom has a number of initiatives in place to manage and mitigate these factors, and they have not had a material impact to date.

Notes to the Financial Statements

1 Summary of material accounting policies (continued)

1.3 Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations. Compliance with Australian Accounting Standards ensures that Landcom's financial statements and notes also comply with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied, unless stated otherwise.

1.4 New or revised Australian Accounting Standards

(i) New and amended standards adopted by the Corporation

The accounting policies applied for the year ended 30 June 2024 are consistent with those of the previous financial year. Landcom has adopted the following amendments for the first time for the year ended 30 June 2024.

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2023-2 Amendments to Australian Accounting Standard – International Tax Reform – Pillar Two Model Rules

Amendments and interpretations adopted by the Corporation for the year ended 30 June 2024 have not had a significant impact on the current period or any prior period.

(ii) New accounting standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been issued but are not yet effective for the year ended 30 June 2024. They have not been early adopted by the Corporation. Based on current management assessment, these standards, amendments, and interpretations are not expected to have a material impact on the Corporation in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements

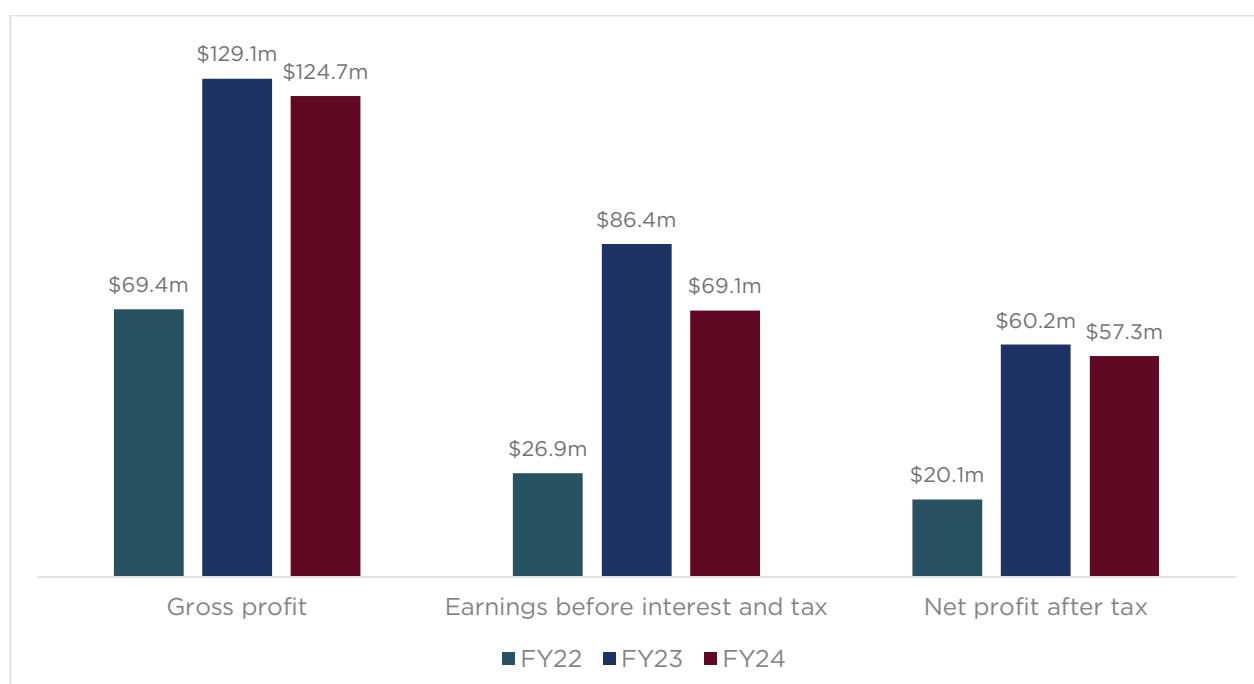
2 Key judgements or estimations

The preparation of financial statements requires estimation or judgement. These are continually evaluated and are based on historical experience as adjusted for current market conditions. The areas of the financial statements involving a higher degree of estimation or judgement are included in the following notes:

Note	Note Reference	Page number of relevant judgement or estimate
3	Revenue from contracts with customers	83
8	Inventories	88
13	Leases	94
16	Provisions	97,98
17	Financial instruments and risk management	100
19	Superannuation	104
20	Taxation	116

Financial performance

Three year performance review



Notes to the Financial Statements

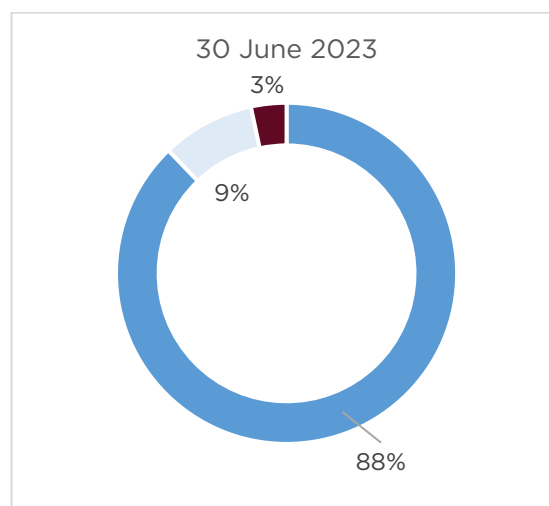
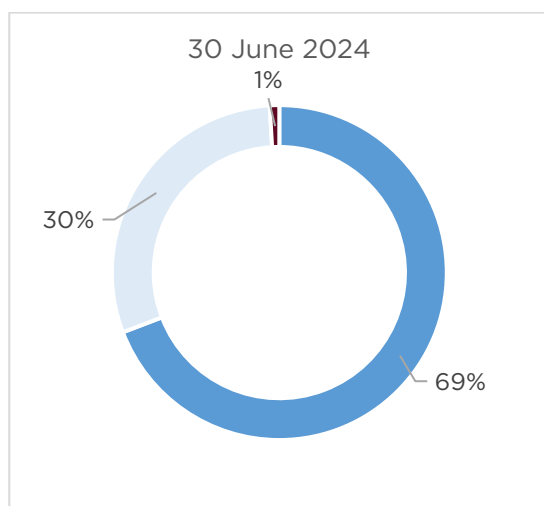
3 Revenue from contracts with customers

	30 June 2024 \$'000	30 June 2023 \$'000
Land sales	229,472	239,425
Managed land sales	50,674	28,031
Management fees	2,472	9,258
	282,618	276,714
Timing of revenue recognition		
Transferred at a point in time	277,760	253,755
Transferred over time	4,858	22,959
Revenue from contracts with customers	282,618	276,714

Assets and liabilities related to contracts with customers are disclosed in Note 7 and Note 9 respectively. Landcom has not recognised assets for contract costs, such as commissions and legal fees on sales to fulfil contracts. These costs are generally incurred within the same period that the respective contracts' performance obligations are fulfilled.

Sources of Revenue

Revenue from contracts with customers comprises wholesale revenue (superlot sales and associated Landcom contract entitlements), retail revenue (standard residential sales and associated rebate adjustments), and management fees.



■ Superlot sales (\$195.6m)
■ Standard residential sales (\$84.5m)
■ Management fees (\$2.5m)

■ Superlot sales (\$243.0m)
■ Standard residential sales (\$24.4m)
■ Management fees (\$9.3m)

Notes to the Financial Statements

3 Revenue from contracts with customers (continued)

(i) Recognition and measurement

Land sales

Landcom derives its revenue from the development and sale of its own land lots to customers. Landcom's performance obligations to a customer to deliver the land lot is completed and satisfied when the legal title and control has been transferred to the customer, typically at settlement. Revenue is then recognised and is measured at the transaction price agreed under the sale agreement. Landcom's sales of land are usually settled within a 12 month period or less, otherwise a recognised receivable is discounted, if significant, to account for the financing component.

Managed land sales

Managed land sales arise from Landcom's agreements to develop and sell land lots owned by other parties. Under most agreements, Landcom typically has one performance obligation to deliver a land lot, satisfied when control of the land lot is transferred to the customer. This generally occurs on settlement at which point revenue is recognised. The revenue recognised is measured at the transaction price per the agreement. Landcom's sales of land are usually settled within a 12 month period or less, otherwise a recognised receivable is discounted, if significant, to account for the financing component.

In some agreements, a series of land lots are delivered progressively to the customer as part of one performance obligation (one promise). In this case, the performance obligation is satisfied over time and revenue is recognised over time. The progress of completing the entire performance obligation is therefore determined by settlements completed. This is the best method to represent the progress and transfer of control through transfer of title at settlement. Revenue recognised is based on the transaction price stipulated in the agreement. The transaction price and hence the revenue may therefore be variable due to judgemental factors as detailed below.

Key estimate

Revenue derived from certain managed land sales may be variable due to factors such as market conditions and contractual terms contingent on future events. Variable revenue is recognised only when it is highly probable based on historical experience, relevant forecasts, and the prevailing economic conditions. Otherwise, the variable revenue is reduced to the amount that is highly probable, such as contractually recoverable costs. Assumptions applied in determining the highly probable revenue are revised as and when circumstances change.

The following assumptions are applied:

- Judgement as to when performance obligations are expected to be satisfied for the recognition of the associated revenue.
- Judgement as to the timing of when deferred receivables are expected to be received, subject to the terms of the sale contract, historical experience, forecasts and current economic conditions.

Management fees

Landcom provides property development management services to NSW State Government agencies and other parties. Landcom generates development management fees typically calculated as a fixed percentage of total project costs. The management fees are recognised over time based on project costs incurred.

Notes to the Financial Statements

4 Finance income and costs

Finance income

	30 June 2024 \$'000	30 June 2023 \$'000
Interest from bank	8,808	8,570
Net interest income from discounting adjustments	4,168	-
Interest from delayed settlements	-	295
Interest on deferred settlement proceeds	376	383
	13,352	9,248

Finance costs

	30 June 2024 \$'000	30 June 2023 \$'000
Interest expense from lease liabilities	420	275
Net interest expense from discounting adjustments	-	9,342
	420	9,617

5 Other expenses

	30 June 2024 \$'000	30 June 2023 \$'000
Advertising, marketing and selling expenses	2,108	2,251
Auditor's remuneration - audit of financial statements	280	250
Operating lease rental expense	845	200
General administrative costs	11,531	9,631
Council rates	834	663
Land tax	9,221	6,489
Change in allowance for expected credit losses	-	(50)
Adjustment of inventory to net realisable value	4,271	2,449
Project establishment costs	2,942	3,177
Write back inventory previously written off	(143)	(1,085)
Property and accommodation	172	39
Consultancy fees	421	413
Loss on lease modification	-	19
Loss on disposal of property, plant and equipment	29	28
	32,511	24,474
Transfer of capital costs to inventories (Note 8)	(8,541)	(8,178)
	23,970	16,296

Notes to the Financial Statements

Working capital management

6 Cash and cash equivalents

	30 June 2024 \$'000	30 June 2023 \$'000
Cash at bank and on hand	206,601	283,780
Restricted cash	5,172	3,998
	211,773	287,778

Landcom holds restricted cash that comprises of cash at bank held on behalf of project partners.

Reconciliation of net cash flows used in operating activities

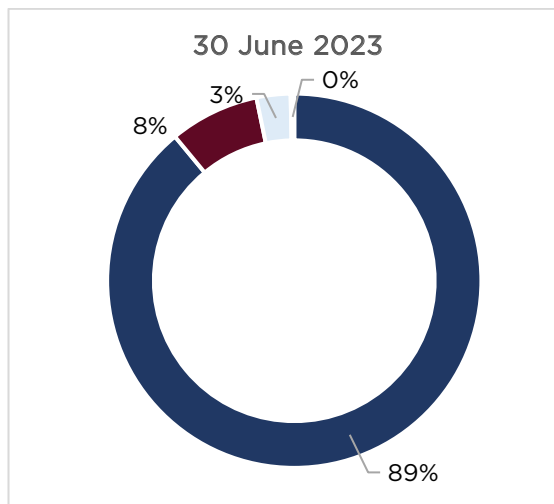
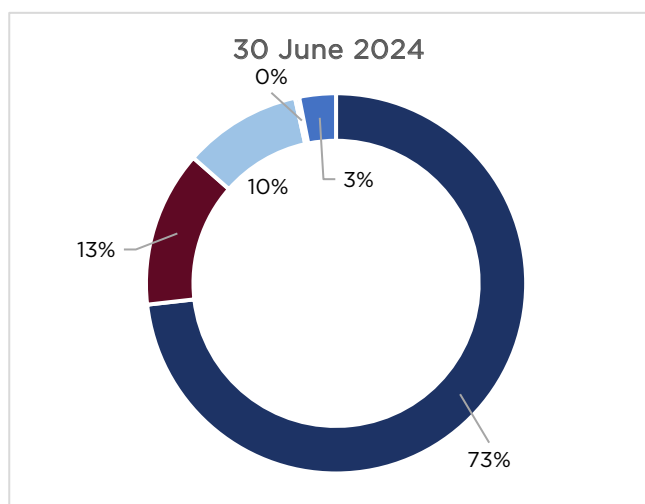
	30 June 2024 \$'000	30 June 2023 \$'000
Net cash flows used in operating activities	(29,915)	(14,410)
Depreciation and amortisation	(2,974)	(3,218)
Loss on disposal of property, plant and equipment	(29)	(28)
Loss on lease modification	-	(19)
Change in allowance for expected credit losses	-	50
Changes in discounting adjustments	4,168	(9,342)
Changes in assets and liabilities		
(Decrease)/increase in receivables	(48,836)	183,351
Decrease in provisions	14,805	32,010
Increase/(decrease) in inventory and prepayments	147,635	(96,952)
Increase in payables and tax balances	(27,544)	(31,036)
Increase in deferred government grants	-	(214)
Net profit for the year	57,310	60,192

Notes to the Financial Statements

7 Trade and other receivables

	30 June 2024 \$'000	30 June 2023 \$'000
Current		
Trade receivables	95,558	65,363
Development bonds	354	520
Contract assets	15,315	-
Interest receivable	646	186
GST receivable	3,389	-
Other receivables	200	89
	115,462	66,158
Less Allowance for expected credit losses	-	-
	115,462	66,158
Non-current		
Trade receivables	-	80,205
Contract assets	-	12,386
Interest receivable	-	270
	-	92,861

Trade and other receivables classifications



	Secured receivables (\$84.6m)
	Contract assets (\$15.3m)
	Contracted reimbursements (\$11.6m)
	Development Bonds (\$0.4m)
	GST receivable and other (\$3.6m)

	Secured receivables (\$141.4m)
	Contract assets (\$12.4m)
	Contracted reimbursements (\$4.7m)
	Development Bonds (\$0.5m)

Secured receivables, contract assets and contracted reimbursements comprise those separately guaranteed or contractually due from customers or project partners.

