

STATUTORY REVIEW

of the

**WESTERN AUSTRALIAN LAND AUTHORITY ACT
1992**

for the

MINISTER FOR REGIONAL DEVELOPMENT; LANDS

by

Ramelton Consulting Pty Ltd

DECEMBER 2010

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Executive Summary

This Report was prepared for the Minister for Lands as the Minister responsible for the Western Australian Land Authority Act 1992, which requires the Minister to review the operations and effectiveness of the Act every five years.

The Western Australian Land Authority (WALA), trading as LandCorp, is established and operates pursuant to the Act. LandCorp is a Government Trading Enterprise with the principal function of providing land for the social and economic needs of the State. In the course of his review, the Minister is required to consider, among other things, the need for the continuation of the functions of the Authority.

The Terms of Reference for the review are set out below and accord with the requirements of the Act.

The review concludes that the Western Australian Land Authority is an effective and important vehicle for government in providing land for the social and economic needs of the State and, accordingly, recommends that it should continue. The Report makes eight further recommendations intended to enhance the efficiency and/or the transparency of the Authority's activities.

Terms of Reference

Review of Western Australian Land Authority Act 1992

1. Undertake at the Minister's direction a review of the Western Australian Land Authority Act 1992 (the Act) as required by s48 of the Act, including a review of:
 - The effectiveness of the operations of the Authority (trading as LandCorp);
and
 - The need for the continuation of the Authority.
2. Consider and report on the functions of the Authority, taking into account the Report of the Economic Audit Committee, October 2009.
3. Identify and report on any constraints on the effectiveness of the Authority's operations imposed by:
 - The Act
 - The Regulations
 - Policies and procedures adopted by the Board and/or by Government
4. Report on such other matters as appear to the Minister to be relevant to the operation and effectiveness of the Act.

Summary of Recommendations

The Government should:

1. Retain the Western Australian Land Authority (trading as LandCorp) as an effective and important vehicle by which the Government can ensure land is available for the economic and social needs of the State.
2. Ensure LandCorp continues to focus on those types of land holding and development which are generally:
 - a. strategically important for the future growth of the state's economy, especially industrial land;
 - b. difficult, high-risk developments which are strategically important to the state or in the public interest, such as contaminated land (e.g. Minim Cove);
 - c. complex developments that are consistent with and/or implement State policy, such as Pilbara Cities.
3. Require Annual Reports for LandCorp to include performance on both operational and financial parameters against the agreed objectives and Key Performance Indicators (KPIs) for LandCorp which are presented in the annual Statement of Corporate Intent.
4. Resolve the apparent overlap and duplication within government of agencies undertaking land release and development, which is currently carried out by LandCorp, the Department of Housing and various Redevelopment Authorities.
5. Recognising the shortage of necessary planning skills available to many Local Government Authorities in regional areas, consider amending the Act so that the WALA is able to take on strategic, complex and difficult projects effectively and efficiently. This could be achieved, for example, by giving WALA planning powers in regional areas similar to those proposed to be available to a Metropolitan Redevelopment Authority for major projects in Perth, including:
 - a. an ability of the WALA Minister to designate a declared area, outside of the metropolitan area which may include a specified region or locality within a region, where such powers could be exercised; and
 - b. requirements that such developments are consistent with the overall plan for the region endorsed by the Western Australian Planning Commission.

If the Act is amended, those sections of the Act referring specifically to Joondalup and which are no longer relevant, should be deleted.

6. Continue to communicate clearly to the Authority its policy requirements for LandCorp, as a Government Trading Enterprise, specifically in relation to the obligations under the WALA Act for LandCorp to:
 - “be an agency which provides...for the social and economic needs of the State” (s.16(1)(a)); and
 - to “endeavour to achieve or surpass the long-term financial targets specified in its strategic development plan” (s.19(1)(b)); and
 - to take into account ‘the triple bottom line’ (s.16B)

This policy clarification is needed to avoid the potential conflict between obligations on LandCorp to take both strategic social, ‘public interest’ and ‘commercial’ positions.

7. Continue to require LandCorp to have a transparent and rigorous assessment of the cost benefit of proposed projects.
8. Maximise the financial return to the State on the disposal of surplus state land assets, in accordance with the Strategic Asset Management Framework Policy. To this end, the Policy should require LandCorp to put forward a business case (only for significant asset sales) showing how it would deliver the returns on such land and this should be compared with the Valuer General’s estimate of what the land would fetch if sold on market by RDL.
9. Acknowledge the skill sets that exist within LandCorp and ensure that these are put to the most productive purposes so that the quality of LandCorp’s core projects is not diminished.

Introduction

The Western Australian Land Authority Act 1992 (the Act) requires the Minister to conduct a review of the Act every five years. The Minister responsible for the Act is the Hon Brendan Grylls, MLA, Minister for Regional Development; Lands.

Ramelton Consulting Pty Ltd was appointed to undertake the review at the direction of the Minister. The Terms of Reference (set out above) include, at items 1 and 4, those specific matters that the Minister is required by section 48 of the Act to consider and have regard to in the course of that review.

Dr Jim Limerick, the Principal of Ramelton Consulting, conducted the review and is the author of the Report. From 1999-2008 he was Director General of the Department of Industry and Resources and had over-sight of the development of Western Australian Government policy and land-use plans related to major resource development. At various times during that period he was a member of the Western Australian Planning Commission, the Technology and Industry Advisory Council and the board of LandCorp. He is presently on the board of the Fremantle Port Authority.

Conduct of the Review

In conducting the review according to the Terms of Reference (see above) provided by the Minister, the reviewer received briefings from the Chairman of LandCorp on strategic direction and policy and from LandCorp staff on the operations and projects being undertaken. The reviewer then conducted an extensive series of interviews with various stakeholders, including relevant government agencies, private sector participants in the land development industry, peak bodies and local government authority (LGA) representatives. This face-to-face approach was preferred to simply seeking written submissions because it enabled issues identified in the course of interviews to be explored in greater detail with other stakeholders as the review progressed.

The Report provides an overview of the Western Australian Land Authority Act and attempts to measure LandCorp's effectiveness in a quantitative manner by examining its operational (land release) performance and financial performance over the last five years. It looks at the activities being undertaken currently by LandCorp and the alignment between those activities and the statutory functions set out in the Act. The Report then addresses issues surrounding the operations of LandCorp that were raised during the interviews and suggests possible Government responses to those issues. In the process, the Report draws conclusions and makes recommendations (consolidated at the beginning of this Report).

Western Australian Land Authority Act Overview

The Western Australian Land Authority (WALA) is a government trading enterprise (GTE) established pursuant to section 5 of the Act. The WALA is permitted under the Act to use a trading name and trades as “LandCorp”. (In the remainder of this Report, the terms “WALA” and “LandCorp” will be used interchangeably. Sections of the Act will be designated by “s.XYZ”)

The WALA has a board of directors, appointed by the Minister under s.6 of the Act, as the Authority’s governing body to perform the functions of the Authority set out under the Act. Those functions are defined in s.16 and appear in Appendix 2 of this Report.

The Authority has discretion as to how and when it performs those functions (s.16C). The performance of those functions is required (by s.16A) to be in accordance with the Authority’s Strategic Development Plan (SDP) and its Statement of Corporate Intent (SCI), the preparation of which is detailed in the Western Australian Land Authority Regulations 1999.

The SCI must include “the nature and extent of community service obligations that are to be performed” ((Regulation 12(3)(j)). Community service obligations (CSO) are defined in the Act as:

“a commitment that arises because –

- (a) the Minister specifically requests the Authority to do something or specifically approves of the Authority doing something;
- (b) the Authority could not do the thing and comply with section 19(1)(c); and
- (c) things of that kind are not required to be done by businesses in the public or private sector generally” (s.25A(3)).

Importantly, s.19(1) of the Act states that:

“The Authority is to –

- (a) perform its functions in a cost-efficient manner;
- (b) endeavour to achieve or surpass the long-term financial targets specified in its strategic development plan as existing from time to time; and
- (c) ensure that no individual project undertaken by the Authority has an expected internal rate of return that is less than the minimum rate of return specified in its strategic development plan as existing from time to time.”

LandCorp assesses the business case for each project under consideration and, in accordance with s.19(1)(c), it cannot proceed with any project unless it achieves the hurdle rate of return. This provision was introduced by an amendment to the Act in

1997 and provides the Government with a means of ensuring LandCorp does not risk funds in projects without the appropriate due diligence being undertaken against a consistent and transparent set of business rules. Treasury and LandCorp have agreed to set the hurdle rate as LandCorp's weighted average cost of capital (WACC) and an SDP typically contains an agreed formula, based on the Capital Asset Pricing Model, using parameters agreed with Treasury. Over the period in review, the WACC has ranged between 6.5% and 9.5%.

LandCorp may proceed with a low-return project, however, if Cabinet decides that the project has high public benefit and consequently approves a CSO payment by Treasury to LandCorp, thus allowing the project to reach the hurdle rate of return. CSO contributions are included in the Annual Report each year. Examples of such projects include the Australian Marine Complex at Henderson, Oakajee Industrial Estate, Karratha Service Workers Accommodation and residential land release in Halls Creek.

The Authority is also required "to take account of the social, economic and environmental outcomes of the performance of its functions and is to ensure that those outcomes are balanced so far as is practicable" (s.16B). In simple terms, this 'triple bottom line' obligation requires LandCorp to act according to what are generally known as "sustainability" principles.

The Authority has significant and wide powers conferred on it by the Act. The general powers are set out in s.17 and include, among others, the power to:

- "undertake, plan, provide for, promote or coordinate the subdivision,[and]...developmentof land, whether or not the Authority holds the land in question" (s.17(2)(b));
- extract minerals from land (s.17(2)(ba));
- enter into any contract or arrangement with any person....(s.17(2)(c));
- charge fees for services provided to any person, including a Crown agency (s.17(2)(e));"

In addition, s.20 provides for the compulsory taking of land under the WALA Act for industrial purposes or in performance of the Authority's functions. Further, s.21 allows the Governor to dedicate Crown land to the purposes of the Act, with appropriate checks and balances.

Section 47 provides the power for the Governor to make regulations for giving effect to the purposes of the Act. The Western Australian Land Act Regulations (the Regulations) are summarised below. [Individual regulations cited will be designated by "r.XYZ"].

The Regulations deal primarily with the development and approval of the strategic development plan (Regulations Part 2) and the statement of corporate intent (Regulations Part 3).

Part 2, dealing with the SDP:

- specifies a “forecast period of five years” (r.4(1))
- requires that “...objectives (including economic and financial objectives) and operational targets...” be set out in the SDP (r.4(2))
- requires the WALA board to take into account, among other things, “the market environment...[and]...relevant government policy and community service obligations.” (r.4(3))

Part 3, dealing with the SCI:

- specifies it must “cover a financial year.” (r.12(1)) and requires the SCI to be consistent with the SDP (r.12(2))
- requires the SCI to specify, among other things,
 - “the performance targets and other measures by which performances (sic) may be judged and related to objectives” (r.12(3)(g))and
 - “the type of information to be given to the Minister, including information to be given in annual and half-yearly reports” (r.12(3)(i)).

