

Introduction

Landcom reports against a suite of Sustainability (Triple Bottom Line) indicators annually through its annual reporting process. This process assists Landcom to manage a number of components of its business including:

- responding to Landcom's legislative requirement to report its social and environmental outcomes;
- providing Landcom's stakeholders with information regarding its role as a corporate citizen; and
- Assisting Landcom to manage its activities and projects through annual feedback with regard to its project and corporate objectives.

The results of the Sustainability reporting process convey the culmination of a comprehensive data collection, analysis and interpretation process. As a means by which Landcom ensures that the sustainability report responds appropriately to stakeholder concerns and the information contained in the report is reliable and accurate, an accredited external assurance provider, Net Balance Management, conducts an assurance process prior to the report being published each year.

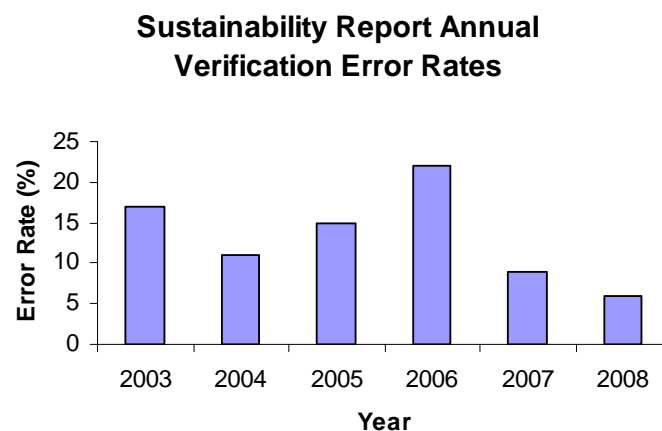
The process of assurance includes:

- Examining the content of the report for accuracy through a process of verification; and
- An assessment against the AA1000 assurance standard principles of materiality, responsiveness and completeness.

The results of the 2008 assurance process are summarised in the following.

TBL Assurance Summary

This year the data verification process identified an error rate of 6% (4 errors out of 65 verified points). This is our best result since Landcom started compiling Sustainability Reports and compares well against the relevant verification standard. The verification standard used by the assurance provider states that an error rate of 0% to 10% equates to a high level of data accuracy. The graph below illustrates the error rates identified through the assurance audit for our various Sustainability Report over the past 6 years.



It is important to note that the Sustainability Report is provided to the assurance auditor in final draft format. Any errors identified through the audit process are then corrected before the Sustainability Report is printed and issued.

Of the four errors identified this year, one was considered high in impact (greater than 10% material importance), two were low in impact (less than 1% material importance) and the impact of 1 was not verifiable. The high error related to an aggregation error in the calculation of our water indicator results. This data was aggregated by an external consultant. The consultant has since been advised of this error to help better manage the aggregation process in future years and minimise the possibility of this error occurring again because of systemic reasons.

Conclusion

This year Landcom achieved its lowest error rate since we began reporting our sustainability results in 2003. Anecdotal evidence suggests our result is well above industry best-practice standards. The audit result was achieved despite a number of new staff participating in the sustainability reporting process and a requirement to manage significantly more input data to compile the Sustainability Report than in recent years. Such a result is an indication of improved knowledge of Landcom staff in relation to data collection and improved systems used to transcribe and calculate data internally. Further, our development partners are now generally more experienced and accomplished in the sustainability reporting process, which is also probably showing through in our audit results.

Landcom has been reporting its sustainability outcomes since 2003 and a number of our indicators included a target date of 2008. As a consequence of this, changes to Landcom's business, and changes to markets in which we operate, the Board has been previously advised we are currently reviewing our sustainability indicators and targets. A draft set of indicators and targets is expected to be available in the first quarter of 2009 and, following from earlier direction provided by the Board, we are looking to streamline the reporting process without compromising its integrity.

It is recognised that the rigor of processes currently in place for data collection and analysis will need to be applied to any revised reporting process. This will by necessity involve further education of our staff, our contractors and our development partners to the extent that the indicators change or are revised.

Recommendation

That the Committee resolve to note the report.

Managing Director

Authors: S Driscoll / M Napper