Notes to the Financial Statements

7 Trade and other receivables (continued)

(i) Recognition and measurement

Trade receivables

Trade receivables are amounts of consideration that are due from customers for land sold or development management services performed in the ordinary course of the business. Where the contract defers the settlement of the receivable by greater than twelve months from reporting date, the receivable is recognised as non-current and discounted, if significant, to account for the financing component. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components and are then recognised at present value.

Landcom holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 17(a) and 17(b) for further information about Landcom's measurement policy for trade receivables, credit risk and impairment policies.

Interest is charged on overdue settlement monies where agreed settlement dates are not met or in exchange for deferring a portion of sales proceeds. Sales are made on varying terms, but primarily on a 30-day exchange and 30 or 42-day settlement basis.

Contract assets

Contract assets relate to Landcom's right to consideration in exchange for works completed but not billed at the reporting date and is still conditional on future performance of Landcom and/or other external factors. Contract assets are converted to trade receivables once billed.

8 Inventories

	30 June 2024 \$'000	30 June 2023 \$'000
Current		
Acquisition costs	54,409	84,860
Development costs	85,109	111,117
Capitalised borrowing costs	65	26
	139,583	196,003
Non-current		
Acquisition costs	270,903	90,476
Development costs	132,667	111,525
	403,570	202,001
	543,153	398,004

Notes to the Financial Statements

8 Inventories (continued)

(i) Reconciliation of inventories

	30 June 2024 \$'000	30 June 2023 \$'000
Movement		
Carrying amount at the beginning of the year	398,004	480,320
Acquisition costs	184,774	25,872
Development costs	125,323	43,966
Capitalised borrowing costs	38	26
Settlements (cost of sales)	(157,916)	(147,639)
Inventory written down	(7,070)	(4,541)
	543,153	398,004

(ii) Recognition and measurement

Inventories comprise residential and commercial land that is held for sale in the ordinary course of business. The balance includes directly attributable costs of purchase (acquisition costs) and costs incurred in bringing the land to a condition ready for sale (development costs). Borrowing costs on qualifying assets are also included in the cost of inventories. Capitalised borrowing costs includes interest and fees.

Inventories are valued at the lower of cost or net realisable value.

Net realisable value

Key estimate

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and sell the development. In assessing and determining the net realisable value, significant judgement and assumptions are made regarding key economic conditions that could influence the net realisable value. These include judgements related to the following assumptions:

- Land sales rates
- Sales price
- Government policies
- Timing of settlements
- Availability of financing
- General economic landscape
- Climate change assumptions that impact forecast revenue and costs, including adverse climate conditions and events, or design standards to allow for the decarbonisation of the supply chain
- Estimated cost to complete based on program of works and unsold stock, measured at reporting date.

When conducting impairment assessments, management incorporates an assessment of the cost to develop inventory to required design standards, and factors in property-specific aspects such as building design and locations when assessing sales volumes and pricing.

Notes to the Financial Statements

8 Inventories (continued)

(ii) Recognition and measurement (continued)

Inventories are written down where the net realisable value is less than the carrying amount, assessed based on the latest forecast. When the circumstances that previously caused inventories to be written down below cost no longer exist, i.e., due to changes in economic circumstances, a write back is credited in the Statement of Comprehensive Income limited to the amount of the original write-down so that the new carrying amount is the lower of the cost and the revised net realisable value.

Transfer of capital costs to inventories

All administrative overheads are initially charged to and disclosed in the Statement of Comprehensive Income, as they are incurred. However, to the extent that those costs are attributable to the projects, they are transferred (capitalised) to inventories.

Cost of sales

Inventories are expensed as cost of sales when the associated revenue is recognised. All costs, including those spent to date and those forecast in the future, are proportionally allocated to each lot using a reasonable basis such as revenue. The allocation of costs can change throughout the life of the project, as revenue and cost forecasts are updated to reflect market conditions.

9 Trade and other payables

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Current			
Trade payables		1,671	1,301
Contract liabilities	9(i)	3,904	7,509
Bonds held		1,073	959
Accrued expenses		11,046	10,294
Payables to project partners		23,228	18,535
Contracted acquisition payment		30,000	-
Remediation Payable		10,000	-
Dividend payable to NSW Treasury		39,528	42,269
GST payable		-	10,904
Deferred revenue		-	214
		120,450	91,985
Non-current			
Contract liabilities	9(i)	6,536	6,536
Deferred revenue		2,499	-
Accrued expenses		-	454
		9,035	6,990

Notes to the Financial Statements

9 Trade and other payables (continued)

(i) Reconciliation of contract liabilities

	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance at 1 July	14,045	35,800
Additions	5,643	11,598
Utilisation	(9,248)	(33,353)
Closing balance (current and non-current)	10,440	14,045

\$5.7 million (30 June 2023: \$22.2 million) of contract liabilities utilisation arose from the contract liabilities balance at the beginning of the year. Landcom holds non-current contract liabilities of \$6.5 million (30 June 2023: \$6.5 million) which is expected to be utilised from June 2027.

Note 17 discloses information regarding liquidity risk as well as a maturity analysis for payables.

(ii) Recognition and measurement

Landcom recognises payables to project partners that arise following both development and sale activities as per the terms of the respective project delivery agreements and recognised initially at fair value based on cost. Where payables to project partners are expected to be settled within twelve months, they are recognised as current.

Landcom's contract liabilities comprise advances received from development project partners and monies paid by prospective buyers of land, as either holding deposits or on exchange of contracts pending settlement. Landcom recognises revenue from contract liabilities when the obligations under the agreements are fulfilled.

A liability for dividends payable is recognised in the reporting period in which the dividend is declared. Dividends are regarded as declared when they are appropriately authorised and no longer at the discretion of Landcom. Landcom recognises dividends in accordance with the *Capital Structure and Financial Distribution Policy for Government Businesses* (TPG21-10) and Section 20S of the *State Owned Corporations Act 1989*.

Deferred income comprises grants relating to assets under development. Grants will be recognised in profit and loss as the related expense (cost of sales) is recognised. At 30 June 2024, the balance of deferred government grants was \$2.5 million (30 June 2023: \$0.2 million).

10 Prepayments

	30 June 2024 \$'000	30 June 2023 \$'000
Current		
Prepayments	6,467	3,943
	6,467	3,943

(i) Recognition and measurement

Prepayments of operating expenditures are recognised on a cost basis as incurred. Prepayments are then recognised in the Statement of Comprehensive Income on a straight-line basis.

Notes to the Financial Statements

Capital investments

11 Property, plant and equipment

	30 June 2024 \$'000	30 June 2023 \$'000
Leasehold Improvements		
At gross carrying amount	3,801	2,350
Accumulated depreciation	(2,172)	(2,127)
Net carrying amount	1,629	223
Motor vehicles		
At gross carrying amount	135	108
Accumulated depreciation	(35)	(43)
Net carrying amount	100	65
Plant and equipment		
At gross carrying amount	3,718	3,531
Accumulated depreciation	(2,700)	(2,569)
Net carrying amount	1,018	962
Total net carrying amount	2,747	1,250

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

30 June 2024	Leasehold improvements \$'000	Motor vehicles \$'000	Plant & equipment \$'000	Total \$'000
Net carrying amount				
Beginning of year	223	65	962	1,250
Additions	1,451	50	485	1,986
Disposals	-	(1)	(42)	(43)
Depreciation expense	(45)	(14)	(387)	(446)
End of the year	1,629	100	1,018	2,747

30 June 2023	Leasehold improvements \$'000	Motor vehicles \$'000	Plant & equipment \$'000	Total \$'000
Net carrying amount				
Beginning of year	199	13	1,240	1,452
Additions	62	57	153	272
Disposals	-	-	(38)	(38)
Depreciation expense	(38)	(5)	(393)	(436)
End of the year	223	65	962	1,250

Notes to the Financial Statements

11 Property, plant and equipment (continued)

(i) Recognition and measurement

Property, plant and equipment is initially measured 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.

Cost comprises acquisition cost, including any costs directly attributable to the asset, major improvement, and any restoration costs associated with the asset. Costs are capitalised in line with the guidance provided by TPP06-06 *Guidelines for Capitalisation of Expenditure on Property, Plant and Equipment*.

Depreciation on all property, plant and equipment is calculated on the basis of the useful life of the asset to Landcom using the straight-line method. The estimated useful lives are reviewed annually. The written down value of property, plant and equipment approximates fair value. The following estimated useful lives, reviewed annually, are used in the calculation of depreciation for major items:

Computer equipment	3 to 4 years
Office equipment	5 to 20 years
Motor vehicles	8 years
Leasehold improvements	In line with lease term

12 Intangible assets

	30 June 2024 \$'000	30 June 2023 \$'000
Computer software and website		
Gross carrying amount at beginning of the year	7,856	7,293
Additions	193	563
Carrying amount at end of the year	8,049	7,856
Accumulated amortisation and impairment		
Carrying amount at beginning of the year	(6,057)	(5,517)
Amortisation expense	(662)	(540)
Accumulated amortisation and impairment	(6,719)	(6,057)
Net carrying amount at end of the year	1,330	1,799

(i) Recognition and measurement

Landcom's intangible assets comprise computer software costs (licences) and website costs. There is no active market for Landcom's intangible assets, hence the assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets are amortised on straight-line method over a period of four to five years. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Notes to the Financial Statements

12 Intangible assets (continued)

(i) Recognition and measurement (continued)

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Costs incurred to configure or customise cloud computing software, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as an expense when the services are received. In a software development contract where the cloud provider provides both the software as a service (SaaS) configuration and customisation and the SaaS access over the contract term, the services are assessed to determine if they are distinct or not distinct. Where the services are not distinct, the configuration and customisation costs are recognised as an expense over the SaaS contract term.

Configuration and customisation costs incurred for the development of cloud computing software that enhances, modifies or creates an additional capability is classified as an intangible asset where Landcom has the right to obtain the future economic benefits flowing from the software development and can restrict others from accessing those future economic benefits.

13 Leases

Amounts recognised in the statement of financial position	Note	30 June 2024 \$'000	30 June 2023 \$'000
Right of use assets - Leased Buildings			
Opening balance at 1 July		9,270	10,218
Additions		-	1,357
Remeasurement of leased assets		3,694	(44)
Loss on lease modification		-	(19)
Depreciation expense	14	(1,866)	(2,242)
Closing balance		11,098	9,270
Lease Liabilities			
Opening balance at 1 July		9,878	10,899
Additions		-	1,357
Interest expense	4	420	275
Remeasurement of lease liability		3,694	(268)
Gross lease payments		(2,076)	(2,385)
Closing balance		11,916	9,878
Current lease liabilities		1,390	1,807
Non current lease liabilities		10,526	8,071
Closing balance		11,916	9,878

Notes to the Financial Statements

13 Leases (continued)

The amount recognised in the Statement of Comprehensive Income for short term leases, low value leases and other lease outgoings is \$845,000 (30 June 2023: \$200,000). The maturity profile of the undiscounted lease liability is included in Note 17 Financial Instruments and Risk Management.

(i) Recognition and measurement

Landcom as a lessee

Landcom leases include offices, car parks and sales offices with terms ranging from one month to five years. At the commencement date of the lease, Landcom recognises lease liabilities measured at the present value of lease fixed payments, less incentives, to be made over the lease term.

The lease term is the non-cancellable period of the lease, plus option periods to extend if applicable where Landcom is reasonably certain to extend, and periods after an optional termination, where Landcom is reasonably certain not to terminate. The lease payments are discounted generally using incremental borrowing rate provided by the NSW Treasury Corporation (TCorp). The incremental borrowing rate includes the government guarantee fee rate for State Owned Corporations. After initial recognition, the lease liability is increased to reflect the accretion of finance costs and reduced for the lease payments made. The finance cost is charged to the Statement of Comprehensive Income over the lease period. The carrying amount of lease liabilities is remeasured if there is a material modification or a change in the lease parameters. During the period, Landcom extended the lease term of the Parramatta office by three years, resulting in an increase in the lease liability of \$3.7 million.