Importantly, the SCI must be tabled in both Houses of Parliament within 14 days of being agreed which, like the SDP, can only be agreed after the Treasurer has concurred with the draft SCI.

Thus, the Regulations provide a mechanism by which the Minister (with the Treasurer’s concurrence) can agree with the LandCorp board on the long term objectives and operational targets of the organisation and, furthermore, agree which of those targets will be used to judge the agency’s performance and how it will be reported.

LandCorp in context

The population of Western Australia is expected to grow from 2.2 million to around 2.8 million over the next twenty years, with consequent demand for additional jobs and dwellings. Perth and the Peel region combined are expected to grow from the current population of 1.65 million to more than 2.2 million by 2031. In order to accommodate this level of growth it is estimated that another 328,000 dwellings and 353,000 jobs will be needed in the Perth/Peel area alone.

The State's future planning framework document, "Directions 2031 and Beyond"¹, anticipates that of these 328,000 dwellings, 47% (154,000) will come from infill and consolidation projects.

The remainder of the State's population lives in regional centres and towns which are relatively small, widely dispersed and, for the most part, depend on volatile industries like resources, agriculture and tourism for their economic life blood. There is on-going strong demand for land releases in some regional centres, especially in the Pilbara, where growth in the resources sector has seen house prices soar in recent years. However the high cost of house construction in many regional locations, combined with a limited market and price volatility, means that residential land development in the regions is often not attractive for the private sector.

Regional planning in the north of Western Australia, in particular, has been underdone for over a decade. Consequently, planning for land, housing and associated water and power infrastructure has been behind the demand curve. It is only just now starting to catch up, but there have been lengthy delays in getting new land releases given the necessary processes of the Native Title Act and other approvals procedures.

Future economic and employment growth requires land to be available for future commercial and industrial development. For heavy industry in particular, industrial estates often require substantial buffer zones with significant land-use constraints (for safety, noise or environmental reasons). Industry benefits substantially from being co-located, especially in terms of cost-competitive access to pre-planned major infrastructure (transport, power supply, water supply, etc.) and workforce availability. Therefore the reservation of large areas of land for future industry is necessary, well in advance of demand, if these requirements are to be met. Such land development is unattractive to the private sector.

Accordingly, if the state is to grow economically, socially and sustainably, then the Government must ensure the provision of land for industrial and residential purposes, especially where it is not financially viable for the private sector to do so. The Western Australian Land Authority, trading as LandCorp, is the principal agency of the State authorised by parliament to do this.

¹ "Directions 2031 and Beyond" WA Planning Commission, August 2010.

LandCorp effectiveness

The Act requires this Review to examine “the effectiveness of the operations of the Authority” (s.48(2)) but the Act does not specify how “effectiveness” should be measured.

Performance targets and measures are set out in the SCI presented annually to Parliament. However LandCorp Annual Reports focus on the financial outcomes (primarily sales revenue and profit) and it is difficult to divine from these public reports the operational (as distinct from financial) performance of the organisation over the short and long term. Indeed, apart from revenue and profit forecasts for the following year, which are extracted from the SCI and presented in some (but not all) Annual Reports, there are no key performance indicators (KPIs) included in recent Annual Reports.

To allow an assessment of the operating and financial performance of LandCorp, data on relevant measures from 2005/06 onwards are presented in a series of charts in Appendix 1 of this Report. The main conclusions that can be drawn about LandCorp activities from the data are summarised below.

Land delivery performance:

LandCorp has sold 4,315 industrial, commercial and residential lots over the last five years, at an average of 863 lots per year with a +/-20% year on year variation. The total area of land sold in that time, 836 hectares, shows a high level of take-up when the total area released onto the market was 1,072 hectares – an area almost equivalent to that of the entire City of Perth.

Across the industry as a whole, however, the Global Financial Crisis has had a significant impact on lot release and sales levels over the last two years. Industry representative bodies noted in particular the impact on private sector land supply levels, owing to difficulties in raising finance for land development projects.

With regard to residential, mixed use, and commercial land:

- LandCorp is paying increasing attention to regional land development needs, reflected in a substantial lift in capital expenditure and land delivery releases. Metropolitan land development activities show a structural shift towards higher-density urban redevelopment projects (reflected in higher “dwelling equivalent” output levels).
- The number of lots sold by LandCorp across regional Western Australia (2,806) was 2.7 times the number it sold in the Perth metropolitan area (1,043). These sales were mostly in the regional centres of the Pilbara, the

Kimberley and also Hopetoun (associated with the development of the Ravensthorpe nickel project).

- There were twice as many “dwelling equivalents”² of land released by LandCorp in the regions (3,347) as in the metropolitan area (1,654) in the period under review. However this is forecast to come more into balance over the next three years (a further 3,380 metropolitan and 2,613 regional).

It should also be noted that since 2009, LandCorp has actively lifted engagement with the private sector, which in turn will impact on lot supply numbers. LandCorp now has 10 active partnership arrangements. In the 2009/10 year LandCorp also released several superlots for development by private firms, for example the release of 3 superlots in Karratha, equivalent to 800 dwelling units. [Note: each superlot counts as 1 lot in the sales/release data].

With regard to industrial land, 600 lots were released to the market over the last five years, with a total area of 534 hectares. The bulk of this industrial land was in the metropolitan area but projections for industrial land releases over the next three years indicate a strong emphasis on regional Western Australia.

Financial Performance:

- LandCorp is a significant wealth generator with total sales revenue of \$1.4 billion over the period in review. This revenue was generated, on the residential/commercial side, almost equally from regional and metropolitan sales (37% and 35% respectively), with industrial activities generating 28%. A relatively small number of high-value metropolitan lots, e.g. Leighton or Minim Cove, can add substantially to the revenue, so revenue is not a good indicator of actual land area released. Since 2008/09 there has been a marked shift towards regional activity.
- On the expenditure side, capital spending on industrial and regional programs dominates (37% and 38% respectively), with only 25% of capital expenditure over the last five years being allocated to the metropolitan program.
- LandCorp consistently makes a profit and provides a cash flow to government in the form of dividends plus tax-equivalence payments (arising from the ‘competitive neutrality’ rules applying to GTEs). In every one of the last five years, however, the dividends paid by LandCorp to the consolidated fund are exceeded substantially by the re-investment of equity into LandCorp and the CSOs received from the consolidated fund. To this extent, it is not a “cash cow” for government.

² “Dwelling equivalent” is the maximum dwelling capacity of the land sold, e.g. a single duplex lot has a dwelling equivalent of 2

It should be noted that, as required by s.19(1)(b) of the Act, the actual financial results for 2009/10 exceed the long-term target for that year contained in the 2005/06 SDP, in terms of both income statement and balance sheet.

The return on assets for LandCorp over the past five years has ranged from 5% to 20%. Over the previous 5 years (2000/01-2004/05) it ranged from 13% to 32%. This relatively wide variation is attributed to market place volatility plus the development of long held land assets (with low historic costs) and the replenishment of assets at current market prices. This performance can be compared with a return of between 4.5% and 8% reported for LandCom³ in New South Wales by the NSW Auditor General⁴.

A combination of the operational and financial performance data presented in Appendix 1 supports the view that LandCorp takes on a significant load of otherwise 'non-commercial' projects of strategic importance to the State where projects with low rates of financial return, especially regional and industrial land development, are delivered by LandCorp.

Overall, notwithstanding its GTE status, it can be concluded that LandCorp operates primarily as a vehicle for delivery of government policy objectives in regard to land development for the economic and social benefit of Western Australia.

Recommendation 1: *the Government should retain the Western Australian Land Authority (trading as LandCorp) as an effective and important vehicle by which the Government can ensure land is available for the economic and social needs of the State.*

Alignment of LandCorp activities with statutory functions

Appendix 2 lists the functions of the Authority as set out in s.16 of the WALA Act and the alignment of LandCorp business activity with those functions. Table A shows this at the program level and Table B shows how individual projects align with the statutory functions.

Table A shows that all LandCorp business programs align with one or more statutory functions. However the functions are broadly defined in the Act and there is little or no distinction drawn between industrial land development, residential development, regional or metropolitan area development.

³ LandCom is the nearest equivalent interstate government land enterprise to LandCorp

⁴ Report to NSW Parliament in 2010 (Vol 9)

The conclusions that can be drawn from Table B are:

- the focus of LandCorp business activity is strongly on the first two functions described in s.16(1) which are, respectively:
 - to be an agency which provides or promotes the provision of land for the social and economic needs of the State; and
 - to be an agency through which the crown and public authorities may dispose of land
- development of industrial land is mainly around regional centres in the Pilbara and the South West and, in the metropolitan area, south of Perth
- new, large scale residential land development in LandCorp is focused on Alkimos (in Joint Venture) in the metropolitan area and, in the regions, on Karratha, Newman and Port Hedland (consistent with the State Government's Pilbara Cities vision) and to a lesser extent Broome
- outside of the metropolitan area and these major regional centres, LandCorp's residential land program is widely spread across the length and breadth of the State
- in the metropolitan area there is a substantial number of smaller scale, in-fill residential projects with a significant proportion of those being government land asset disposal projects.

There is specific reference in the Act to development of Joondalup as an activity centre (see s.16(1)(d) and s.18 and s.50) but this is an historical hang-over from the major development started under the Western Australian Development Corporation in the 1970s; today Joondalup is not a major focus of LandCorp activity – there seems to be little case to warrant its continued special mention in the Act.

Issues identified through consultation in the course of the review

The issues raised by stakeholders In the course of interviews conducted during the review have been consolidated under the following broad headings:

- general comments
- undisputed roles for LandCorp
- roles and responsibilities of government in land development
- controversial areas of LandCorp activity
- issues arising from LandCorp's "commercial imperative"

The comments under each heading that are numbered are the views expressed by stakeholder interviewees. Those views are not necessarily shared by the reviewer. Any views appearing in [square parenthesis] are the reviewer's.

Following the comments listed under each heading is a brief discussion by the reviewer of the matters raised, plus any recommendations arising.

General comments

1. Housing is a primary enabler of economic growth in the regions, especially in areas like the Pilbara where demand in regional centres exceeds supply (the demand is for turn-key houses rather than land *per se*); there is clearly market failure in these regional centres for residential, commercial and industrial land supply.
2. LandCorp staff operate very professionally; as a GTE, LandCorp is able to pay its staff considerably higher salaries than normal public service salary rates and hence is able to attract good staff.
3. However, LandCorp is seen by some as too 'risk-averse' and hence not in front of the land required for housing demand in the regions, especially in 'boom towns'; This is portrayed by others as LandCorp "standing on the hose" to ramp up land prices. (The ideal expressed by one interviewee was to have land appropriately zoned 10 years ahead of demand and both zoned and serviced 5 years ahead).
4. LandCorp's introduction of sustainability principles into its developments is variously seen as 'gold plating', driving up land prices, or as appropriate leadership by government to demonstrate sustainability models backed by government (tax-payer) funds. [It is in fact required of LandCorp by s.16B].
5. Townsite revitalisation is an important component of increasing the capacity of a regional centre and revitalisation should be an integral part of planning future land releases.
6. The Department of State Development reported that some industrial project developers proposing long-term, major capital projects on LandCorp industrial land, express a preference for a lease with the State (as distinct from LandCorp); proponents claim the state lease would improve bankability of the project, citing alleged financiers' concerns that the Government may privatise LandCorp at some time into the future.