Right-of-use assets are recognised at the commencement date of the lease. 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. The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Key estimate

The useful lives of the right-of-use assets are estimated based on the following assumptions:

- Review of general market conditions, including vacancy rates, rental growth, market supply and underlying macroeconomic forecasts.
- Judgement as to the likelihood of a lease extension being exercised.
- Assessment of the appropriate discount rate and lease term.

(ii) Impairment

An assessment is made, at each reporting date, whether there is an indication that the right-of-use asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, an estimate of the asset's recoverable amount is obtained. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Financial Statements

14 Depreciation and amortisation expense

	30 June 2024 \$'000	30 June 2023 \$'000
Right of use assets	1,866	2,242
Leasehold improvements	45	38
Plant and equipment	387	393
Intangible assets	662	540
Motor vehicles	14	5
	2,974	3,218

Depreciation and amortisation policy is disclosed in Note 11 (Property, plant and equipment), Note 12 (Intangible assets) and Note 13 (Leases).

Financial and operational risk management

15 Borrowings

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Current			
Borrowings		901	-
Non-current			
Borrowings		-	863
		901	863

(i) Recognition and measurement

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset whilst in development. Other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Total borrowing costs of \$38,000 were capitalised during the year (30 June 2023: \$26,000). A capitalisation rate of 100% (30 June 2023: 100%) was used to determine the amount of borrowing costs eligible for capitalisation, as the entirety of the borrowings was drawn to finance a specific development project (qualifying asset).

Refer to Note 17 for disclosure on applicable liquidity risk and interest rate risk and maturity of borrowings.

Notes to the Financial Statements

16 Provisions

Current Provisions	Note	30 June 2024 \$'000	30 June 2023 \$'000
Employee benefits			
Provision for annual leave		2,041	2,063
Provision for long service leave			
- Expected to be settled within twelve months		228	241
- Expected to be settled after twelve months		2,624	2,776
Provision for parental leave		525	-
Provision for on-costs		597	616
Provision for termination		1,440	220
		7,455	5,916
Other provisions			
Cost to complete projects		62,818	77,152
Provision for rebates		907	560
Provision for other expenses		-	120
	16(i)	63,725	77,832
Total current provisions		71,180	83,748

Non-Current Provisions	Note	30 June 2024 \$'000	30 June 2023 \$'000
Employee benefits			
Provision for superannuation liability	19(v)	3,498	4,222
Provision for long service leave		929	972
Provision for on-costs		78	81
		4,505	5,275
Other provisions			
Cost to complete projects		4,309	5,660
Provision for other expenses		181	202
	16(i)	4,490	5,862
Total non-current provisions		8,995	11,137
Total provisions		80,175	94,885

Notes to the Financial Statements

16 Provisions (continued)

(i) Reconciliation of other provisions

Reconciliations of the carrying amount of other provisions are set out below:

30 June 2024	Rebates	Cost to complete	Other expenses	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the year	560	82,812	322	83,694
Additions	906	12,213	-	13,119
Reversals	(348)	(3,172)	(41)	(3,561)
Utilisation	(211)	(24,803)	(79)	(25,093)
Change in discount rate and/or timing	-	77	(21)	56
Carrying amount at end of the year	907	67,127	181	68,215

30 June 2023	Rebates	Cost to complete	Other expenses	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the year	1,050	93,092	18,529	112,671
Additions	7	6,981	120	7,108
Reversals	(136)	(6,550)	(18,334)	(25,020)
Utilisation	(361)	(11,855)	-	(12,216)
Change in discount rate and/or timing	-	1,144	7	1,151
Carrying amount at end of the year	560	82,812	322	83,694

(ii) Recognition and measurement

Provisions are recognised when Landcom has a present obligation (legal or constructive) as a result of a past event, it is probable that Landcom will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows using the high quality corporate bond rate.

Employee benefits

Refer to Note 18 for the recognition and measurement of the employee benefit provisions.

Key estimate

Judgement is applied in measuring the provision for long service leave. Consideration is given to a number of factors based on actuarial review every three years, including the following:

- Expected future salary escalation levels
- Experience of employee departures
- Years of service
- Rates of retirement and resignation

Notes to the Financial Statements

16 Provisions (continued)

(ii) Recognition and measurement

Costs to complete projects

The provision to complete projects captures all unpaid development costs for sold land. It is raised as an estimate based on known costs at the time when the land is ready for settlement. If the effect of time value of money is material, provisions are discounted using the high quality corporate bond rate.

Key estimate

Judgement is applied in measuring the cost to complete provision. Consideration is given to a number of factors, including the following:

- Estimations of remaining costs to complete program of works, including contingency and timing assumptions
- Assessment of any applicable external or statutory requirements

Other

Provision for other expenses comprise make good and other provisions. During the year ended 30 June 2023, there was a release in the other provision of \$nil (30 June 2023: \$18.3 million due to the resolution of an associated legal matter).

17 Financial instruments and risk management

Landcom's principal financial instruments and risks are outlined below together with its processes for managing risk. These financial instruments arise directly from its operations. It does not enter or trade in financial instruments including derivative financial instruments for speculative purposes.

The Board has overall responsibility for the establishment and oversight of risk management. It reviews and agrees on policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Landcom to set the risk limits and controls and to monitor risks. The Audit & Risk Management Committee has responsibility for overseeing and monitoring of compliance with policies.

(a) Financial instrument categories

Financial assets	Notes	Category	Carrying amount June 2024 \$'000	Carrying amount June 2023 \$'000
Class				
Cash and cash equivalents	6	Financial assets measured at amortised cost	211,773	287,778
Trade and other receivables	7	Financial assets measured at amortised cost	112,073	159,019

Notes to the Financial Statements

17 Financial instruments and risk management (continued)

(a) Financial instrument categories (continued)

Financial liabilities	Notes	Category	Carrying amount June 2024 \$'000	Carrying amount June 2023 \$'000
Class				
Trade and other payables	9	Financial liabilities measured at amortised cost	115,473	73,067
Borrowings	15	Financial liabilities measured at amortised cost	901	863
Lease Liabilities	13	Financial liabilities measured at amortised cost	11,916	9,878

This analysis excludes statutory receivables and payables, prepayments, deferred revenue and contract liabilities as these are not within the scope of AASB 7 Financial Instruments: Disclosure. However, contract assets are included within trade and other receivables for the purpose of credit risk disclosures.

As a result of carrying the financial instruments above, Landcom is exposed to credit risk, liquidity risk and to a small extent interest rate risk.

(b) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to Landcom. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment). Credit risk arises from Landcom's financial assets (mainly trade receivables and contract assets).

The majority of Landcom's debtors are major corporations and government entities with low credit risk. Collectability of trade receivables and contract assets is reviewed on an ongoing basis.

Aging of receivables

The only financial assets that are past due are in the 'receivables' category of the Statement of Financial Position.

As at 30 June 2024	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
Not yet due	106,873	-	-
< 3 months overdue	5,049	5,049	-
> 6 months overdue	151	151	-

As at 30 June 2023	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
Not yet due	158,707	-	-
< 3 months overdue	312	312	-

Notes to the Financial Statements

17 Financial instruments and risk management (continued)

Expected credit losses

Collectability of trade receivables is reviewed on an ongoing basis. Landcom applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written down when there is no reasonable expectation of recovery. An indicator that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments within the specified timeframe.

Key estimate

Judgement is applied in measuring the expected credit losses. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. Landcom's customers are predominantly State Government entities and large companies with low default risk.

The expected loss rates are based on historical observed loss rates adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, such as:

- existing market conditions
- any applicable guarantees or security provided against the outstanding receivable
- future looking estimates at the end of each reporting period

The loss allowance for trade receivables as at 30 June 2024 was \$nil (30 June 2023: \$nil).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Landcom does not have any financial instruments exposed to foreign currency or commodity contracts.

(d) Liquidity risk

Liquidity risk is the risk that Landcom will be unable to meet its payment obligations (financial liabilities) when they fall due. Landcom manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

As at 30 June 2024, Landcom has an undrawn debt facility with NSW Treasury Corporation of \$525.0 million (30 June 2023: \$525.0 million) and Housing Australia of \$5.6 million (30 June 2023: \$5.6 million). Along with the existing financial assets, these facilities are sufficient to meet payment obligations as and when they fall due.

Landcom has also given NSW Treasury Corporation letters of undertaking to various councils and government agencies that certain infrastructure works will be carried out. The maximum risk exposure of these NSW Treasury Corporation letters of undertaking is \$47.1 million (30 June 2023: \$23.1 million).

As at 30 June 2024, there were no defaults or breaches on any conditions for the undrawn debt facilities and no assets have been pledged as collateral.

Notes to the Financial Statements

17 Financial instruments and risk management (continued)

(d) Liquidity risk (continued)

The table below summarises the maturity profile of the Landcom's financial liabilities based on contractual (gross) undiscounted payments.

Financial liabilities	Carrying Amount \$'000	Nominal Amount \$'000	< 1 Year \$'000	1 - 5 Years \$'000	>5 Years \$'000
30 June 2024					
Trade and other payables	115,473	115,473	115,473	-	-
Borrowings	901	901	901	-	-
Lease Liabilities	11,916	14,572	2,042	8,146	4,384
Total	128,290	130,946	118,416	8,146	4,384

Financial liabilities	Carrying Amount \$'000	Nominal Amount \$'000	< 1 Year \$'000	1 - 5 Years \$'000	>5 Years \$'000
30 June 2023					
Trade and other payables	73,067	73,067	72,613	454	-
Borrowings	863	863	-	863	-
Lease Liabilities	9,878	10,651	2,075	8,263	313
Total	83,808	84,581	74,688	9,580	313

The nominal amounts disclosed are the contractual undiscounted cash flows of each class of financial liability. Therefore, the amounts disclosed will not reconcile to the Statement of Financial Position. Payables are non-interest bearing whilst borrowings and leases are interest bearing. This analysis also excludes statutory payables and contract liabilities as these are not within the scope of AASB 7 Financial Instruments: Disclosure.

(e) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates.

At balance date, Landcom had the following cash and variable rate borrowings.

	30 June 2024		30 June 2023	
	Weighted average interest rate %	Balance (\$'000)	Weighted average interest rate %	Balance (\$'000)
Cash and cash equivalents	4.26%	211,773	2.98%	287,778
Interest bearing loans	4.35%	901	4.35%	863

The following table shows the impact on net profit if interest rates changed by 30 basis points. The calculation is based on borrowings and cash held at year-end. It assumes that interest is capitalised to qualifying assets as disclosed in Note 8. With all other variables held constant, net profit would have been affected as follows:

Notes to the Financial Statements

17 Financial instruments and risk management (continued)

(e) Interest rate risk (continued)

	Profit after Tax Higher/(Lower)	
	30 June 2024	30 June 2023
	\$'000	\$'000
+30 basis points	635	668
-30 basis points	(635)	(668)

(f) Fair value measurements

Landcom's financial instruments are measured and reported in the financial statements at amortised cost unless they contain significant financing components and are then recognised at fair value. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Reward and recognition

18 Employee related expenses

	Note	30 June 2024	30 June 2023
		\$'000	\$'000
Salaries and wages		29,676	26,825
Termination payments		2,095	834
Superannuation - Defined benefit plans		220	321
Superannuation - Defined contribution plans		3,367	2,793
Long service leave		635	546
Annual leave		2,537	2,328
Payroll tax and fringe benefits tax		2,093	1,782
Other employee related expenses		2,736	1,037
		43,359	36,466
Transfer of capital costs to inventories	8	(14,375)	(13,169)
		28,984	23,297

As per AASB 119 Employee Benefits, a provision for paid parental leave has been recognised as a material accumulating paid absence that accrues when an eligible employee requests parental leave in line with the circular TC21-03 Accounting for Long Service Leave and Annual Leave. This resulted in a parental leave expense of \$525,000 (30 June 2023: \$nil) recognised in other employee related expenses.

The provision for long service leave increased during the financial year primarily due to changes in the number of employees and existing leave balances and salaries.

(i) Recognition and measurement

All liabilities for employee benefits are fully provided for in accordance with AASB 119 Employee Benefits. Employee benefits applicable to Landcom are shown below.

Notes to the Financial Statements

18 Employee related expenses (continued)

(i) Recognition and measurement (continued)

Salaries and wages, paid sick leave and annual leave

Salaries and wages, paid sick leave and annual leave (including non-monetary benefits) that are due to be settled within twelve months after the end of the year in which the employee renders the service are recognised and measured at undiscounted nominal amounts. Employees are expected to avail annual leave within twelve months and as such, no present value measurement is required.

Non-vesting sick leave

Unused non-vesting sick leave does not give rise to a liability.

Termination payments

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are recognised at the earlier of the following dates:

- (a) when Landcom can no longer withdraw the offer of those benefits; and
- (b) when Landcom recognises costs for a restructuring that is within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

Superannuation – Defined contribution plans

Landcom pays fixed contributions into independent entities in relation to several superannuation plans for individual employees. Landcom has no legal or constructive obligation to pay contributions in addition to fixed contributions, which are recognised as an expense in the period that the related employee services are received.

Superannuation – Defined benefit plans

Refer to Note 19 for further detail regarding the defined benefit plans.

Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits for all employees with five or more years of service. Expected future payments are discounted using high quality corporate bond rates at the reporting date. An actuarial valuation is obtained on a triennial basis, with the latest valuation obtained for the financial year ended 30 June 2023. This is in line with the requirements of TPG24-23 *Accounting for Long Service Leave and Annual Leave*, a shorthand approach is adopted to update for the intervening two years.