Reviewer Commentary:

Land availability for both industrial use and residential use is fundamental to the growth of the State. There is little appetite from the private sector to take on the significant risk associated with long-term holdings of industrial land or the risk associated with a volatile residential land market where the fortunes of the town are closely tied to the fortunes of the resources or agricultural industries. Consequently, government needs to have a vehicle for taking on this high-risk development in the public interest.

LandCorp is clearly a respected entity within the land development industry and has a good reputation for professionalism. This, combined with the fact

that LandCorp carries out its functions as defined in the Act and is effective in doing so (see relevant preceding sections of this Report) supports the earlier Recommendation 1 of this Report.

Criticism of LandCorp as being 'behind the game' in the regions has to be tempered with the fact that LandCorp typically is in the 'front line' of Crown Land release and therefore is often faced with gaining approvals under the Native Title Act as well as planning and environmental approvals. A major factor in land release timing is the lack of forward planning in many regional areas for the provision of essential services (e.g. water, waste water treatment, power supply etc.). The matter of co-ordination and accountability for land use planning is addressed under a separate heading below.

LandCorp has a mandate under the Act to provide leadership in the provision of 'triple bottom line' land developments. In the 2009/10 SCI, LandCorp enunciates its vision that "by 2012 LandCorp is the lead agency for the practical demonstration of Sustainable Development".

It is appropriate that a government-backed agency should take on the risk of such prototype developments, provided the sustainability principles adopted are aligned with government policy and that there are lower-cost 'vanilla' residential land developments also available in the market place.

Undisputed roles for LandCorp

1. Industrial land development is an essential role to be undertaken by a government enterprise - both light industrial areas (LIA) and heavy industrial areas (HIA) in both the metropolitan area and in regions; this is an important and legitimate role for LandCorp. Indeed LandCorp should do more of this, especially LIAs in regional centres and large-scale releases of near-metropolitan land suitable for major logistical uses (intermodal etc.).
2. LandCorp has a legitimate role in de-risking, or undertaking in its own right, higher-risk projects where government assets or government policy directions are concerned e.g.
 - Mandurah Marina
 - Pilbara Cities
 - Minim Cove (contaminated land).
3. There is general support among interviewees from both government and the private sector for the role of LandCorp in 'de-risking' land release down to the sub-division stage; there were, however, some concerns expressed over how the risk and cost of that is allocated between LandCorp and the private sector.

Reviewer Commentary:

As LandCorp points out in its 2009/10 SCI, “industrial estates on average take 5-10 years to create due to planning, environmental clearances and due diligence requirements”. They are, by their nature, long-term strategic land holdings which are essential if the state’s industrial development is to be facilitated in an environmentally responsible and orderly fashion. The creation of such areas is an appropriate role for a government agency.

There is widespread support for LandCorp to undertake the ‘non-commercial’ or higher-risk land developments which are necessary for the economic and social development of the State. Section 19 of the Act is not a barrier to this as long as the Minister (with the concurrence of the Treasurer) sets appropriate financial targets for the Authority.

Since the Act itself gives little guidance to the LandCorp board as to where its business activities should be focused, it is important that the Government of the day can agree with the board as to what outcomes the LandCorp “owner” is seeking from its business arm.

Recommendation 2: *the Government should ensure that LandCorp continues to focus on those types of land holding and development which are generally:*

- a. strategically important for the future growth of the state’s economy, especially industrial land;*
- b. difficult, high-risk developments which are strategically important to the state or in the public interest, such as contaminated land (e.g. Minim Cove);*
- c. complex developments that are consistent with and/or implement State policy, such as Pilbara Cities.*

It is important that the Parliament has a clear sense of where the Minister and the board have agreed the focus of LandCorp’s activities should be, within the broad matrix of regional/metropolitan locations and the categories of land to be developed (residential / commercial / industrial). Appropriately, WALA Regulation 12 requires that the SCI should specify:

- “the performance targets and other measures by which performances may be judged and related to objectives” (consistent with long-term targets in the SDP); and
- “the type of information to be given to the Minister, including information to be given in annual and half-yearly reports”.

The targets and objectives presented in the annual SCI tabled in Parliament include capital expenditure and revenue targets segmented across the three key program areas (regional, metropolitan and industrial).

While this segmentation of operational priorities is set out in the SCI, it would be informative and helpful if operational KPIs, as well as financial targets, were to be used in Annual Reports as benchmarks by which to judge LandCorp's performance and effectiveness. In its Annual Reports for the years under review, LandCorp's performance has been presented in terms of a very limited set of financial outcomes. It is important that the Government-endorsed operational objectives of LandCorp should also be published in its Annual Reports as Key Performance Indicators.

The Minister, under r.12(3)(i), can specify that this information should be included in annual reports.

Recommendation 3: *the Government should require Annual Reports for LandCorp to include performance on both operational and financial parameters against the agreed objectives and Key Performance Indicators (KPIs) for LandCorp which are presented in the Statement of Corporate Intent.*

Roles and responsibilities of government in land planning and development

Accountability for land development

1. There is a multiplicity of government land development agencies in the metropolitan area, including LandCorp, various Redevelopment Authorities and the Department of Housing (DoH), apart from the statutory land administration role of the Department of Regional Development and Lands (RDL), leading to the question of what is government's role in land development and which arm of government should do what functions?
2. Government agencies are appropriate bodies to develop residential land in regional towns and centres where there is little interest from the private sector; if RDL simply auctions land in the regions to the highest bidder and the developer fails to produce housing lots (for whatever reason) then either there is no development or government has to step into the breach.
3. There appears to be no clear government policy as to which of its agencies should undertake residential land releases in regional towns and centres – both LandCorp and the Department of Housing are engaged in this activity.
4. The Western Australian Department of Housing is unique among public housing authorities in Australia in that it has a substantial presence in residential land development also - DoH often acquires the necessary skill sets through joint venturing with the private sector.
5. Both DoH and LandCorp are well regarded by the private sector as joint venture partners in residential land development projects.

6. DoH does 'vanilla' land developments whereas LandCorp developments are often seen as more 'innovative', with aspects of environmental sustainability often being elements of LandCorp developments.[Note: this arises from LandCorp's obligation under s.16B of the Act]

Accountability for land use planning

1. There has been in the past a lack of co-ordinated government planning of land and infrastructure provision in both the outer metropolitan and regional areas - in particular, a lack of co-ordination between WAPC, public infrastructure providers (water and power GTEs) and resource companies over their future plans for regional centres.
2. There is widespread confusion amongst stakeholders over roles and responsibilities of government agencies involved in land use planning and development, especially in the Pilbara; there was a call for clarification and clear accountability.
3. LandCorp is inserting itself into the planning space when it has no perceived statutory role, e.g. City of the North Plan (but it is largely excused because there is a perception also that the normal planning process is too laboriously long winded and local government often lacks capacity). [Note: in fact, LandCorp is empowered statutorily under s.17(1)(b) of the Act to do this type of activity but this clearly is not understood in the market place].

Reviewer Commentary

There is duplication in the roles of LandCorp and DoH in residential land development in both the metropolitan and regional areas and there appears to be no clear government policy or guidelines governing which agency should undertake any given development. One operates as a GTE and the other as a government department, with different priorities, modes of operation and governance structures. Furthermore, the lines of reporting are to different Ministers. This potentially leads to inefficient utilisation of resources.

Recommendation 4: *the Government should resolve the apparent overlap and duplication within government of agencies undertaking land release and development, which is currently carried out by LandCorp, the Department of Housing and various Redevelopment Authorities.*

In regard to land use planning, LandCorp operates within an overall planning and approvals context for which it is not directly responsible. The concerns expressed over the lack of available land for housing in rapidly growing population centres, especially in the Pilbara, reflect an historical lack of effective 'whole of government' regional planning over the past decade. This has been exacerbated by the remarkable growth in China over that same period, creating unprecedented demand for resource commodities, rapid expansion of mining operations and consequential population growth in 'boom towns'.

The pressure for land release for housing in those regional centres has escalated dramatically and, as a result, has exposed the lack of forward preparedness. The creation of Regional Planning Committees within the Western Australian Planning Commission (WAPC) and the rejuvenation of the Infrastructure Coordinating Committee (ICC) has started to address this.

However there is a critical shortage of adequate planning capacity within regional local government authorities and this shortage is not seen as being overcome in either the short term or medium term. Consequently, LandCorp is sometimes called upon to assist in project managing a planning process for which a land developer would not ordinarily be responsible. The Act in s.17(2)(b) specifically empowers LandCorp to undertake such planning co-ordination but this power is not widely understood. It also creates a potential conflict of interest situation and could be perceived as creating an unfair competitive advantage for LandCorp. It is also inefficient in that LandCorp may do the work but the statutory decision making remains with the LGA and its effectiveness relies on good will and collaboration with the LGA.

In situations where there is urgent demand for large-scale land development in a challenging circumstances in regional parts of Western Australia, a more effective and efficient regime may be to provide LandCorp with the equivalent powers to those proposed to be given to a Metropolitan Redevelopment Authority, to take on extensive and complex land development in those regional areas.

This recommendation is specifically limited to regional areas of the State so as to minimise the potential for conflict in the metropolitan area between the roles of LandCorp and the proposed Metropolitan Redevelopment Authority. It is unclear at this time on what basis the Government proposes to allocate in-fill land development projects, as between LandCorp and the proposed new agency.

Recommendation 5: *Recognising the shortage of necessary planning skills available to many Local Government Authorities in regional areas, consider amending the Act so that the WALA is able to take on strategic, complex and difficult projects effectively and efficiently. This could be achieved, for example, by giving WALA planning powers in regional areas similar to those proposed to be available to a Metropolitan Redevelopment Authority for major projects in Perth, including:*

- a. an ability of the WALA Minister to designate a declared area, outside of the metropolitan area which may include a specified region or locality within a region, where such powers could be exercised; and*
- b. requirements that such developments are consistent with the overall plan for the region endorsed by the Western Australian Planning Commission.*

If the Act is amended, those sections of the Act referring specifically to Joondalup and which are no longer relevant, should be deleted.

Issues arising from LandCorp's "Commercial Imperative"

Stakeholder comments:

1. LandCorp's requirement as a GTE to act commercially drives a profit-based behaviour rather than a state-development oriented behaviour; one example cited of LandCorp rent-seeking was the case of LandCorp (allegedly) wanting to charge Port of Geraldton full commercial price for land at Oakajee which was purchase by LandCorp with a CSO.
2. CSOs are available to LandCorp, not the private sector, but could the private sector do those developments commercially, without a CSO, by being more innovative? Hence there was a proposition that such projects should be advertised for expression of interest from the private sector before a CSO is 'automatically' granted.
3. Headworks charges by infrastructure GTEs make new land releases in regional areas cost-prohibitive and it is only LandCorp that is able to recoup these costs via CSOs.
4. Industrial estates must be planned in conjunction with planning for the necessary infrastructure headworks (power, water, rail, port etc.); given the substantial scale and cost of such infrastructure, its funding and provision was seen by some as being a clear government role, rather than being to the cost of the initial industrial project to be developed on the site.

Reviewer Commentary

It should be noted that there is no specific requirement in the WALA Act (despite the heading of s.19) for LandCorp to act on commercial principles or to make a profit, unlike some other GTEs. For example, a port authority is required explicitly under the Port Authorities Act 1999 to act commercially:

“s.34 (1) a port authority in performing its functions must –
(a) act in accordance with commercial principles; and
(b) endeavour to make a profit.”

In contrast, the obligation on LandCorp under s.19 of the WALA Act is, *inter alia*, simply “to achieve or surpass the long term financial targets specified in its strategic development plan.....” (s.19(1)(b)). As these targets have to be approved by the Minister, with the Treasurer’s concurrence, the Government of the day may set the targets to be whatever it deems to be reasonable.

In its SDP, LandCorp asserts that “LandCorp’s current positioning has been shaped on achieving its core functions while operating on a level playing field with the private sector and with transparency in decision making and funding. The pursuit of maximum profit as *the* end goal is not part of LandCorp’s positioning”⁵. Clearly, however, it does not operate on a level playing field with the private sector by virtue, among other things, of the powers and obligations it has under the Act. These include, for example:

- Dedication of Crown Land (s.21)
- Compulsory taking powers (s.20)
- Exclusive access to CSOs
- Triple bottom line obligation (s.16B)
- MoU with RDL concerning access to Crown land.

Conversely, LandCorp is required by the Government to take on many activities which the private sector would not (and should not) do to achieve long-term State economic and social development. Therefore LandCorp warrants “unlevel” powers to enable it to carry out its role as the Government’s vehicle of ‘land development in the public interest’. This potentially creates a tension with the obligation (in s.19 of the Act) for it to achieve long-term financial targets, unless the targets are set appropriately to reflect the ‘public interest’ functions.

As a consequence of having these extra-ordinary rights and obligations, the board of LandCorp also has an obligation to clearly understand what is expected of the Authority by Government and to come to an agreement with the “owner” (Government) over LandCorp’s operational priorities and policies.

⁵ LandCorp SDP 2010/11, page 5

The ability of LandCorp to seek provision of a CSO should, in theory, make LandCorp indifferent as to whether or not it takes on a 'non-commercial' project, provided that Government is prepared to fund the CSO. It becomes a Government decision, not a LandCorp board decision, as to where the State's financial resources are directed. Nonetheless, there is a strongly and widely held view among the stakeholders interviewed that the LandCorp culture is strongly driven by the profit motive. Consequently, the Minister needs to make clear to the LandCorp board what the Government is seeking as outcomes from LandCorp's operations.

Recommendation 6: *the Government should continue to communicate clearly to the Authority its policy requirements for LandCorp, as a Government Trading Enterprise, specifically in relation to the obligations under the WALA Act for LandCorp to:*

- *“be an agency which provides...for the social and economic needs of the State” (s16.(1)(a); and*
- *to “endeavour to achieve or surpass the long-term financial targets specified in its strategic development plan” (s19.(1)(b)); and*
- *to take into account ‘the triple bottom line’ (s.16B).*

This policy clarification is needed to avoid the potential conflict between obligations on LandCorp to take both strategic social, ‘public interest’ and ‘commercial’ positions.

Controversial areas of LandCorp activity

Stakeholder comments:

1. The private sector is strongly of the view that LandCorp should not have first call over government land asset disposal, especially prime residential sites in the metropolitan area such as former school sites; they assert there is no market failure in the metropolitan area and therefore LandCorp should stand in the market and compete for the land with the private sector.
2. The Memorandum of Understanding (MoU) between LandCorp and the State Land Services Division of the Department of Regional Development and Lands (RDL) gives LandCorp “first right of refusal” for the release of regional land; this is seen by some as being a blocker to speedy land release in the regions; [this MoU is currently subject to review and renegotiation].
3. A structural division within LandCorp between the ‘de-risking/super-lot allocation’ role and the ‘housing estate development and sale of individual lots’ role, was suggested by one interviewee as a means of giving clear internal accountability for “state benefit” and “profit” outcomes.

4. LandCorp is sometimes used in a Project Management role by other government agencies/LGAs but often uses sub-contracted consultants and charges a management fee reflecting LandCorp's "commercial enterprise" approach – it was suggested that in such cases LandCorp should act as a 'government', not commercial, enterprise.

Reviewer Commentary:

The Table in Appendix 1, showing cash flows to and from government, demonstrates that LandCorp is the arm of government which is able to take on the low-return, higher risk projects required of it by the Government because of the funding provided to it by Treasury.

To achieve this, the Government makes formal decisions, via Cabinet processes, on LandCorp operations and projects requiring CSOs and equity injections. However, it is noteworthy that most metropolitan residential land development projects have not required CSO support in the last five years, except projects with a high public infrastructure component which were focussed on substantial urban renewal and rejuvenation.

Accordingly, as it is ultimately government, not LandCorp or the private sector that takes on the riskier, low-return developments, government should also be expected to maximise its returns from its higher-value land assets.

The Strategic Asset Management Framework⁶ sets out, in the Asset Disposal Policy, the processes to be followed by government agencies in regard to disposal of surplus assets to ensure maximum value is gained by the State. For real property, the Policy requires LandCorp to manage the sale process on behalf of an agency, unless otherwise approved by Cabinet. LandCorp assists RDL's Property Asset Clearing House (PACH) by undertaking value-adding activities prior to sale and meeting all up-front costs including rezoning, marketing and agent fees. The policy objective is to ensure that appropriate skills are brought to the task and the resources of the owner-agency are not diverted from core business.

This policy promotes an efficient method of effectively managing government assets by co-ordinating the disposal process and potentially maximising the financial return to government from surplus land. It is therefore not unreasonable that LandCorp, as the land development arm of government, should be the vehicle for achieving this.

⁶ Strategic Asset Management Framework for Western Australian Public Sector Agencies, Department of Treasury and Finance, August 2005 [currently under review].

The argument that there is no market failure in the metropolitan property market is, of itself, not a reason to exclude LandCorp from engaging in that market where it can provide efficiencies within government and prospects of maximising financial returns on government assets. An argument has not been made that demonstrates how direct sale by RDL to private developers would improve the financial outcome for government.

However, where disposal of a substantial government land asset is being contemplated, to provide transparency and assurance that the LandCorp proposal is in fact likely to deliver a better financial return to the State than a straight auction, then PACH/RDL could be used as the 'honest broker' and seek the Valuer General's estimate of what the asset would bring if simply sold on market. If that estimate were to indicate a better financial outcome for the State than the LandCorp proposal, then the Minister for Lands could seek Cabinet approval for a direct sale.

Recommendation 7: *the Government should continue to require LandCorp to have a transparent and rigorous assessment of the cost benefit of proposed projects.*

Recommendation 8: *the Government should maximise the financial return to the State on the disposal of surplus state land assets, in accordance with the Strategic Asset Management Framework Policy. To this end, the Policy should require LandCorp to put forward a business case (only for significant asset sales) showing how it would deliver the returns on such land and this should be compared with the Valuer General's estimate of what the land would fetch if sold on market by RDL.*

The former Department of Land Administration (now the Lands Division within RDL) had responsibility for land development in regional towns under the Townsites Development Program prior to 2005. That responsibility transferred across to LandCorp after that time and a MoU exists between the two agencies setting out the way in which Crown land will be released by RDL to LandCorp. That MoU has been criticised in the report of the Red Tape Reduction Group⁷ as being unduly constraining on private sector involvement in the development of Crown Land in regional towns. In particular, private sector access to broad hectare land (superlots) was seen as being particularly limited. The Red Tape Report recommended amending the current arrangements to allow for private sector and other government agencies to have greater opportunities to develop Crown Land.

⁷ "Reducing the Burden", Report of the Red Tape Reduction Group, Government of Western Australia, 2009

Again, this concern appears to derive from a view, widely held by LGAs and others, that LandCorp is interested only in land which can be sold at a profit. To allay these concerns, the government could revert to the pre-2005 situation whereby RDL takes back responsibility directly (not via LandCorp) for straight-forward land release to private developers in regional towns.

There was insufficient evidence gleaned during this Review, however, to indicate that the private sector was willing to take on regional land development except in those 'boom towns' where there is strong demand. Consequently this approach is not recommended.

LandCorp is also being used increasingly in government in a Project Manager role. That is, LandCorp manages the land development process on behalf of another agency but LandCorp does not own the land in question. Examples are LandCorp's involvement in the Ord Stage 2 and the Perry Lakes redevelopment. Apart from the issue that was raised by one agency over the management fees charged by LandCorp, the bigger concern is that LandCorp's skill base and expertise is not unduly drawn away from the key projects which lie in LandCorp's core business roles.

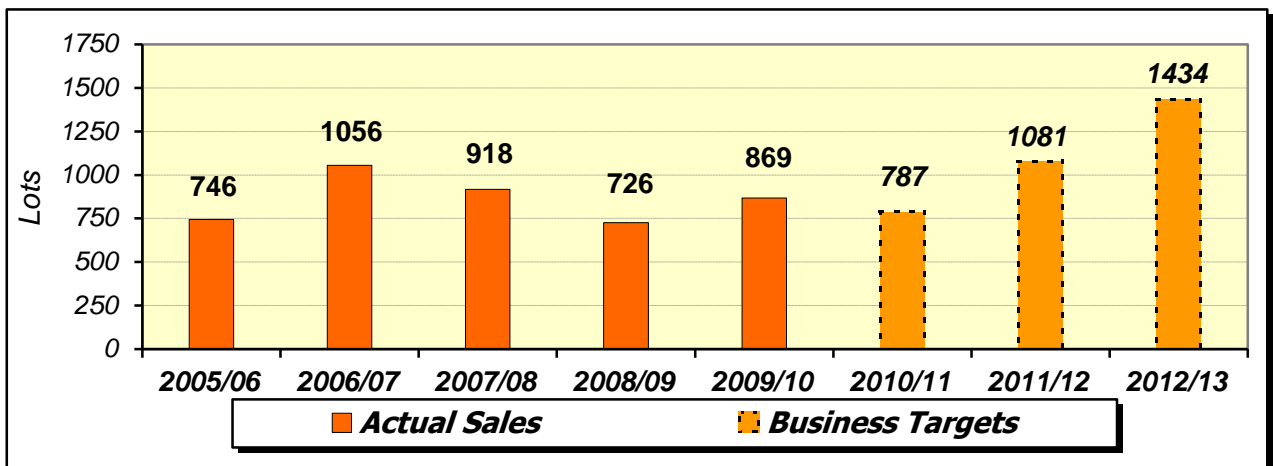
Recommendation 9: *the Government should acknowledge the skill sets that exist within LandCorp and ensure that these are put to the most productive purpose so that the quality of LandCorp's core projects is not diminished.*