19 Superannuation

Under Landcom's defined benefit superannuation plans, the amount of superannuation benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. Landcom makes employer contributions into the employee plans and NSW public sector superannuation schemes.

Notes to the Financial Statements

19 Superannuation (continued)

The legal obligation for employee benefits remains with Landcom despite plan assets for funding the defined benefit plan being set aside.

Key estimate

Management estimates the defined benefit obligation in December and June, with the assistance of independent actuary Mercer. The estimation is based on assumptions about inflation (rate of CPI increase), salary growth rate, mortality, investment returns and discount rate in form of high-quality corporate bonds.

Prepaid contributions are recognised as an asset. The defined benefit liability is the present value of the defined benefit obligation at the reporting date. The assets and liabilities are netted off in the financial statements and recognised in the Statement of Financial Position as the unfunded defined benefit obligation.

The service cost on Landcom's defined benefit plan is included in employee benefits expense. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(i) Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership.

Members receive lump sum or pension benefits on retirement, death, disablement, and withdrawal. All the Schemes are closed to new members.

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations. The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

(ii) Compliance

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

Notes to the Financial Statements

19 Superannuation (continued)

(ii) Compliance (continued)

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2021. The next actuarial investigation, as at 30 June 2024, is currently underway.

(iii) Fund governance

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee role is administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules, management and investment of the fund assets, and compliance with other applicable regulations.

(iv) Risk exposure

There are multiple risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall;
- Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions;
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions;
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions; and
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk. There were no fund amendments, curtailments or settlements during the year.

Notes to the Financial Statements

19 Superannuation (continued)

(v) Superannuation balance

30 June 2024 (\$'000)	SASS	SANCS	SSS	Total
Defined Benefit Obligation (Accrued Liability - Note 1)	1,956	241	25,648	27,845
Fair Value of Fund Assets (Estimated Reserve)	(4,718)	(233)	(19,396)	(24,347)
Net liability in Statement of Financial Position	(2,762)	8	6,252	3,498
30 June 2023 (\$'000)	SASS	SANCS	SSS	Total
Defined Benefit Obligation (Accrued Liability - Note 1)	2,916	365	25,322	28,603
Fair Value of Fund Assets (Estimated Reserve)	(4,864)	(260)	(19,257)	(24,381)
Net liability in Statement of Financial Position	(1,948)	105	6,065	4,222

Note 1: The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

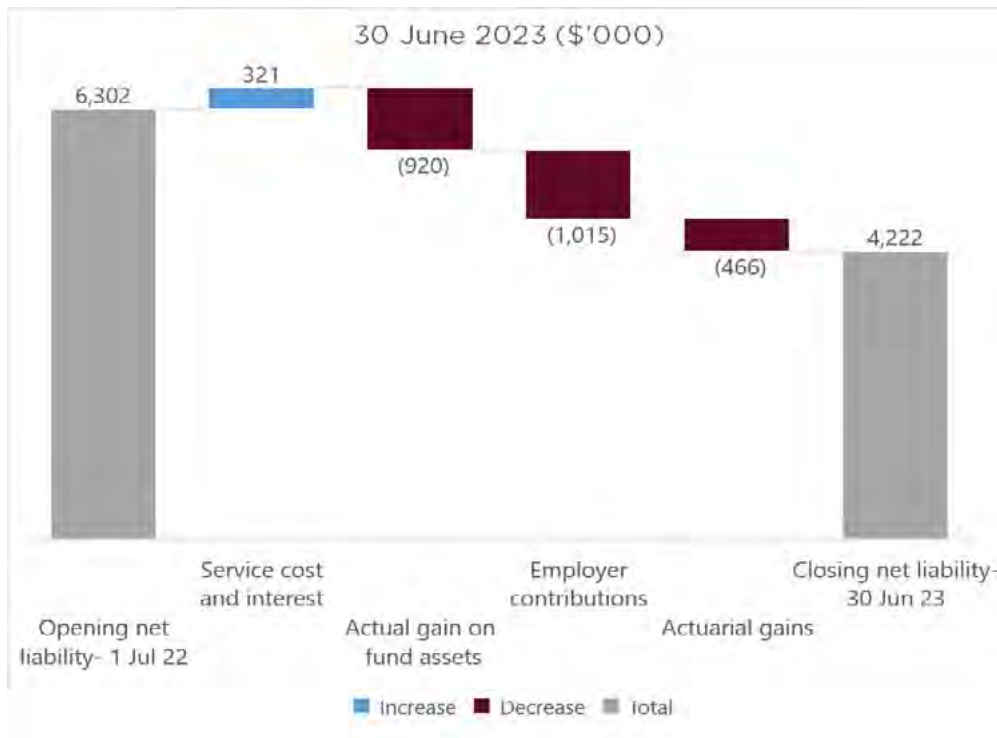
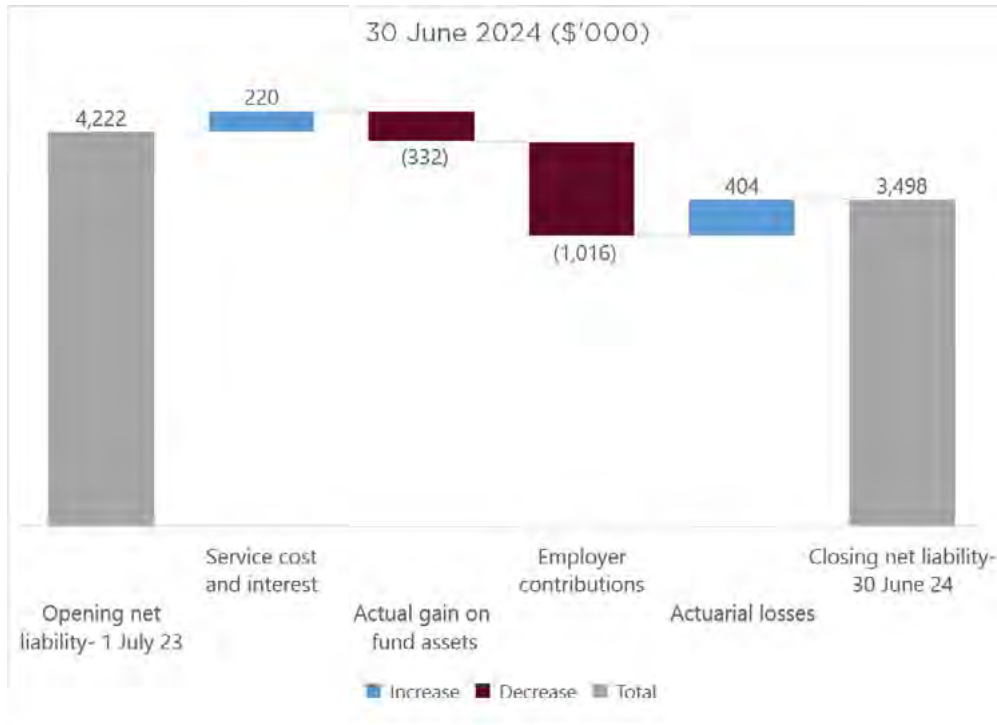
(vi) Reconciliations

Reconciliation of the Net Defined Benefit Liability	30 June 2024 \$'000	30 June 2023 \$'000
Net Defined Benefit Liability at start of the year	4,222	6,302
Current service cost	10	14
Net Interest on the net defined benefit liability	210	307
+ Total expense recognised in Statement of Comprehensive Income	220	321
Actual gains on Fund assets less interest income	(332)	(920)
Actuarial losses/(gains) arising from changes in financial assumptions	587	(639)
Actuarial (gains)/losses arising from liability experience	(183)	173
+ Loss/(gain) recognised in Other Comprehensive Income	72	(1,386)
(-) Employer contributions	(1,016)	(1,015)
Net Defined Benefit Liability at end of the year	3,498	4,222

Notes to the Financial Statements

19 Superannuation (continued)

(vi) Reconciliations (continued)



Notes to the Financial Statements

19 Superannuation (continued)

(vi) Reconciliations (continued)

Reconciliation of the Total Defined Benefit Obligations	30 June 2024 \$'000	30 June 2023 \$'000
Present value of defined benefit obligations at start of the year	28,603	29,044
Current service cost	10	14
Interest cost	1,544	1,476
Contributions by participants	30	30
Actuarial losses/(gains) arising from changes in financial assumptions	587	(639)
Actuarial (gains)/losses arising from liability experience	(183)	173
Benefits paid	(2,778)	(1,432)
Taxes, premium and expenses reimbursed/(paid)	32	(63)
Present value of defined benefit obligations at end of the year	27,845	28,603

Reconciliation of the Fair Value of Fund Assets	30 June 2024 \$'000	30 June 2023 \$'000
Fair value of fund assets at start of the year	24,381	22,742
Interest income	1,333	1,170
Actual gains on fund assets less interest income	333	919
Employer contributions	1,016	1,015
Contributions by participants	30	30
Benefits paid	(2,778)	(1,432)
Taxes, premiums and expenses reimbursed/(paid)	32	(63)
Fair value of fund assets at end of the year	24,347	24,381

(vii) Fair value of Pooled Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers. Assets are not separately invested for each entity, and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Pooled fund asset category as at 30 June 2024	Total (\$'m)	Level 1 (\$'m)	Level 2 (\$'m)	Level 3 (\$'m)
Short Term Securities	2,493	2,285	208	-
Australian Fixed Interest	92	-	92	-
International Fixed Interest	1,027	-	1,015	12
Australian Equities	6,036	4,491	1,545	-
International Equities	14,850	14,705	141	4
Property	2,101	-	-	2,101
Alternatives	10,460	3	2,864	7,593
Total	37,059	21,484	5,865	9,710

Notes to the Financial Statements

19 Superannuation (continued)

(vii) Fair value of Pooled Fund assets (continued)

Pooled fund asset category as at 30 June 2023	Total (\$'m)	Level 1 (\$'m)	Level 2 (\$'m)	Level 3 (\$'m)
Short Term Securities	5,331	2,897	2,434	-
Australian Fixed Interest	100	-	100	-
International Fixed Interest	1,301	-	1,289	12
Australian Equities	9,678	4,352	797	4,529
International Equities	14,138	13,943	155	40
Property	770	-	-	770
Alternatives	6,059	-	1,206	4,853
Total	37,377	21,192	5,981	10,204

Level 1 Quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 Inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 Inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Fair value of entity's own financial instruments in Pooled Fund

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with fair value of \$285 million (30 June 2023: \$338 million).
- Health Administration Corporation occupied part of a property 50% owned by the Pooled Fund. The Corporation vacated this property prior to 30 June 2024.

Notes to the Financial Statements

19 Superannuation (continued)

(vii) Fair value of Pooled Fund assets (continued)

Significant Actuarial Assumptions as at the Reporting Date	30 June 2024	30 June 2023
Discount rate	5.53% per annum	5.65% per annum
Salary increase rate (excluding promotional increases)	4.56% for 24/25, 3.80% for 25/26, 3.78% for 26/27, 3.80% for 27/26, 3.70% per annum thereafter	4.45% for 23/24, 2.95% for 24/25, 2.74% for 25/26, 3.20% per annum thereafter
Rate of CPI Increase	4.25% for 23/24; 3.00% for 24/25; 2.75% for 25/26; 2.50% per annum thereafter	6.65% for 22/23; 3.50% for 23/24; 3.00% for 24/25; 2.50% per annum thereafter
Pensioner mortality	The pensioner mortality assumptions are those used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report on the trustee's website. The report shows the pension mortality rates for each age.	The pensioner mortality assumptions are those used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report on the trustee's website. The report shows the pension mortality rates for each age.

(viii) Sensitivity Analysis for the Defined benefit obligation

Landcom's total defined benefit obligation as at 30 June 2024 under several scenarios is presented below, inclusive of the contribution tax provision calculated based on the asset level at 30 June 2024. Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

Notes to the Financial Statements

19 Superannuation (continued)

(viii) Sensitivity Analysis for the Defined benefit obligation (continued)

	Base Case	Scenario A -0.5% discount rate	Scenario +0.5% discount rate
Discount rate	as above	As above -0.5% pa	As above +0.5% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	27,845	29,333	26,471

	Base Case	Scenario C +0.5% CPI Increase	Scenario -0.5% CPI Increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	Above rates +0.5% pa	Above rates -0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	27,845	29,388	26,471

	Base Case	Scenario E +0.5% Salary increase rate	Scenario -0.5% Salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	Above rates +0.5% pa	Above rates -0.5% pa
Defined benefit obligation \$000	27,845	29,860	27,831

	Base Case	Scenario G +Lower mortality*	Scenario Higher mortality*
Defined benefit obligation \$000	27,845	28,674	27,000

*Assumes mortality rates, including future improvements, are as if the pensioner were 1 year younger than actual.

**Assumes mortality rates, including future improvements, are as if the pensioner were 1 year older than actual.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

(ix) Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

(x) Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury. Funding positions are reviewed annually, and funding arrangements may be adjusted as required after each annual review.

Notes to the Financial Statements

19 Superannuation (continued)

Surplus/deficit

The following is a summary of the 30 June 2024 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard Superannuation Entities:

30 June 2024 (\$'000)	SASS	SANCS	SSS	Total
Accrued benefits*	2,316	234	21,570	24,120
Net market value of Fund assets	(4,717)	(233)	(19,396)	(24,346)
Net (surplus)/deficit	(2,401)	1	2,174	(226)

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

The AASB 1056 surplus is higher than the AASB 119 net defined benefit liability recognised in the Statement of Financial Position, because the expected after-tax rate of return on plan assets is typically higher than the corporate bond rate.