APPENDIX 1: PERFORMANCE OF LANDCORP OVER THE PERIOD 2006-2010

Land Release Performance

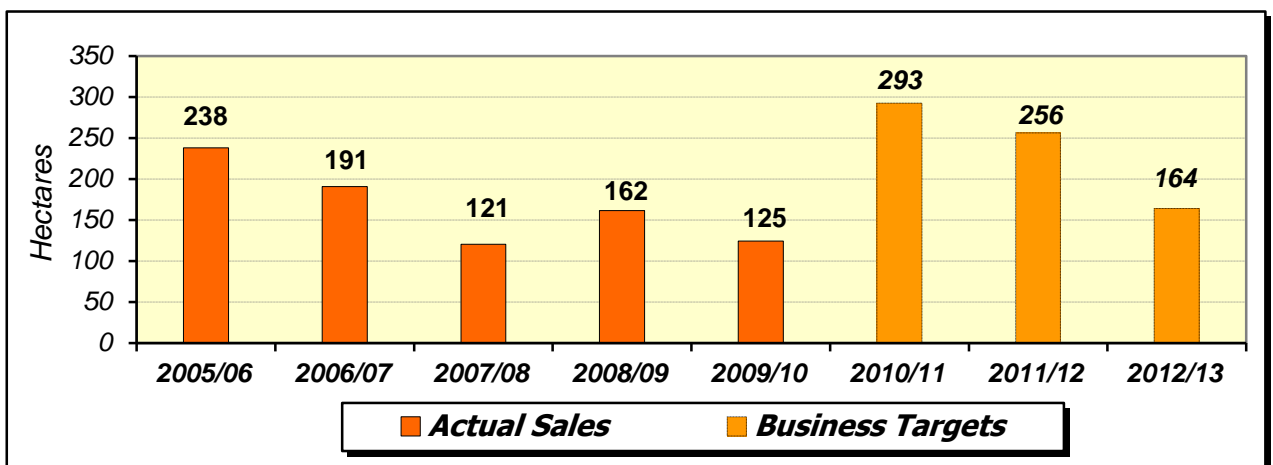
I. Overall Lots Sold

- Between 2005/06 and 2009/10 LandCorp sold 4,315 industrial, commercial and residential lots.
- 2006/07 had the highest number of sales, with 1056 lots sold; due to the Global Financial Crisis, 2008/09 recorded the lowest number of sales in the past 5 years, with 726 lots sold.



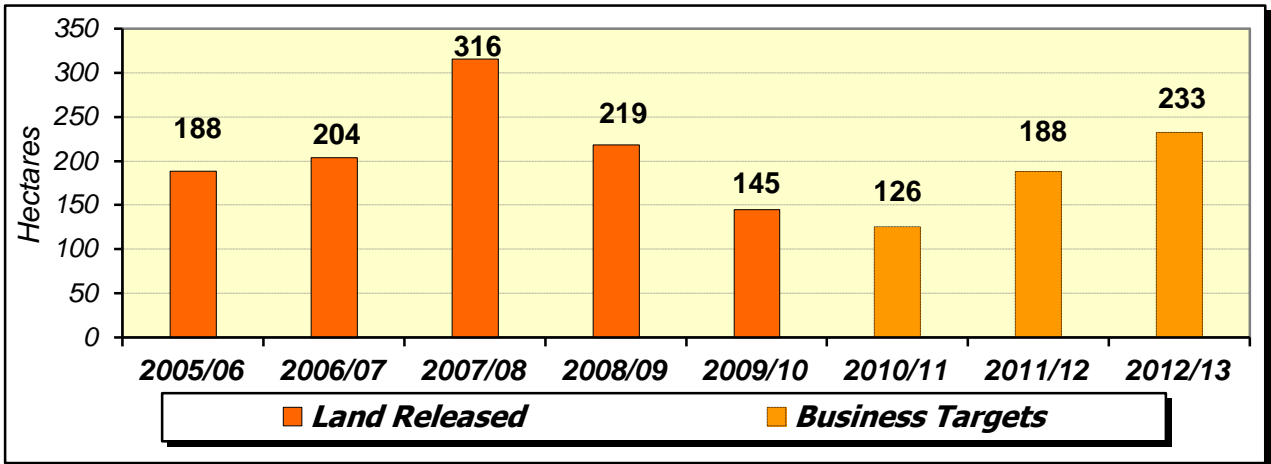
II. Overall Area Sold

- Between 2005/06 and 2009/10 LandCorp sold 836 hectares of land, an area of similar size to the Towns of Vincent or Bassendean. The total amount of land developed by Landcorp (including public open spaces, roads and other land that did not result in revenue) during this period was 1,375 hectares.
- The largest area of land sold was in 2005/06 with 238 hectares sold, mostly due to some major industrial land sales within Perth Metropolitan Area.



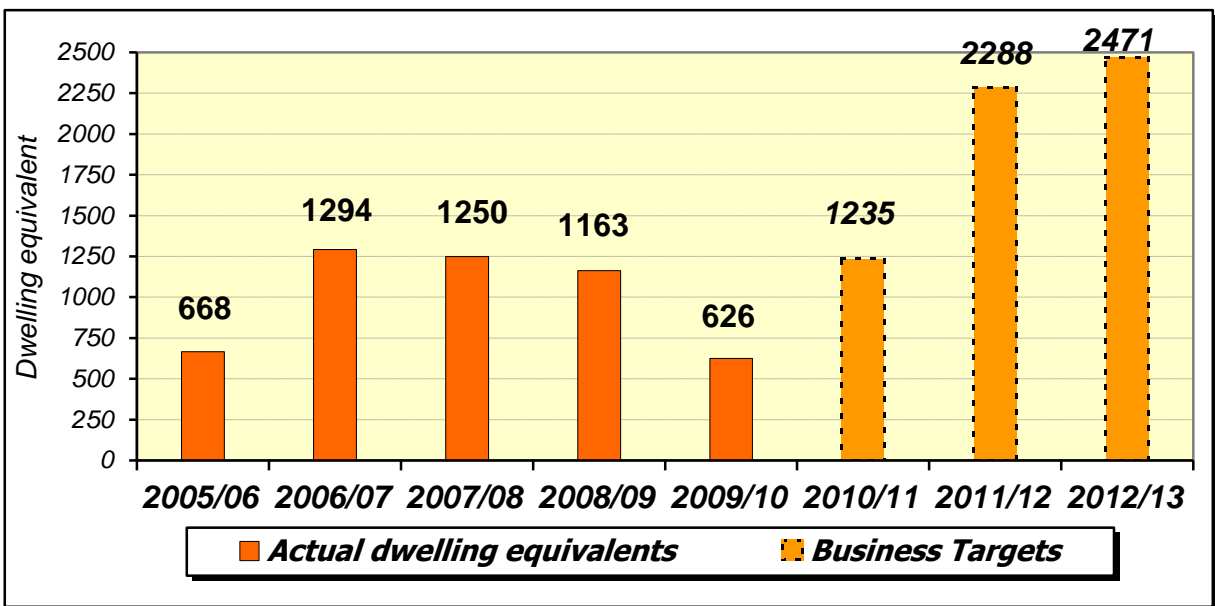
III. Overall Land Released

- Between 2005/06 and 2009/10 LandCorp released 1,072 hectares of land to the market.



IV. Overall Dwelling Equivalents (based on released land)

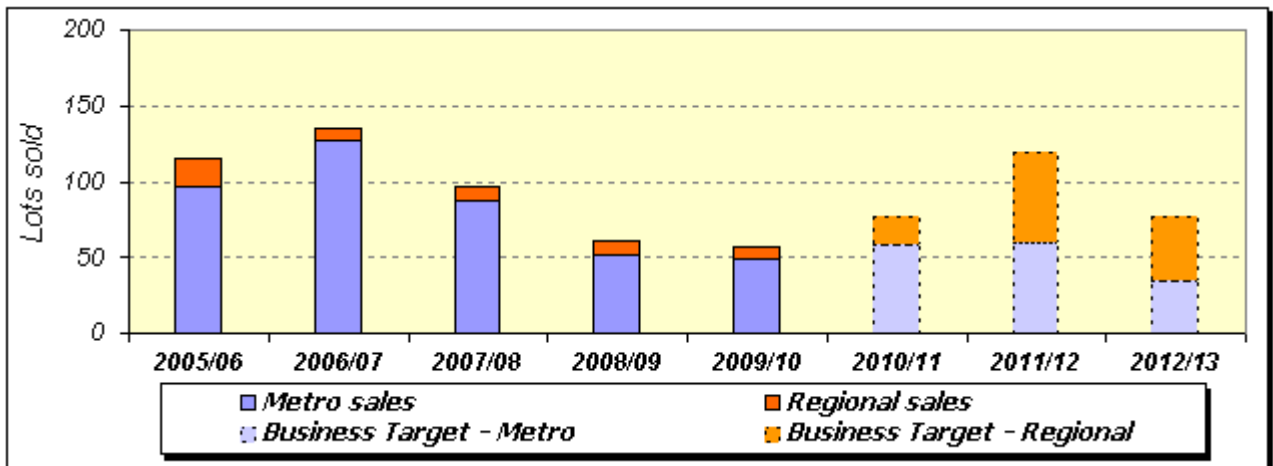
- “Dwelling equivalents” is the maximum dwelling capacity of the land sold.
- Between 2005/06 and 2009/10, LandCorp released land to market to cater for more than 5,000 dwelling equivalents across WA.
- Some 1,650 dwelling equivalents were delivered in the Perth metropolitan area and 3,347 dwelling equivalents in regional Western Australia.
- The 2009/10 figures are lower because project timing has led to releases being made in 2008/09 and 2010/11.



Industry and Infrastructure Program

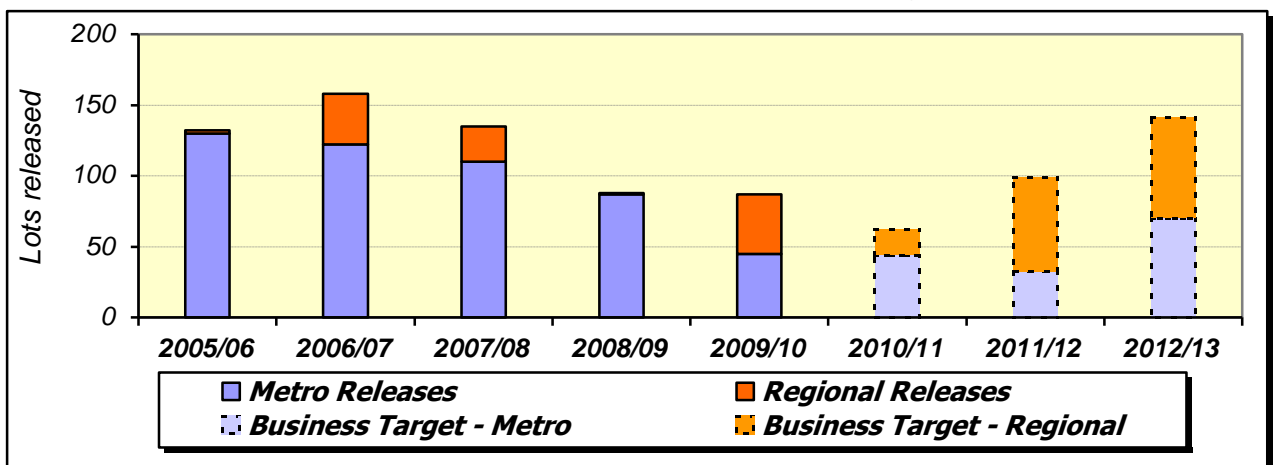
V. Industry & Infrastructure Program Lot Sales

- Between 2005/06 and 2009/10 LandCorp sold 466 industrial lots, of which 413 were in metropolitan Perth and 53 in regional WA.
- The total area of lots sold during this period was 406Ha.
- The business target for 2010/11 is for 77 industrial lots to be sold, of which 12 are expected to be in regional WA, while 65 are within Perth metropolitan area.
- Lot sales trends have followed market demand.



VI. Industry & Infrastructure Program Lot Releases

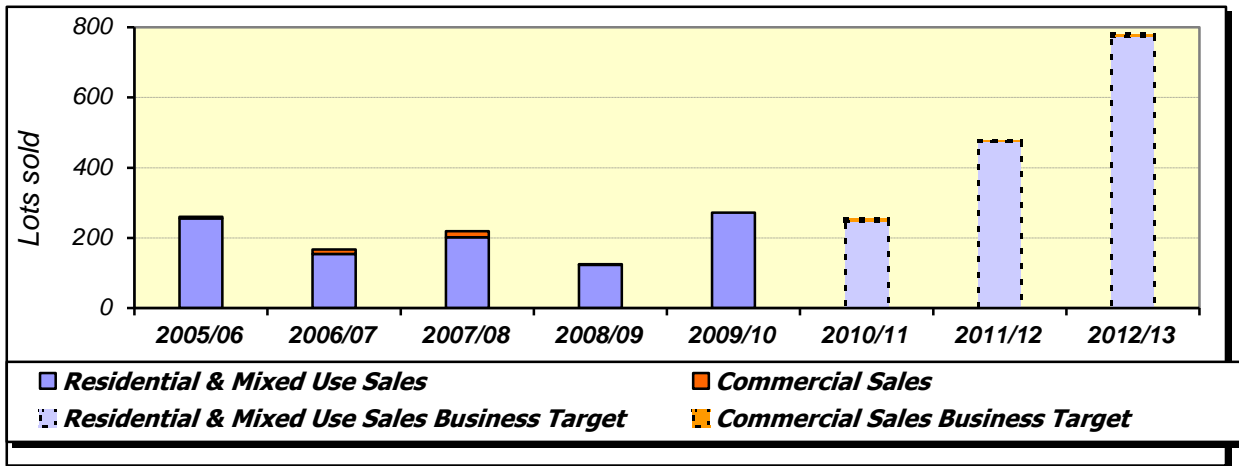
- Between 2005/06 and 2009/10, 600 industrial lots were released to the market with a total area of 534 hectares.
- The Business Target for 2010/11 is for 44 lots to be released in the metropolitan area and another 18 lots to be released in regional WA.



Metropolitan Program

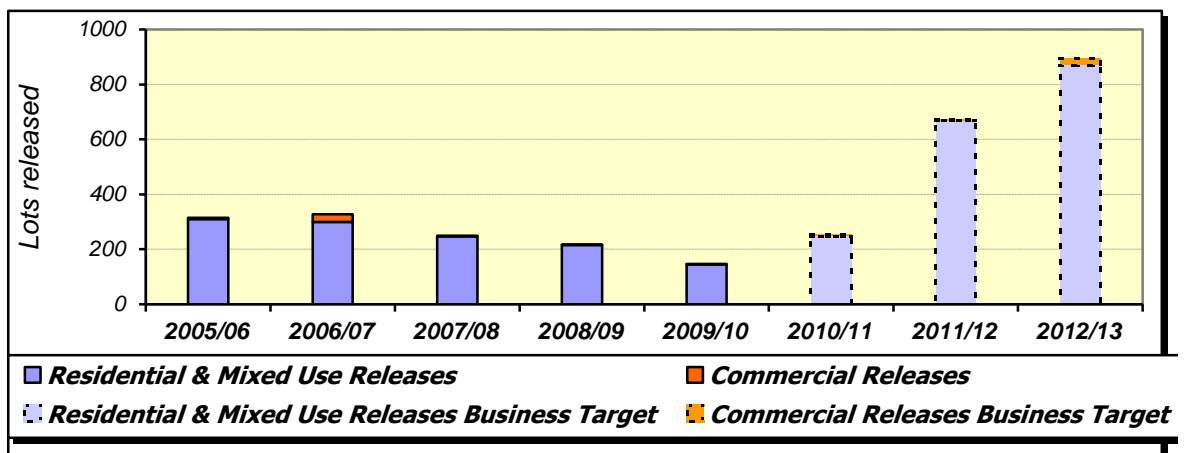
VII. Metropolitan Program Lots Sold

- In the last five years LandCorp sold 1,043 residential, mixed use and commercial lots in the Perth metropolitan area.
- The highest selling projects (in terms of lots sold) in the last five years was Harvest Lakes (445 lots sold), Clarkson Ocean Keys (123 lot sales), Baldivis Evermore Heights (111 lot sales) and Nedlands Hollywood High School (75 lot sales).



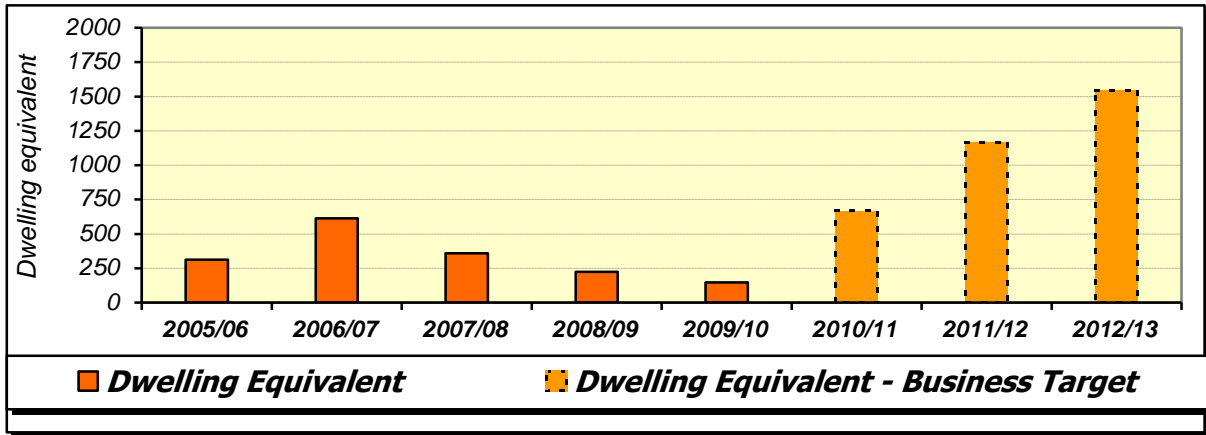
VIII. Metropolitan Program Lots Released

- Between 2005/06 and 2009/10 LandCorp released more than 1,250 residential, mixed use and commercial lots to the market.
- Projects with the highest releases in the past five years were Atwell Harvest Lakes, Baldivis Evermore Heights, Clarkson Ocean Keys and Champion Lakes.
- There has been a steady decline over the past four years but a major lift in lots released is forecast for the out years.



IX. Metropolitan Program Dwelling Equivalents Delivered (based on releases)

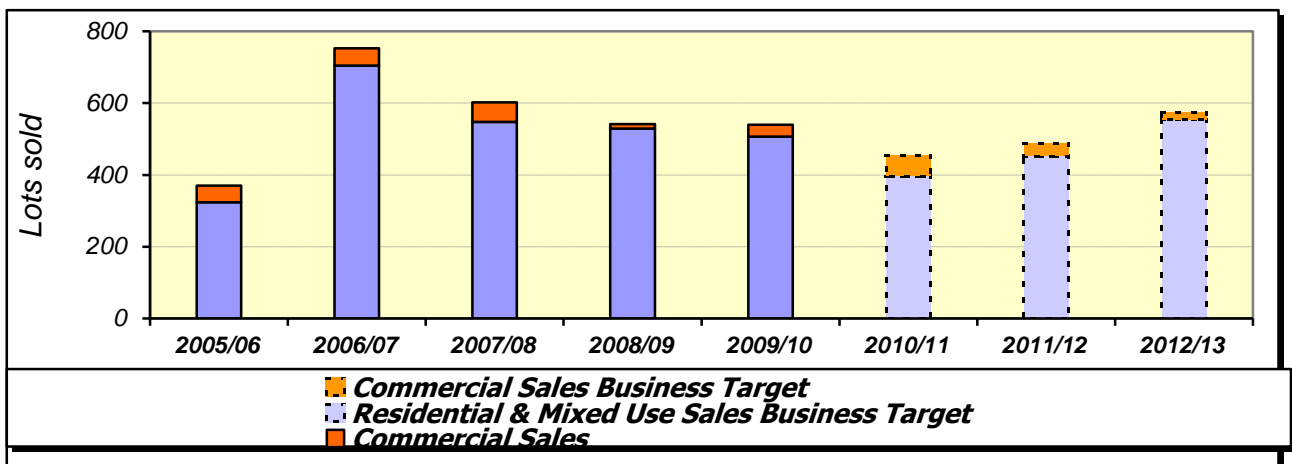
- Between 2005/06 and 2009/10 LandCorp delivered 1,654 dwelling equivalents to the market (resulting from residential and mixed use lots released to the market).