Value of Vested Benefits at 30 June 2024: \$24,184,000

Economic assumptions

The economic assumptions adopted for the AASB 1056 Accounting Standard Superannuation Entities are:

Weighted-average assumptions	30 June 2024	30 June 2023
Expected rate of return on Fund assets backing current pension liabilities	7.0% pa	7.0% pa
Expected rate of return on Fund assets backing other liabilities	6.2% pa	6.2% pa
Expected salary increase rate (SASS, SANCS, SSS)	4.56% for 24/25, 3.80% for 25/26, 3.78% for 26/27, 3.80% for 27/28, 3.70% pa thereafter	4.45% for 23/24, 2.95% for 24/25, 2.74% for 25/26, 3.20% pa thereafter
Expected rate of CPI increase	3.70% for 23/24; 2.50% pa thereafter	6.65% for 22/23; 3.50% for 23/24; 3.00% for 24/25; 2.50% pa thereafter

Movements in AASB 1056 Net Surplus

The increase in the net surplus AASB 1056 position from 30 June 2023 to June 2024 was \$657,000.

The main factors contributing to the increase and their approximate financial impact have been:

- | | |
|----------------------------------------------------------------------|----------|
| a. Interest on 2023 net position (7.0%): | \$5,000 |
| b. Lower increase in the 2022/2023 CPI (6.60%) than assumed (6.65%): | \$11,000 |

Notes to the Financial Statements

19 Superannuation (continued)

Movements in AASB 1056 Net Surplus (continued)

c. Changes in assumed rates of future CPI and Salary increase:	\$35,000
d. Excess of the actual investment return for 2023 (approx. 7.3% / assumed 7.0%):	\$19,000
e. Excess of contributions made over the cost of benefit accrual:	\$1,005,000
f. Change to demographic assumptions:	\$(539,000)

These are the main items. Other items would include variations in salary, pensioner mortality and other experience compared to assumptions.

Sensitivity Analysis - AASB 1056

Scenarios A to D relate to the sensitivity of the AASB 1056 liabilities to the major economic assumptions.

	Base Case	Scenario A -0.5% return	Scenario B +0.5% return
Expected rates of return on Fund assets	7.0%/6.2%	6.5%/5.7%	7.5%/6.7%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Accrued benefits \$000	24,120	25,159	23,157
	Base Case	Scenario C +0.5% CPI increase	Scenario D -0.5% CPI increase
Expected rates of return on Fund assets	7.0%/6.2%	7.0%/6.2%	7.0%/6.2%
Rate of CPI increase	as above	as above +0.5% pa	as above -0.5% pa
Salary inflation rate	as above	as above	as above
Accrued benefits \$000	24,120	25,212	23,103

Expected Contribution

	SASS 2025	SANCS 2025	SSS 2025	Total 2025
Expected employer contributions to be paid in the next reporting year \$000	731	128	155	1,014

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10.2 years.

Notes to the Financial Statements

Other information

20 Taxation

(i) Income tax equivalent expense recognised in the Statement of Comprehensive Income

	30 June 2024 \$'000	30 June 2023 \$'000
Current income tax charge	20,715	20,261
Deferred income tax	67	-
Origination and reversal of temporary differences	3,875	5,536
Income tax equivalent expense reported in the Statement of Comprehensive Income	24,657	25,797

Deferred income tax expense included in income tax expense comprises:	30 June 2024 \$'000	30 June 2023 \$'000
Decrease in deferred tax assets	3,875	5,536
	3,875	5,536

Income tax expense recognised directly in equity		
Deferred income tax related to items charged or credited directly to equity:		
Superannuation actuarial (loss)/gain	(21)	416
Income tax equivalent (benefit)/expense reported in equity	(21)	416

Reconciliation between tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the entity's effective income tax rate:

	30 June 2024 \$'000	30 June 2023 \$'000
Accounting profit before income tax	81,967	85,989
At the statutory income tax rate of 30% (2023: 30%)	24,590	25,797
Under provision in prior years	67	-
Income tax expense reported in profit or loss	24,657	25,797

Notes to the Financial Statements

20 Taxation (continued)

(ii) Deferred tax assets

The balance comprises temporary differences attributable to:	30 June 2024 \$'000	30 June 2023 \$'000
Depreciation and amortisation	224	106
Provisions	24,173	28,608
Sundry	18	155
Right-of-use assets	246	182
Fair value adjustments	3,550	2,530
Prepayment	(1,504)	(1,020)
	26,707	30,561
Movements		
Carrying amount at beginning of the year	30,561	36,513
Charged to the Statement of Comprehensive Income	(3,875)	(5,536)
Charged to equity	21	(416)
Carrying amount at end of the year	26,707	30,561

(iii) Current tax liability

	30 June 2024 \$'000	30 June 2023 \$'000
Carrying amount at beginning of the year	(16,702)	(2,176)
Income tax equivalent expense	(24,657)	(25,797)
Movement in deferred tax asset and liabilities	3,875	5,536
Net tax payment	29,276	5,735
Carrying amount at end of the year	(8,208)	(16,702)

(iv) Recognition and measurement

Landcom is subject to notional taxation of income tax equivalent (income tax), in accordance with the *State Owned Corporation Act 1989*. From 1 July 2003, the taxation liability has been assessed according to the National Tax Equivalent Regime of the NSW Treasury, which proposes, as far as practical, the adoption of the relevant Commonwealth tax legislation as the basis for determining taxation liability. Tax effect accounting has also been adopted from 1 July 2003.

Current tax

Current tax is calculated based on the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Notes to the Financial Statements

20 Taxation (continued)

Deferred tax

Deferred tax is accounted for all temporary differences. Temporary differences are differences between the tax base of an asset or liability and the carrying amount in the Statement of Financial Position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Key estimate

Deferred tax assets are recognised to the extent that it is probable that sufficient future profits and taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Future taxable profits are influenced by a variety of assumptions embedded in approved budgets and forecast for future periods. Landcom has prepared forecasts indicating sufficient future taxable profits to support the recognition of deferred tax assets. However, any significant changes to the assumptions underlying these forecasts could necessitate a reassessment of the recovery of deferred tax assets.

Deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

All deferred tax assets and liabilities are classified as non-current in the Statement of Financial Position as these are expected to be settled after more than twelve months.

Income tax

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

21 Contributed capital

Contributed capital comprises capital and contributed assets acquired free of charge.

Notes to the Financial Statements

Related parties and joint arrangements

22 Related party transactions

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Corporation. Landcom's two Shareholder Ministers and its Portfolio Minister, the Board of Directors and the Executive and General Manager team that lead the various divisions of Landcom are deemed to be key management personnel.

All transactions by Landcom with key management personnel are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions. Compensation paid to the key management personnel of Landcom was \$5.0 million (30 June 2023: \$4.1 million).

	30 June 2024 \$'000	30 June 2023 \$'000
Short term employee benefits	3,652	3,813
Long term employee benefits	643	76
Post-employment benefits	247	237
Termination benefits	482	-
Total compensation paid to key management personnel	5,024	4,126

At 30 June 2024, there were no outstanding balances to any key management personnel (30 June 2023: \$0.5m). There have been no guarantees provided or received for any key management personnel.

During the year, Landcom has had inter-agency transactions for reimbursement of costs, distribution of revenue and management fees and acquisitions of development sites with other NSW State Government Agencies. In addition to the agencies listed in Note 23, Landcom also transacted with the Office of Strategic Lands, Department of Education, Sydney Water Corporation and NSW Ageing and Disability Commission. During the year, Landcom has also transferred parkland to the Department of Climate Change, Energy, the Environment and Water for \$nil consideration.

Inter-agency revenue	30 June 2024 \$'000	30 June 2023 \$'000
NSW Land and Housing Corporation	50,332	33,244
Department of Education	90,000	-

Inter-agency purchases and acquisitions	30 June 2024 \$'000	30 June 2023 \$'000
Transport for NSW	14,500	-
Department of Education	97,349	-
Office of Strategic Lands	50,149	-
Department of Planning Housing and Infrastructure	6,220	-

Notes to the Financial Statements

22 Related party transactions (continued)

Inter-agency receivables	30 June 2024 \$'000	30 June 2023 \$'000
Transport for NSW	233	50
NSW Land and Housing Corporation	2,342	618
Department of Planning, Housing and Infrastructure	2,514	-
Department of Communities and Justice	1,487	-

Inter-agency payables	30 June 2024 \$'000	30 June 2023 \$'000
NSW Ageing and Disability Commission	(140)	(140)
NSW Land and Housing Corporation	(21,981)	(17,285)
Department of Education	(19,800)	-
Office of Strategic Lands	(10,200)	-

23 Joint arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

As part of normal business operations, Landcom has various contractual arrangements with other parties. The arrangements are for land development, which is Landcom's core business. These contractual arrangements require unanimous consent from all parties for all relevant activities. In all the joint arrangements the parties have equal voting rights.

These arrangements are classified as joint operations and Landcom recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been recognised in the financial statements under the appropriate headings. Details of these arrangements, all of which are joint operations, are as follows:

Notes to the Financial Statements

23 Joint arrangements (continued)

Name of Joint arrangement	List of parties Involved	Project location	Agreement existed	
			2024	2023
Redmond Place	Orange City Council	Orange, NSW	Yes	No
Macarthur Heights	University of Western Sydney	Campbelltown, NSW	Yes	Yes
Rouse Hill Town Centre	Department of Planning, Housing and Infrastructure	Rouse Hill, NSW	Yes	Yes
Oran Park Town Centre	Greenfield Development Corporation Ltd	Oran Park, NSW	Yes	Yes
Green Square Town Centre	Mirvac Green Square Pty Ltd	Green Square, NSW	Yes	Yes
Bonnyrigg	NSW Land and Housing Corporation	Bonnyrigg, NSW	Yes	Yes
Airds Bradbury Renewal	NSW Land and Housing Corporation	Airds, NSW	Yes	Yes
Claymore Renewal	NSW Land and Housing Corporation	Claymore, NSW	Yes	Yes
Sydney Metro Northwest Places	Sydney Metro	Northwest Sydney, NSW	Yes	Yes
Renwick	Department of Communities and Justice	Renwick, NSW	Yes	Yes
Wentworth Point	Transport for NSW	Wentworth Point, NSW	Yes	Yes

Unrecognised items

24 Expenditure commitments

At 30 June 2024 Landcom has committed to short-term and low value leases with a total commitment of \$208,000 (30 June 2023: \$nil).

25 Contingent assets and liabilities

Landcom has acquired a development site during the year. Under the contractual terms of acquisition, Landcom is partially responsible for site remediation costs. The timing and quantum of these costs are not wholly determinable at reporting date.

26 Events occurring after the reporting period

There have been no material post balance date events which would require disclosure or adjustment to the 30 June 2024 Financial Statements.

End of Financial Statements





Introduction

Overview

Our strategy

Operations & performance

Management & accountability

Sustainability

Financial performance

Appendices

Appendices

Appendix 1 - Corporate governance

Compliance with governance principles and disclosure requirements

The NSW Treasury policy and guidelines paper 'Guidelines for Governing Boards of Government Businesses TPP17-10' (TPP17-10) provides a framework for the NSW Government's expectations for standards of corporate governance that should be adopted by all governing boards of NSW Government businesses, including Landcom.

TPP17-10 also sets out the disclosure requirements under relevant legislation, which includes an 'if not, why not' approach. If the Board considers any recommendation in TPP 17-10 not appropriate, or Landcom has not adopted the recommendation, the Board must explain 'why not', and how its practices are consistent with the spirit of the relevant recommendation.

Landcom has adopted the standards of corporate governance contained in TPP17-10, except in relation to the following matters:

- **Have a board nomination committee with at least three members, a majority of whom are independent directors, an independent chair and a committee charter.**

The Board notes that director appointments are conducted by NSW Treasury in accordance with TPG23-06, which does not provide for nomination of directors by the Landcom Board. Accordingly, the People & Culture Committee's responsibilities are to prepare the Board skills matrix, develop the Board Plan and consult with NSW Treasury in identifying suitable candidates for appointment.

- **Tenure for board directors should generally be limited to two terms of three years each.**

The Board notes that the recommendation for membership of the Board's Audit & Risk Management Committee should include at least one member with relevant qualifications and experience (that is, a qualified accountant or other finance professional with experience of financial and accounting matters), to ensure independence and effectiveness. The second term of John Barbeler, the Board's qualified accountant and finance professional, expired on 13 March 2024. A suitably qualified board director is not yet appointed; therefore, Mr Barbeler's term was extended to December 2024.

Board of Directors

Constitution and Board Charter

The *Landcom Corporation Act 2001* (NSW) requires Landcom's Board to consist of seven directors.

The process of appointment of new directors is the responsibility of NSW Treasury in accordance with 'Board Appointments for State Owned Corporations and Other Commercial Government Businesses - TPG23-06'.

The Landcom Constitution sets out the procedures to be followed by the Landcom Board and Executive in the conduct of the affairs of Landcom and reflects the requirements of the *Landcom Corporation Act 2001* (NSW) and the *State Owned Corporations Act 1989* (NSW).

The Board is accountable to our Shareholder and Portfolio Ministers for the performance of Landcom against:

- The Statement of Corporate Intent under the *State Owned Corporations Act 1989* (NSW);
- The Business Plan; and
- The Statement of Priorities for the purposes of section 11 of the *Landcom Corporation Act 2001* (NSW) and the Statement of Expectations for the purposes of TPG22-02.