Regional Program

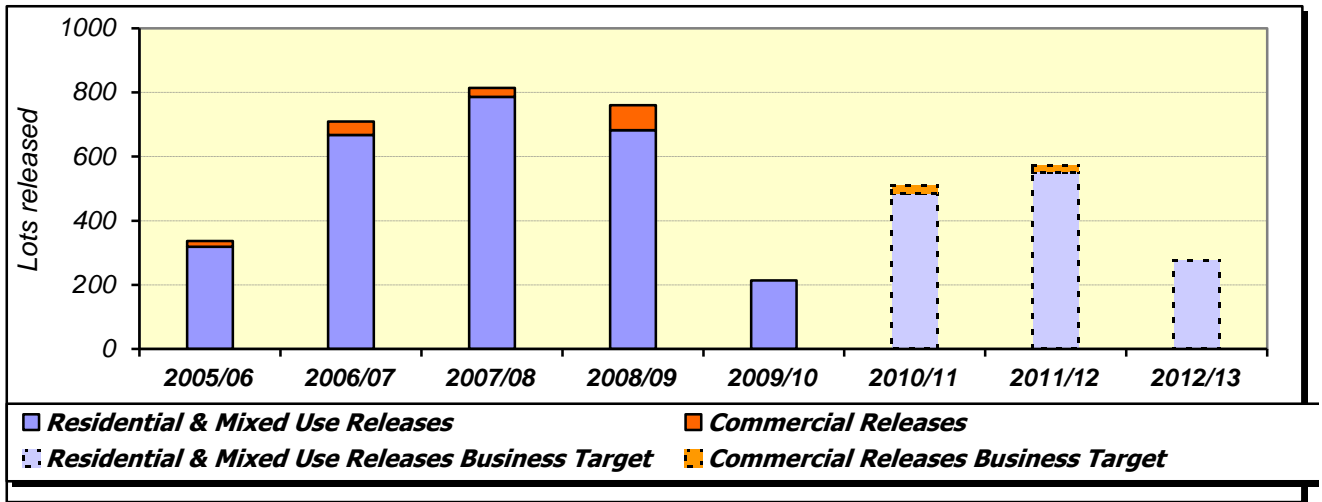
X. Regional Program Lot Sales

- In the last 5 years, LandCorp sold 2,806 residential, mixed use, commercial and light industrial lots across regional WA.
- This is 2.7 times the level of metropolitan sales (1,043) over the same period.
- The best selling projects in the last five years across the Regional Program were Karratha Tambrey / Nickol, Karratha Baynton West, Broome Cable Beach, Kununurra Lakeside Park, Hopetoun and Port Hedland Residential.



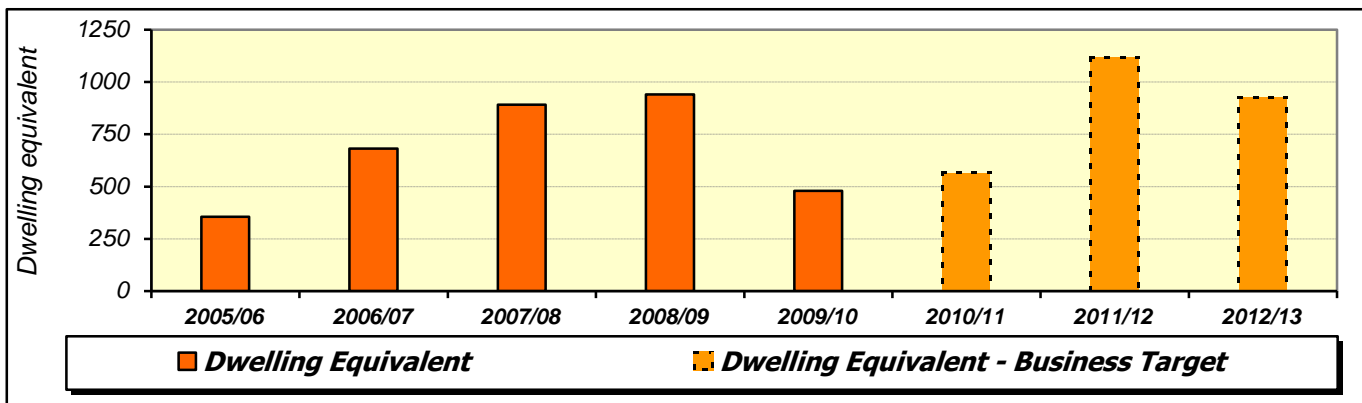
XI. Regional Program Lots Released

- Between 2005/06 and 2009/10 LandCorp released 2,834 residential, mixed use and commercial lots through its Regional Program. This is 2.3 times the level of metropolitan area lots released (1250) over the same period.
- The projects with the highest number of releases in the last 5 years include Karratha Tambrey / Nickol, Baynton West, Broome Cable Beach, Hopetoun, Kununurra Lakeside Park and Port Hedland Residential.



XII. Regional Program Dwelling Equivalents Delivered (based on releases)

- Between 2005/06 and 2009/10 LandCorp delivered 3,347 dwelling equivalents to the market through the Regional Program (resulting from residential and mixed use lots released to the market). This is over twice the number of metropolitan area dwelling equivalents released in the same period.

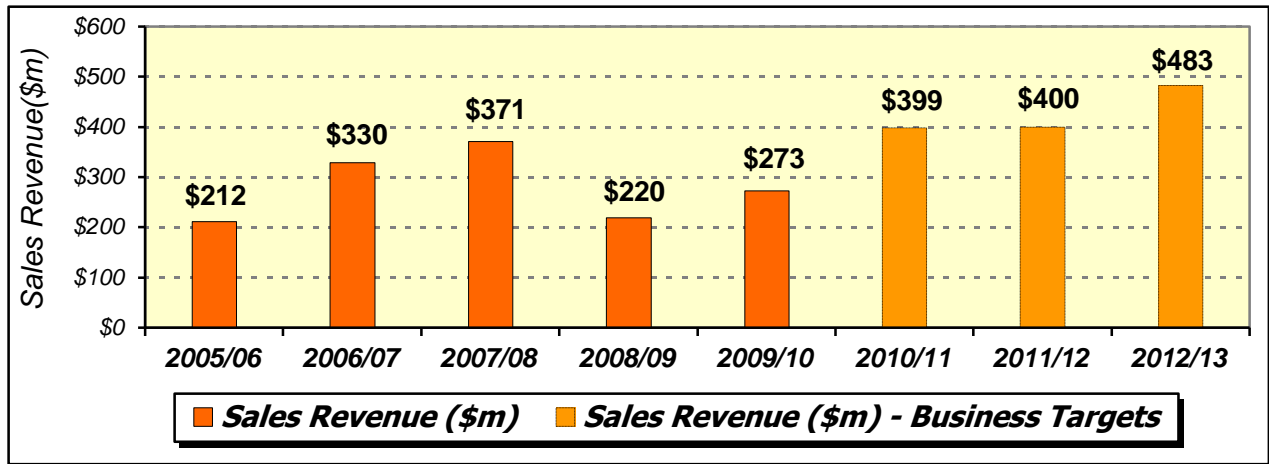


APPENDIX 1 (cont.)

Financial Performance between 2005/06 and 2009/10

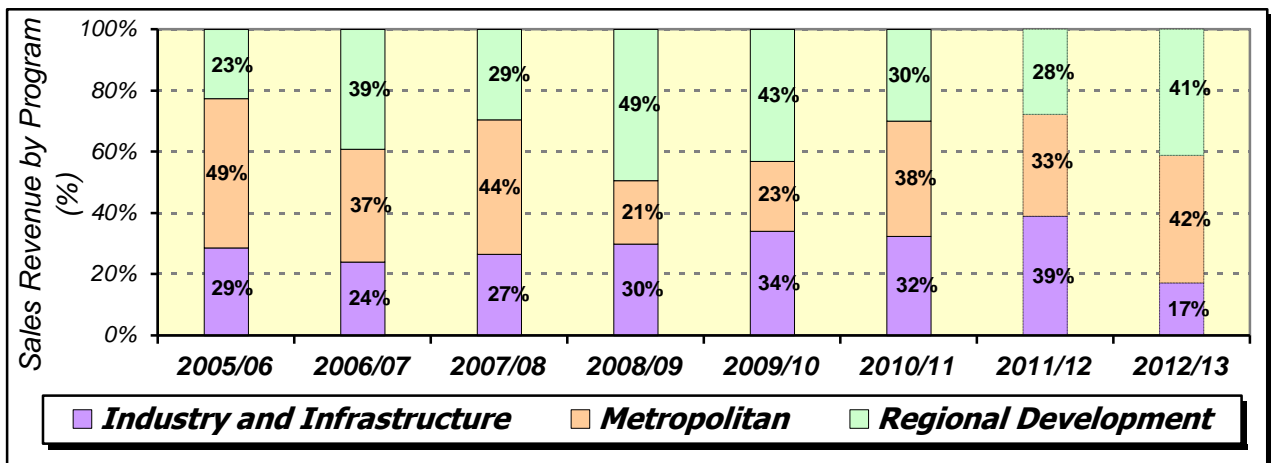
XIII. Sales Revenue

- The total sales revenue between 2005/06 and 2009/10 was \$1,405 million.
- The revenue dip in 08/09 is attributed to the effects of the Global Financial Crisis.



Revenue distribution across LandCorp Operational Programs:

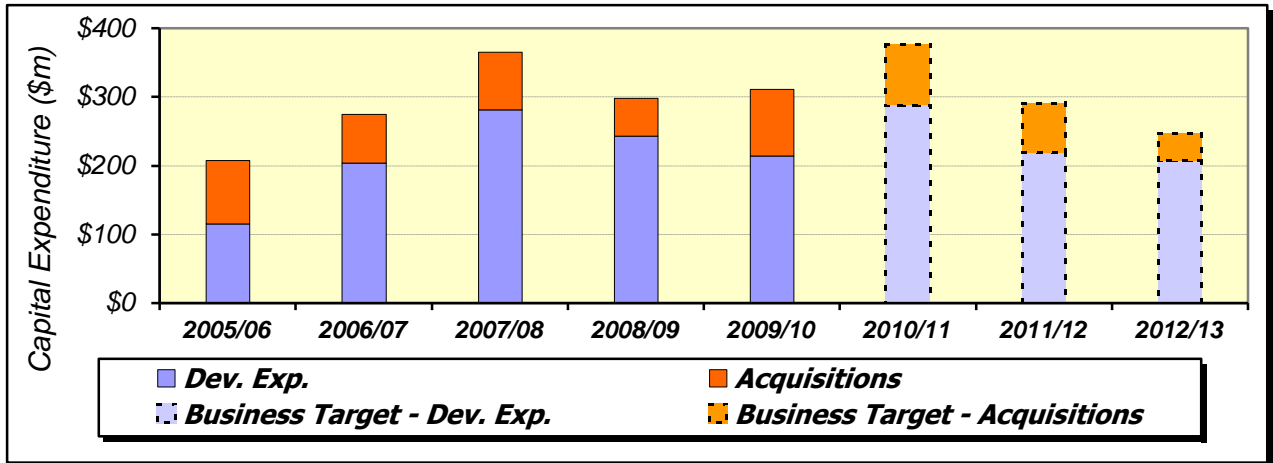
- Over the last five years, the percentage of revenue earned in each of the Program areas was:
 - Industry & Infrastructure Program: 28%
 - Regional Program: 37%
 - Metropolitan Program: 35%
- The figures above show an almost equal proportion of earnings from metropolitan and regional areas, despite larger sales volumes in the regions.
- Data for individual years (see chart below) shows that emphasis shifted to the regional areas in 2008/09 and 2009/10, in response to the Government's policy emphasis on regional development.