In doing this, the Board aims to deliver on the NSW Government's housing affordability objectives across NSW, including by:

- Maintaining high standards of public accountability and corporate governance;
- Ensuring the Government's investment of its capital is used efficiently;
- Operating the business sustainably;

- Ensuring robust procurement and employment practices that support the economic, environmental and social outcomes of the state;
- Ensuring Landcom balances the priorities of customers, stakeholders and community; and
- Enhancing the affordability and diversity of housing supply.

Board performance review

The Board undertakes annual performance reviews and an external and independent evaluation at least every second year, or as otherwise determined by the Board. The Board establishes a program to implement recommendations from the reviews and evaluation.

An external and independent service provider conducted the last Board performance review in March 2024.

Board structure

Directors' independence, appointment date and Government Board appointments

Director	Independent	Year appointed	Number of Government Boards ¹
Pamela Hanrahan (Interim Chair)	Yes	2018	1
Trent Alston	Yes	2021	1
John Barbeler	Yes	2018	1
Susan MacDonald	Yes	2021	2
Selina Short	Yes	2021	1

¹ As at 30 June 2024. Government boards includes any board or committee positions held within the NSW Government or local government, including Landcom.

Board meetings

Board and Board Committee meeting attendance (FY24)

Director	Board (scheduled meetings)		Board (meetings at short notice)		Audit & Risk Management Committee		People & Culture Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Trent Alston	8	8	2	2	1*	0	3	3
John Barbeler	8	8	2	2	5	5	0	0
Pamela Hanrahan	8	8	2	2	5	5	3	3
Susan MacDonald	8	8	2	2	5	5	0	0
Selina Short	8	8	2	2	0	0	3	3

* Mr Alston attended 1 Audit & Risk Management Committee meetings in his capacity as a Director of Landcom.

Diversity and inclusion

The Board oversees Landcom's diversity and inclusion aspiration to:

- create a workplace culture and environment that is respectful, inclusive, free from any form of discrimination and harassment, where diversity is valued and leveraged
- bring together a wealth of knowledge, backgrounds, ideas and perspectives
- create a workforce that's innovative, agile and resilient enabling higher levels of productivity, flexibility, and creativity.

Landcom's Diversity & Inclusion Policy outlines its dedication to fostering a workplace culture that embraces equity, diversity, and inclusion at all levels of the corporation.

Gender diversity breakdown for the Board at the start and end of the reporting period

	1 July 2024	30 June 2023
Female	60%	60%
Male	40%	40%

Board committees

The Board has two standing committees to assist with its responsibilities.

The Board determines the composition and membership of its committees. Each committee sets, reviews and updates its charter annually for approval by the Board. The committee charters detail their respective purpose, membership criteria, role and responsibilities.

Audit & Risk Management Committee

Details	
Composition	<ul style="list-style-type: none"> Comprises three directors, each of whom are independent Non-Executive Directors. The committee is chaired by an independent chair who is not the chair of the Board.
Membership as at 30 June 2024	<ul style="list-style-type: none"> John Barbeler (Chair); Pamela Hanrahan; and Susan MacDonald.
Purpose and responsibilities	<ul style="list-style-type: none"> The committee operates under a Charter that directs the committee towards and includes oversight and review of the effectiveness of: <ul style="list-style-type: none"> Systems of internal control of Landcom; External accountability, reporting and financial management; The work health and safety framework; Risk management; External and internal audit capability; and Compliance with applicable legislation.

John Barbeler is a certified practicing accountant and has extensive executive experience in managing the financial concerns of commercial operations. Full details of the roles and responsibilities for the Audit & Risk Management Committee are set out in the Committee Charter.

People & Culture Committee

Details	
Composition	<ul style="list-style-type: none"> Comprises three directors, each of whom are independent Non-Executive Directors. The Committee is chaired by an independent chair who is not the chair of the Board.
Membership as at 30 June 2024	<ul style="list-style-type: none"> Trent Alston (Chair); Pamela Hanrahan; and Selina Short.
Purpose and responsibilities	<p>The committee operates under a Charter and is responsible for making recommendations to the Board with respect to:</p> <ul style="list-style-type: none"> board composition: Developing a composition framework for the Board having regard to the appropriate diversity, skills and expertise, tenure and cohesion to fulfill its responsibilities to Landcom, and as a consequence make appropriate recommendations to the NSW Government for the appointment of new directors; and people and culture: Fulfilling its oversight responsibilities in relation to significant people and culture matters.

Appendix 2 – *Modern Slavery Act 2018* (NSW) disclosures

Part A.1 – Reporting entity details is covered on page 66 of this report.

PART A.2 Procurement spend details

A.2.1 Total procurement spend

Landcom’s total procurement spend for the reporting period was **\$120,982,067.97**

A.2.2 Procurement spend by Guidance on Responsible Steps (GRS) due diligence level

Landcom’s identified procurement spend against the GRS Due Diligence Levels during the reporting period.

				Landcom
GRS Inherent Modern Slavery Risk Level	High	Heightened	Heightened	\$4,054,389.26
	Moderate	Light	Standard	\$85,382.21
	Low	Minimal	Light	\$47,476,124.84
	Minor	Minimal	Minimal	\$69,366,171.66
		Low	Moderate	High
Landcom’s GRS Capability Level				

Categories of goods and services produced during the reporting period against each GRS due diligence level

GRS Inherent Modern Slavery Risk Level	Categories (Level 1)	Categories (Level 3)
Heightened	<ul style="list-style-type: none"> Agency Specific Expense Facilities and Buildings Management ICT Office Supplies and Services Security Services and Equipment 	<ul style="list-style-type: none"> Minor IT Equipment Displays Property Maintenance Repairs and Maintenance Lease Property Security Services Sales Office Display Homes Construction Protective clothing safety gear and uniforms Cleaning Printing Telephone and Facsimile Advertising Other Other property expenses Repairs and Maintenance Plant and Office Equipment
Standard	<ul style="list-style-type: none"> Construction (Materials Equipment & Services) Courier Services Construction 	<ul style="list-style-type: none"> Civil Works Cost Courier Remediation
Light	<ul style="list-style-type: none"> Agency Specific Expense Construction Courier Services Exempt Facilities and Buildings Management Fleet Management Government & Partnership Payments Human Resources ICT Marketing/Advertising Office Supplies and Services Professional Services - Generic Travel and Transport Unspecified 	<ul style="list-style-type: none"> Training and Development Detention and Water Quality Outsourced IT services General Consultants Other Land Holding Costs Engineering Consultants Consulting Expenses Corporate Subscriptions Professional Bodies Recruitment costs On premise - software support and maintenance Acquisition Related Fees Community Consultation Corporate Marketing Periodicals and Publications Asset Suspense Environmental Assessment Building Architecture Consultants Conferences and Seminars Quantity Surveying Consultant Software Surveying Consultant

GRS Inherent Modern Slavery Risk Level	Categories (Level 1)	Categories (Level 3)
Light		<ul style="list-style-type: none"> • Landscaping • Stores and Stationery • Postage • Geotechnical Consultants • Sponsorships • Advertising Outdoor • Social Sustainability • Structural Engineering Consultants • Tea and Amenities • Traffic Planning Consultants • Civil Consultants • Bushfire Consultants • Project Management • Fares • Services Relocation • Agents Commission • Marketing Consultants • Heritage and Archaeological • Waste Disposal • Pre Acquisition Costs • Gas Reticulation • Other General Administration • Office Relocation • Legal Corporate matters • Landscape Architecture • Planning and Urban Design Consultants • Repairs and Maintenance Lease Property • Environmental Sustainability • Rent • HardwareSoftware Maintenance • Corporate Support Charges • Other Contributions • Advertising Online • Annual Report Costs • Environmental Works • Maintenance Land • Collaborative Learning and Research • Plant and Office Furniture Leases

GRS Inherent Modern Slavery Risk Level	Categories (Level 1)	Categories (Level 3)
Light		<ul style="list-style-type: none"> • Audit Internal Audit • Property Maintenance • Agency Temporary Assistance • Legal Consultants • Audit, Quality Assurance, Probity and Risk • Other property expenses • Public Relations Corporate • Special Projects • Electrical Reticulation • Advertising Other • Financial Analysis • Line Communications • Insurance • Building Superintendancy • Telecommunications • Site Superintendent • Community Facilities • Advertising services • Other Development Works • Audit External • Cleaning • Records Management • Archaeology and Heritage • Civil Works Cost • Awards • Parking • Minor Plant and Office Furniture Purchases

PART B Annual modern slavery reporting

B.1 Significant operational issues

Landcom is not aware of any significant operational issue identified by the NSW Anti-Slavery Commissioner during the reporting period.

B.2 Reasonable steps

During FY24, Landcom took the following steps to ensure that the goods and services it procured were not the product of modern slavery.

- Commencing discussions with our head office building management provider to design and deliver a deep-dive workshop on understanding the modern slavery risks in their immediate operations, the steps taken to identify and mitigate the risks, and opportunities for collaboration.
- Engaging with the Tier 1 supplier responsible for the head office refurbishment to ensure all its sub-contractors completed our modern slavery supplier assessment.
- Commenced engagement with The Freedom Hub's Survivor Advisory Board to assist in guiding a review of key modern slavery policies and procedures, including hypothetical scenario testing with a view to embed lived experience into our response mechanisms and protocols.

REASONABLE STEP 1: COMMIT

1.1 Stakeholder engagement

Landcom continued to engage with internal and external stakeholders throughout the reporting period. Specifically, during FY24, we:

- Engaged our employees through internal modern slavery training and communication, including email communications from the sustainability team and our CEO.
- Engaged Landcom's Executive and CEO in targeted modern slavery training. See response 7.2 for further information.
- Continued to share information and learnings from various industry groups, forums and events with members of Landcom's Modern Slavery Working Group to shape the overall Landcom modern slavery approach and keep abreast of key modern slavery issues.
- Continued to engage with industry peers through our membership of the Property Council of Australia (PCA)'s Human Rights and Modern Slavery Working Group.
- Continued to engage with suppliers, including:
 - Via our modern slavery assessment questionnaires.
 - Liaising directly with one of our key Tier 1 civil and construction works contractors, with a view to designing and delivering a deep-dive risk exposure and supply chain mapping workshop in FY25.

1.2 Identifying modern slavery risks

During the reporting period, we:

- Continued to supplement and review the relevance of salient modern slavery risks (as identified in our Human Rights Saliency assessment conducted in FY19) with a combination of supplier assessment questionnaires, knowledge-sharing through our membership of the PCA Human Rights and Modern Slavery Working Group and consultation with experts.
- Continued to be guided by the United Nations Guiding Principles on Business and Human Rights continuum of involvement in our approach to risk identification, as reflected in our risk registers.
- Commenced internal conversations with a view to adopting human rights into Landcom's Risk Appetite Statements and Strategic Risk register and progressing this in FY25.
- Commenced work on categorising our procurement activities using the Inherent Risk Identification Tool (IRIT) issued by the Office of the NSW Anti-slavery Commissioner (OASC).
- Whilst we did not formally update our Saliency Assessment during the reporting period, Landcom intends to review and update the assessment (where appropriate) as part of a broader review of its human rights strategy in FY25.

1.3 & 1.4 Key modern slavery policies and plans

During the reporting period, we:

- Continued to progress and implement our actions as outlined in our Modern Slavery Management Plan, adopted in FY20, in consultation with industry experts, to guide our approach to identifying, managing and remediating the impacts of modern slavery.
- Continued to report our progress against the plan regularly to the Landcom Executive Committee, Board and Audit & Risk Committee.
- Engaged an external consultant to develop an operational workplan to support the ongoing implementation of Landcom's modern slavery commitments as made in the Modern Slavery Management Plan and previously published modern slavery statements.
- Engaged an external consultant to review the OASC's GRS and identify priority initiatives, which includes the development of a modern slavery policy.

We continue to affirm our commitment to human rights and modern slavery through our **Human Rights Statement** and deliver on our Modern Slavery Management Plan, which has informed our approach since FY20. In FY25, Landcom intends to review both these documents as part of a broader strategic review of its human rights approach and refine and/or develop additional documents where appropriate.

REASONABLE STEP 2: PLAN

2.1 Identifying and mapping modern slavery risks

During the reporting period, we:

- Continued as a founding consortium member for the PCA's Modern Slavery Supplier Platform Working Group (Informed365 Platform), designed to provide a consistent approach to engage suppliers in multi-tiered, shared supply chains, assess for risks of modern slavery and leverage the consortium's collective influence to mitigate or remediate instances of modern slavery.

- Maintained the requirement for all suppliers with contract spend above \$150,000 AUD and all suppliers responding to a tender to complete the modern slavery supplier assessment questionnaire housed on the Supplier Platform. This requirement is embedded into our existing procurement processes, and suppliers are required to update their responses annually to ensure their currency. This integrated process results in high supplier response rates year on year, allowing greater visibility of our supplier risk characteristics and profiles.
- Commenced discussions to design and deliver a supply-chain mapping workshop with a Tier 1 civil works supplier, to include a deep dive into the responses as provided by the supplier in its modern slavery assessment questionnaire.
- Engaged with another Tier 1 supplier responsible for our head office refurbishment project in Parramatta to gain a deeper insight into their Tier 2 suppliers and beyond. As a result, all Tier 2 suppliers onsite were issued with and completed Landcom's modern slavery assessment, including key questions with regards to their supply chain and modern slavery risk exposure. This was an important step towards expanding our visibility of our Tier 2 supply chain and beyond, and we will continue to further interrogate the responses in FY25.

2.2 Develop a risk-reducing sourcing strategy

During the reporting period, we collaborated with Landcom's sustainability team, project managers and a principal contractor at our Panorma project in North Wilton to guide local sourcing and other sustainability initiatives, including the re-use of spoil and other materials. The project successfully avoided all export or import of fill for bulk earthworks, any export of green waste generated on-site and managed the re-use of large amounts of materials found on site. The re-use of these materials reduced the need to procure and import materials to site and this approach helped reduce Landcom's overall civil works embodied carbon volumes.

Given the success of the initiative, we will engage with the relevant stakeholders to understand key learnings for our supplier workshop in FY25, and to identify opportunities for the integration of modern slavery risks in the responsible sourcing plan, where appropriate.

REASONABLE STEP 3: SOURCE

3.1 Select appropriate suppliers

During the reporting period, we:

- Continued to require all Landcom suppliers to complete our Supplier Code of Conduct. The code sets out our expectations that everyone who works for or on behalf of Landcom demonstrates the highest standards of conduct and ethics in the performance of their duties. It also sets the expectation that we may ask suppliers to complete the Modern Slavery Assessment as part of their contractual obligations.
- Continued to deploy the modern slavery assessment questionnaire (MSA) to:
 1. All suppliers awarded contracts of \$150K (inclusive of GST) or more.
 2. All tender applications, with checks in place for successful tenderers to ensure compliance.
 3. Landcom's head office refurbishment Tier 1 contractor and all of their Tier 2 sub-contractors.
 4. All civil works, landscape and maintenance panel suppliers.

During the reporting period, two of our Tier 1 suppliers reported in their modern slavery assessment questionnaire that they had not prepared a modern slavery statement but were planning to do so in the next 12 months. The same suppliers responded similarly during the previous reporting period. In FY25, Landcom intend to engage these suppliers to provide support and guidance if required in the preparation of their modern slavery statement.

3.2 Adopt a shared responsibility approach to contracting

During FY24, we:

- Continued to include modern slavery clauses, tailored to the level of risk and supplier sophistication in all Landcom contracts. Clauses prescribe that suppliers are not to breach modern slavery laws and outline the risk mitigation approaches suppliers are expected to follow when engaging for works for Landcom. These clauses extend to supplier operations and supply chains. We also include clauses in Landcom divestment contracts, where Landcom has sold a site or portions of a site to a third party.

- Collaborated with the PCA's Human Rights and Modern Slavery Working Group members around a review of modern slavery contract clauses and supplier codes of conduct. We compared de-identified contract clauses around human rights and modern slavery, assessing them as against the GRS and federal examples. This collaboration aims to support greater consistency for suppliers and encourage engagement around modern slavery risks.
- To support this work, we intended to review our contract clauses, in line with best practice guidance. Due to resourcing constraints, the review was not completed in FY24 but will continue into FY25 with a view to:
 - Implementing them into all future panels, sub-consultants and built form contracts (where Landcom has direct control)
 - Including a process step to ensure this requirement is included as contracts are renewed/contracted; and
 - Capturing all live contracts below the current threshold that upon execution of a variation, meet or exceed the \$150,000 AUD threshold.

In FY25, we intend to include a review of our current modern slavery contract clauses and associated performance in the deep-dive supply chain workshop with our selected Tier 1 civil and construction supplier. The workshop will be informed by the GRS guidance and adapted where appropriate.

REASONABLE STEP 4: MANAGE

4.1 Monitor and evaluate supplier performance

During FY24, we:

- Continued to require all potential suppliers in tenders, and those issued with contracts valued over \$150,000 AUD to complete modern slavery assessment questionnaires (MSA).
- Monitored any material breaches or terminations related to modern slavery clauses that are to be reported to relevant stakeholders in accordance with Landcom's Modern Slavery Management Plan. No such breaches or terminations were reported during the reporting period.

- Maintained our confidential grievance mechanism ‘Speak Up’ (as previously deployed in FY23) and continued to deploy and monitor confidential reporting forms and boxes for contractors onsite.

Landcom did not require any of our Tier 1 suppliers to undergo an audit addressing modern slavery risks during the reporting period.

In FY25, Landcom intend to develop a data management plan to further interrogate the responses provided by its suppliers to ensure its risk assessment outputs are continuously reviewed and responsive to emerging risks.

4.2 Develop supplier capabilities

During the reporting period, we:

- Continued to direct our Tier 1 suppliers to free training and resources through the Supply Chain Sustainability School.
- Tailored our approach to engaging with and building the capacity of our suppliers by developing a new, in-house training module for our Tier 1 suppliers. This ensures that modern slavery training is bespoke to suppliers’ respective roles and responsibilities, and that monitoring of response rates could be completed in-house. The new training includes information on Landcom’s grievance mechanisms and a step-by-step guide on how to report incidents or suspected incidents of modern slavery via our occupational health and safety incident reporting system, ‘SafeMe’ (established in FY23). The module is intended to be delivered to all our Tier 1 suppliers in FY25. We will also encourage our Tier 1 suppliers to roll the training out to their sub-contractors to continue to build supply chain maturity.
- Progressed discussions with a Tier 1 civil and construction works contractor with respect to designing and delivering a deep dive supply chain workshop in FY25. See responses 1.1, 2.1 and 5.3 for further detail.

REASONABLE STEP 5 - REMEDY

5.1 Provide or enable access to effective modern slavery grievance mechanisms

During the reporting period, we:

- Maintained ‘SafeMe’ which notifies key Landcom personnel of any incidences of modern slavery.
- Formally embedded our modern slavery reporting protocols that support ‘SafeMe’ into Landcom’s Incident Response Plan.
- Maintained ‘SpeakUp’ a third-party managed reporting system for internal and external stakeholders, that can be accessed via a phone hotline, site QR codes, an email address or an online web form. SpeakUp continued to be communicated and promoted via posters in the Landcom head office and project sites currently undergoing major construction.
- Liaised with our OHS team to ensure that posters communicating how to access ‘Speak Up’ were appropriately displayed at selected site offices to ensure they were visible and accessible to affected workers.
- Maintained and monitored our Fraud, Corruption and Modern Slavery Notification box (located in the Landcom’s offices in Parramatta and Sydney) monthly by a single member of the Landcom Legal team and reported any instances to the Executive General Manager, Legal & Compliance. No such reports were identified.

In FY25, Landcom plans to review its grievance mechanisms and remediation plan in line with the GRS, with a view to respectfully and appropriately incorporating Lived Experience to ensure they address the needs of those most affected by modern slavery risks.

5.2 Take safe and immediate steps to remedy harm

During the reporting period, we:

- Published our **remediation plan** (as endorsed by Landcom's CEO in June 2023) on our corporate website. The remediation plan is informed by the United Nations Guideline Principles on Business Human Rights, including the core principles of "identify, escalate and repair" and the adoption of the "protect" principal during Phase 1 to safeguard the rights of the complainant. There were no reported harms to which Landcom was connected during the reporting period.
- Commenced engagement with The Freedom Hub's Survivor Advisory board. See response 1.1 for further detail.

5.3 Use leverage to remediate deficient practices

There were no reported or suspected instances of deficient modern slavery risk management practices during the reporting period. We note however our continued positive discussions with one of our Tier 1 contractors with a view to design and deliver a deep dive supply chain workshop in FY25, which will include identifying areas where Landcom may be able to assist with the maturation of its modern slavery risk management practices.

5.4 Withdraw responsibly

While we were not required to withdraw responsibly in connection to any instances or grievances raised in relation to modern slavery during the reporting period, as part of a strategic review of our modern slavery contract and tender clauses and responsible sourcing approach, responsible withdrawal will be reviewed in line with the GRS guidance.

REASONABLE STEP 6: REPORT

6.1 Establish a victim-centred reporting protocol

During FY24, we:

- Published our **remediation plan** (as endorsed by Landcom's CEO in June 2023) on our corporate website. See response at 5.2 for further information.
- Engaged The Freedom Hub's Survivor Advisory Board. See response 1.1 for further detail.

6.2 Report on your modern slavery risk management efforts

During the reporting period, we:

- Made disclosures in accordance with the *Modern Slavery Act 2019* (NSW) and the Office of the NSW Anti-Slavery Commissioner's Guidance on Reasonable Steps (GRS) in Landcom's annual report for the financial year ending 2023-2024. As required by the legislation, Landcom intends to provide the same information to the OASC through the online annual report form (formerly Appendix K). At the time of writing, Landcom intends to submit this form once Landcom's annual report for the financial year ending 30 June 2024 is tabled in Parliament.

Disclosures made in relation to Landcom's modern slavery approach are on page 47 of its **2022-2023 annual report**.

REASONABLE STEP 7: IMPROVE

7.1 Lessons learned

During FY24, we:

- Continued our membership of the PCA's 'Human Rights and Modern Slavery Working Group' (the Working Group), meeting monthly throughout FY24. Landcom's Social Sustainability and Partnerships Manager continued in the role of the Working Group's co-chair throughout the reporting period.
- Contributed to the following key PCA Working Group initiatives:
 - Conducting a collaborative review of modern slavery contract clauses and supplier codes of conduct.
 - Commencing the update of members' previous independent review and comparison of property and construction sector modern slavery statements.
 - Developing of a 'Resource Round-up' in every Working Group meeting agenda, containing details of new resources and materials, listings of events, and updates on legislation.
 - Attended the PCA's Modern Slavery Working Group Modern Slavery Statement Review Panel Session on 27 May 2024 where a panel of experts provided key insights to members for noting.
 - Attended a session with Professor John McMillan AO (review lead on the *Statutory Review of the Modern Slavery Act 2018* (Cth) tabled in May 2024) who spoke to members of the PCA Human Rights and Modern Slavery Working Group about the recommendations contained within the review and implications for members.
- Engaged an external consultant to:
 - a. Conduct a thorough review of Landcom's Commonwealth Modern Slavery Reporting commitments and associated progress and develop an operational plan to assist in operationalising its commitments as made. The plan includes key measures and metrics, to assist Landcom to report more accurately and efficiently on its progress.

- b. Review the legislative reporting requirements of Landcom as a state-owned corporation (SoC) under the *Modern Slavery Act 2018* (NSW) and the OASC's GRS and provide a summary of the findings.

7.2 Train your workforce

During FY24, we:

- Continued to deliver internal modern slavery training to our staff with a completion rate of 75%. As a result of discussions with Landcom's learning and development team and other key internal stakeholders, commencing in FY25, modern slavery training will be compulsory for all new starters and subsequently conducted thereafter every two years for existing and continuing staff. Training content will be reviewed in line with this updated training schedule and as required.
- Delivered targeted modern slavery training to Landcom's Executive and CEO, facilitated by modern slavery experts from Better Sydney and the Australian Human Rights Institute to better understand the risks posed to people by modern slavery, as well as an overview of the Statutory Review of the *Modern Slavery Act 2018* (Cth) and the global regulatory and risk landscape.

7.3 Cooperate with the Anti-Slavery Commissioner

During FY24, we:

- Participated in an online webinar hosted by the OASC focusing on the obligations of state-owned corporations.
- Continued to liaise with the OASC in response to correspondence received in relation to notification protocols and annual reporting requirements for NSW Government finance agencies. Landcom communicated and circulated those communications to relevant internal stakeholders and confirmed with the OASC that external experts have been engaged to assist with advisory services and the review of the OASC's GRS.

Appendix 3 - Disclosure of approved exemptions

On 21 June 2024, approval was granted for reporting exemptions relevant to this Annual Report (shown in the table below). The exemptions, some with conditions attached, were approved by NSW Treasury to overcome concerns about the loss of commercial confidentiality for statutory State Owned Corporations.

Statutory requirements		
Annual reporting exemptions	Act/regulation references	Comments
<p>Management and activities:</p> <ul style="list-style-type: none"> management improvement plans and achievements reaching previous targets major problems and issues which arose major works in progress, cost to date, estimated dates of completion and significant cost overruns or delays/amendments 	TPG23-10	-
<p>Land disposal:</p> <ul style="list-style-type: none"> if value greater than \$5 million and not sold by public auction or tender: <ul style="list-style-type: none"> list of properties for each case, name of person who acquired the property and proceeds from disposal purpose/s for which proceeds were used statement that access to the documents relating to the disposal can be obtained under the <i>Government Information (Public Access) Act 2009</i> (NSW). 	TPG23-10	This exemption is granted on the condition that Landcom continues to disclose the total number and value of lots sold during the year, along with confirmation that all properties have been sold in the normal course of business and that there were no family or business connections between the purchaser and those responsible for approving the sale.

Appendix 4 - Compliance checklist

Compliance Checklist			
Content requirement	Source of requirement	Description	Section of report
Acknowledgement of Country	TPG23-10	-	Introduction
Letter of Submission	TPG23-10	<ul style="list-style-type: none"> Stating report submitted to Minister for presentation to Parliament. Provisions under which the report has been prepared (i.e. GSF Act Division 7.3 and other applicable legislation (if any). Where reporting deadlines have been missed, length of lateness in submitting report and reasons. Where reporting deadlines have been missed and there was no application for extension, reasons for lateness and lack of application. Signed by accountable authority. 	Introduction
Aims and objectives	TPG23-10	<ul style="list-style-type: none"> Purpose of the agency. Range of services provided. Clientele and community served. 	Overview > Our organisation
Management and structure	TPG23-10	<ul style="list-style-type: none"> Names, offices and qualifications of principal officers. Organisation chart indicating functional responsibilities. 	Overview > Management and structure
Charter	TPG23-10	<ul style="list-style-type: none"> Manner in which and purpose for which the agency was established. Principal legislation administered within the agency. 	Overview > Our principal objectives and functions
Combined annual reports	TPG23-10	<ul style="list-style-type: none"> Where an annual report includes combined annual reporting information, <ol style="list-style-type: none"> the name of those agencies (and/or SDA accounts) the reason for combining. 	N/A
Application for extension of time	TPG23-10	<ul style="list-style-type: none"> Where an extension of time has been granted, particulars of that extension. 	N/A
Strategic objectives and outcomes	TPG23-10	<ul style="list-style-type: none"> Key agency strategic objectives including outcomes. Current and future strategic plans to accomplish objectives, including outcomes. 	Our strategy Operations and performance

Compliance Checklist

Content requirement	Source of requirement	Description	Section of report
Management and activities*	TPG23-10	<p>Partial exemption, Landcom must report on:</p> <ul style="list-style-type: none"> Describe nature and range of activities. Qualitative and quantitative performance measures showing efficiency and effectiveness (if practicable). Nature and extent of internal and external performance reviews conducted and resulting improvements in achievements. Benefits from management and strategy reviews. 	<p>Chair and CEO reviews</p> <p>Our strategy > Resource allocation to implement strategic plan</p> <p>Operations and performance</p> <p>Appendix 1 - Corporate governance</p>
Summary review of operations	TPG23-10	<ul style="list-style-type: none"> Narrative summary of significant operations. Financial and other quantitative information for programs or operations. 	<p>Chair and CEO reviews</p> <p>Overview > FY24 economic and financial highlights</p> <p>Operations and performance</p>
Land disposal*	TPG23-10	<ul style="list-style-type: none"> Exemption, Landcom must continue to disclose the total number and value of lots sold during the year, along with confirmation that all properties have been sold in the normal course of business and that there were no family or business connections between the purchaser and those responsible for approving the sale. 	<p>Operations and performance > Performance against Statement of Corporate Intent</p> <p>Financial Statements</p>
Research and development	TPG23-10	<ul style="list-style-type: none"> Completed and continuing research and developmental activities including resources allocated, unless this will adversely affect operations of the agency. 	<p>Operations and performance (brief mention). Full details in our FY24 Sustainability Report</p>
Performance information	TPG23-10	<ul style="list-style-type: none"> Performance information, including against the agency's strategic outcome objectives, as set out in the relevant corporate plan. <p>(In this context, the corporate plan can be, for example, an agency's Outcomes & Business Plan or its Strategic Business Plan).</p>	<p>Our Strategy</p> <p>Operations and performance</p>

Compliance Checklist			
Content requirement	Source of requirement	Description	Section of report
Numbers and remuneration of senior executives	TPG23-10 PSC Circular 2014-09	<ul style="list-style-type: none"> Number of senior executives employed at the end of the reporting year broken down by band and then gender within each band, compared with the numbers at the end of the previous reporting year. Average total remuneration package of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year. The percentage of total employee-related expenditure in the reporting year that relates to senior executives, compared with the percentage at the end of the previous reporting year. 	Management and accountability > Executive diversity and remuneration
Human resources	TPG23-10	<ul style="list-style-type: none"> Number of officers and employees by category & compared to the prior year. 	Management and accountability
Consultants	TPG23-10	<p>In respect of the engagement during the annual reporting period of a consultant by or on behalf of the agency (other than the NSW Trustee or the Senate, Board of Governors or Council of a university), the following details:</p> <ul style="list-style-type: none"> For each engagement costing equal to or greater than \$50,000: <ul style="list-style-type: none"> Name of consultant Title of project (shown in a way that identifies the nature of the work) Actual costs. For engagements costing less than \$50,000: <ul style="list-style-type: none"> Total number of engagements Total cost. Or a statement that no consultants used. 	Management and accountability > Miscellaneous activities
Promotion	TPG23-10	<ul style="list-style-type: none"> Overseas visits by officers and employees with main purposes of travel explained. 	Management and accountability > Miscellaneous activities

Compliance Checklist

Content requirement	Source of requirement	Description	Section of report
Requirements arising from employment arrangements	TC 15-07	<ul style="list-style-type: none"> TC15-07 (“Financial and Annual Reporting requirements arising from personnel service arrangements”) sets out additional requirements where agencies provide or receive personnel services from one or more other agencies. 	N/A
Legal Change	TPG23-10	<ul style="list-style-type: none"> Changes in Acts and subordinate legislation. Significant judicial decisions affecting agency or users of its services. 	Management and accountability > Legislation
Economic or other factors	TPG23-10	<ul style="list-style-type: none"> Factors affecting achievement of operational objectives. 	Chair and CEO reviews Our strategy > Market context Operations and performance
Events arising after the end of the annual reporting period	TPG23-10	<ul style="list-style-type: none"> After the end of the annual reporting period, events having a significant effect on: <ul style="list-style-type: none"> Financial operations Other operations Clientele and community served. 	N/A
Risk management and insurance activities	TPG23-10	<ul style="list-style-type: none"> Report on the risk management & insurance arrangements and activities affecting the agency. 	Management and accountability > Internal audit and risk management Appendix 1 - Corporate governance
Compliance with the <i>Privacy and Personal Information Protection Act 1998</i>	TPG23-10	<ul style="list-style-type: none"> Statement of the action taken by the agency in complying with the requirements of the PPIP Act and statistical details of any review conducted by or on behalf of the agency under Part 5 of the PPIP Act. 	

Compliance Checklist			
Content requirement	Source of requirement	Description	Section of report
<i>Government Information (Public Access) Act 2009</i> reporting	GIPA Act s125(4), (6) GIPAR c8, Sch 2; c13, Sch 3	<ul style="list-style-type: none"> Details of the agency's review under s7(3) of the Act during the reporting year and details of any information made publicly available by the agency as a result of the review. Total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications). Total number of access applications received by the agency during the reporting year that the agency refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure. Statistical information as described in Sch 2 of the <i>Government Information (Public Access) Regulation 2018</i> (GIPA Regulation). Each agency referred to in Sch 3 of the GIPA Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Sch 3. 	Management and accountability > <i>Government Information (Public Access) Act 2009</i> (NSW) (formal access applications)
Other information (external production cost of the annual report, website the report can be accessed)	TPG23-10	<ul style="list-style-type: none"> Total external costs (such as fees for consultants and printing costs) incurred in the production of the report. The website at which the report may be accessed (or the agency's website). 	Management and accountability > Miscellaneous activities Back cover of report
Exemptions	TPG23-10	<ul style="list-style-type: none"> If the agency has an exemption from including certain information, their annual report must include: <ul style="list-style-type: none"> Details of exemptions Reasons for exemptions. 	Appendix 2 - Disclosure of approved exemptions

Compliance Checklist

Content requirement	Source of requirement	Description	Section of report
<i>Modern Slavery Act 2018</i> (NSW) reporting	<i>Modern Slavery Act 2018</i> s31	<ul style="list-style-type: none"> Statement of the action taken by the agency in relation to any issue raised by the Anti-Slavery Commissioner during the financial year then ended concerning the operations of the agency and identified by the Commissioner as being a significant issue. Statement of steps taken to ensure that goods and services procured by and for the agency during the financial year then ended were not the product of modern slavery within the meaning of the <i>Modern Slavery Act 2018</i>. 	Sustainability > <i>Modern Slavery Act 2018</i> (NSW) Appendix 2 - <i>Modern Slavery Act 2018</i> (NSW) disclosures
Work Health and Safety	TPG23-10	<ul style="list-style-type: none"> Statement setting out WHS performance. Details of injuries and prosecutions under the <i>Work Health and Safety Act 2011</i>. 	Management and accountability > Work health and safety
Workforce Diversity	PSC Circular 2014-09	<ul style="list-style-type: none"> Agencies must report statistics for both the representation and distribution of employees in diversity groups, in the same format as the report provided to each agency by the Public Service Commission. Agencies must report on the workforce diversity achievements during the reporting year and the key workforce diversity strategies proposed for the following year. 	Management and accountability > Workforce diversity performance Management and accountability > Disability inclusion action plans
Financial Statements	<i>Government Sector Finance Act 2018</i> (NSW).	<ul style="list-style-type: none"> Inclusion of Financial Statements. Controlled Entities' Financial statements. Audit Opinion on Financial Statements. Response to significant issues raised by Auditor-General. 	Financial statements
Identification of audited financial statements	TPG23-10	<ul style="list-style-type: none"> The Annual Report must make clear where the audited information starts and finishes. This is to ensure the reader can identify what information has been audited and what information has not been audited. 	Financial statements
Unaudited financial information	TPG23-10	<ul style="list-style-type: none"> Unaudited financial information (Information is to be distinguished by note). 	N/A

Compliance Checklist			
Content requirement	Source of requirement	Description	Section of report
Investment and Liability Management Performance	TC17-02	<ul style="list-style-type: none"> TC17-02 (“Guidelines on Reporting of Investment Liability Management Performance”) sets out guidelines relating to measuring investment and liability performance including benchmarking. 	Financial statements

*Landcom has an exemption or partial exemption from requirements see page 130.

Independent Assurance of Other Information in the Annual Report to the Board and Management of Landcom



Assurance conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Other Information in Landcom's 2024 Annual Report has not been reported and presented fairly, in all material respects, in accordance with the Criteria defined below.

In addition to the Financial Report, that is subject to a separate independent audit, Landcom engaged ERM Australia Consultants Pty Ltd ('ERM') to perform independent assurance over Landcom's FY24 Sustainability Report and 'Other Information' in the Landcom's 2024 Annual Report. Other Information generally comprises the information included in the Annual Report (other than the Financial statements and notes and its associated audit report).

Our independent assurance is performed over selected Other Information performance data and statements reflecting the performance period 1 July 2023 - 30 June 2024. Provided below is further information regarding our independent assurance and conclusion.

Scope

We performed a limited assurance engagement over selected performance data and statements presented in Landcom's Annual Report ('the Report') for the reporting year ended 30 June 2024.

Subject Matter

The subject matter covered as part of this assurance (the 'Other Information') is the information Landcom presents in the following sections:

- Chair's review
- Chief Executive Officer's review
- Overview
- Our Strategy
- Operations and Performance
- Management and accountability
- Sustainability
- Appendices

Criteria

We used Landcom's own reporting criteria, and relevant policies and procedures to prepare the selected subject matter and associated data, against which to evaluate the content of the Report. This included reference to Landcom's principal objectives and function under the Landcom Corporation Act 2001 and Report on Operations disclosure requirements under section 24A of the State Owned Corporations Act 1989 and the Annual Reports (Statutory Bodies) Act 1984.

Respective responsibilities

Landcom management is responsible for the preparation and presentation of the information within the Report. Landcom management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement. Landcom management is also responsible for setting targets and for the development of appropriate internal controls to monitor performance.

ERM's responsibility, in accordance with Landcom management's instructions, is to express a limited assurance conclusion in accordance with ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ASAE 3000) on selected data and performance claims in the Other Information (as listed above under 'Subject matter').

Our independence and competencies

We are not aware of any issues that could impair our independence or objectivity for this assurance engagement. ERM's independence policy and supporting measures apply to management and professional staff. This policy also prohibits any financial interests in our clients that would or might be seen to impair independence.

Our team has the required competencies and experience in applying ASAE 3000 to conduct this assurance engagement.

Our methodology

Our assurance engagement was planned and performed in accordance with ASAE 3000. The procedures we performed were based on our professional judgement and included the steps outlined below:

- Interviewed data owners of selected data sets to understand how they collected, calculated, and aggregated data from projects as well as what assumptions or estimations were made.
- Sought and reviewed supporting information or explanations for selected data, statements and claims within the Report regarding Landcom's operational performance.
- Checked whether operational data in the Report had been calculated and aggregated accurately, was consistent with Landcom's internal records, and according to managements explanations and disclosures.
- Reviewed and assessed how Landcom has responded to sustainability-specific reporting regimes which was subject to a parallel sustainability assurance process described in our Independent Assurance Statement contained in Landcom's FY24 Sustainability Report.
- Reviewed the presentation of information relevant to the selected performance data and statements in the Report to ensure consistency with the assurance findings and observations.

Limitations of assurance

Our evidence gathering procedures were designed to allow us to reach a limited assurance opinion (as defined in ASAE 3000). The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided. Further to this, we did not visit project sites or interview project teams.

Use of our assurance statement

We do not accept any responsibility for any reliance on this assurance statement to any other person(s) or organisation(s) other than the Board and management of Landcom. Other stakeholders should do their own due diligence before taking any action as a result of this statement.

On behalf of the assurance team.



Alan Dayeh
ERM Partner
Sydney, Australia
18 October 2024

Download our current and previous annual reports at:

www.landcom.com.au/publications

For general enquiries contact:

info@landcom.nsw.gov.au

Our office is open 8.30am to 5pm
Monday to Friday (except public holidays)

Head office

Level 14, 60 Station Street
Parramatta NSW 2150

PO Box 237
Parramatta NSW 2124

Phone: (02) 9841 8600

Sydney CBD office

(no public reception)

Level 42
25 Martin Place
Sydney NSW 2000

Phone: (02) 9841 8600



LANDCOM