XIV. Capital Expenditure

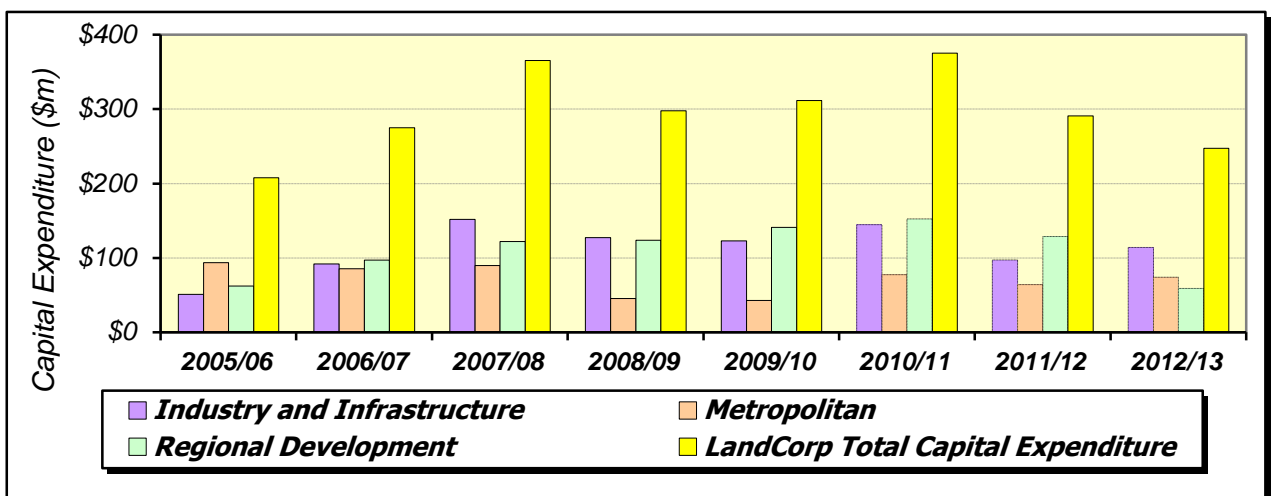
Capital expenditure reported in the charts below on an annual basis is the combined development expenditure and acquisition expenditure.

- Over the last five years LandCorp has invested a total of \$1,458 million. Of this amount 73% was development expenditure and 27% on land acquisition.



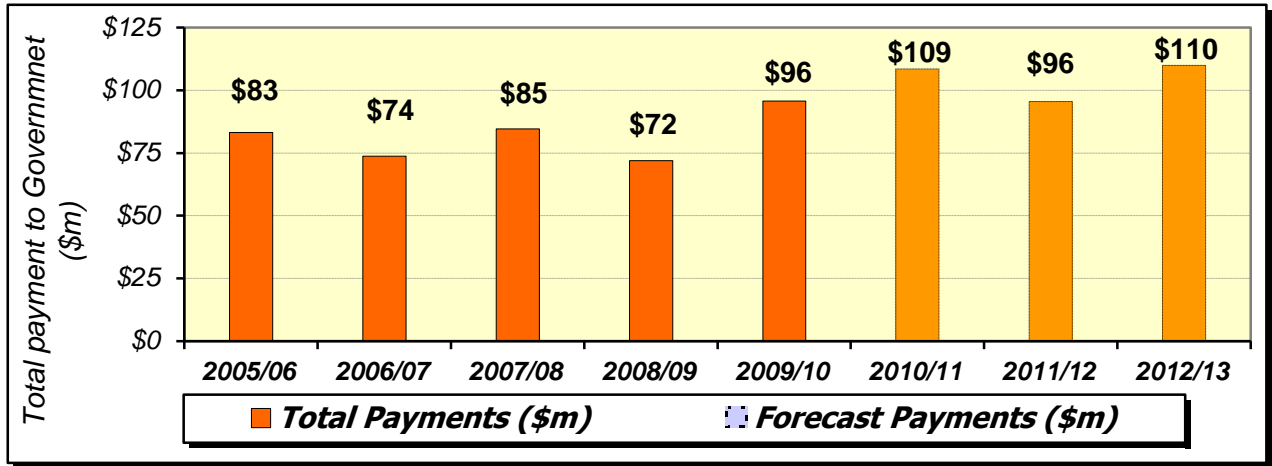
Capital Expenditure distribution across LandCorp Operational Programs:

- Over the last five years, the percentage of capital expended in each of the Program areas was:
 - Industry & Infrastructure Program: 37%
 - Regional Program: 38%
 - Metropolitan Program: 25%
- These figures clearly demonstrate an emphasis on regional and industrial development over the period in review, particularly in the last three years, as shown in the chart below for individual years.



XV. Cash Flow to and from government

- Total payments to government by LandCorp over the last five years and projected over the next three years are shown in the chart below.



The following Table shows the composition of those cash flows, including dividends plus tax equivalent payments (reflecting the competitive neutrality regime) less equity injections and CSOs received.

TABLE OF CASH FLOWS BETWEEN LANDCORP AND GOVERNMENT					
Financial Year	2005/06	2006/07	2007/08	2008/09	2009/10
Cash paid to government			\$'000		
Dividends (including special dividends)	35,451	18,751	23,291	17,751	28,846
Income tax equivalents	26,691	35,736	39,417	12,987	27,405
Land Tax	15,418	15,728	17,803	31,063	32,101
Stamp duty	3,558	2,501	2,644	7,935	4,190
Local Government Rate Equivalent	2,104	1,055	1,555	2,324	2,929
Total cash paid to government	83,222	73,771	84,710	72,060	95,471
Cash received from government					
Equity contributions	20,000	19,534	58,000	49,921	19,700
CSOs received	31,690	26,502	35,273	27,792	45,780
Total cash received from government	51,690	46,036	93,273	77,713	65,480
Net Cash flow to government	31,532	27,735	-8,563	-5,653	29,991

**APPENDIX 2:
ALIGNMENT OF LANDCORP ACTIVITIES WITH STATUTORY FUNCTIONS**

Table A	Functions of WALA as set out in s.16(1)				
	(a)	(b)	(c)	(d)	(e)
Program Level Alignment	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
Industry and Infrastructure Program	✓				✓
Metropolitan Program	✓	✓	✓	✓	✓
Regional Development Program	✓	✓	✓		✓
Government Services Program	✓	✓	✓		

Table B	Functions of WALA as set out in s.16(1)				
Project Level Alignment LandCorp Project	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
Industrial Land Development					
Forrestfield	✓	✓			
Kalgoorlie Anzac Drive	✓	✓			
Mungari Industry Park	✓	✓			
Albany Mirambeena Industrial Park	✓				
Albany Woodchip Mill	✓				
Mount Barker-Yerriminup Industrial Park	✓				
Narngulu	✓				
Oakajee	✓				
Neerabup Meridian Park	✓				
Wangara - Enterprise Park	✓				
Pinjarra	✓	✓			
Anketell Strategic Industrial Area	✓				
Karratha - Maitland	✓				
Karratha Burrup	✓	✓			
Karratha Support Industry	✓				
Onslow Ashburton Nth Industrial	✓	✓			
Port Hedland Boodarie	✓	✓			
Port Hedland General Indust	✓				
Collie Shotts	✓				

Table B	Functions of WALA as set out in s.16(1)				
Project Level Alignment	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
LandCorp Project					
Kemerton Industrial Park	✓				
Picton Industrial	✓	✓			
Forrestdale - Anstey Road	✓				
Bibra Lake Cockburn Comm	✓				
Jandakot North	✓				
Kwinana Beach - Conway Road	✓				
Avon Industrial Park	✓	✓			
AMC Heavy Fabrication	✓	✓			
AMC Service & Supply Base	✓	✓			
AMC Support Ind Precinct	✓	✓			
AMC Technology Precinct	✓	✓			
Hope Valley Flinders Precinct	✓				
Hope Valley Wattleup	✓				
Rockingham General Industrial Park	✓				
Rockingham Heavy/Special	✓				
Exmouth Industrial	✓				
Metropolitan Program					
Alkimos Lot 101 JV Share Of	✓				✓
Alkimos Project	✓				✓

Table B	Functions of WALA as set out in s.16(1)				
Project Level Alignment	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
LandCorp Project					
Area 2					
Alkimos/Eglinton	✓				✓
Joondalup Business Park South	✓			✓	✓
Joondalup CBD	✓			✓	✓
Joondalup City North	✓			✓	✓
Stirling Alliance	✓				✓
Jane Brook	✓	✓			
Claremont TOD	✓				✓
Fremantle Knutsford Precinct	✓	✓	✓		✓
Leighton	✓	✓			
Mosman Park Buckland Hill	✓	✓			✓
Mosman Park Minim Cove	✓	✓			✓
South Fremantle Landfill Site	✓		✓		
Rivervale- The Springs	✓	✓			✓
White Gum Valley- Kim Beasley	✓	✓			
Carine TAFE	✓	✓			
Clarkson Ocean Keys Dist Ctr	✓				✓
Craigie Camberwarra	✓	✓			
Craigie High School	✓	✓			
Girrawheen Blackmore	✓	✓			
Yanchep	✓				✓
Brookdale	✓	✓			✓

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LandCorp Project					
Champion Lakes - Landcorp	✓	✓			✓
Maddington Transit Develop	✓				✓
Seville Grove	✓				✓
Atwell Harvest Lakes	✓	✓			
Baldivis Evermore Heights	✓	✓			
Cockburn Central	✓	✓			
Coolbellup Koorilla Primary	✓	✓			
Coolbellup Nth Lake Schools	✓	✓			
Hamilton Hill Projects	✓	✓			
Karnup	✓	✓			✓
Kwinana Educational Precinct	✓	✓			
South Fremantle Power Station	✓	✓			
Waikiki High School	✓	✓			
Floreat Perry Lakes	✓	✓			✓
Regional Development					
Kununurra Ord River Expansion	✓	✓			✓
Exmouth Townsite	✓	✓			
Kambalda West	✓	✓			
Denmark	✓	✓			
Frankland	✓	✓			
Mt Barker LIA	✓	✓			
Wellstead Fenwick St LIA	✓	✓			

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Wellstead Steedman St	✓	✓			
Derby	✓	✓			
Derby Alfonsas Street	✓	✓			
Halls Creek	✓	✓			✓
Kununurra Coolibah	✓	✓			✓
Kununurra Lakeside Park	✓	✓			✓
Kununurra LIA	✓	✓			✓
Green Head	✓	✓			
Kalbarri Townsite	✓	✓			
Mingenew	✓	✓			
Karratha Baynton West	✓	✓			✓
Karratha LIA	✓	✓			✓
Karratha Madigan Rd	✓	✓			✓
Karratha Mulataga	✓	✓			✓
Karratha Tambrey Primary	✓	✓			✓
Karratha Town Centre	✓	✓			✓
Newman LIA	✓	✓			✓
Newman Residential	✓	✓			✓
Onslow New Residential	✓	✓			✓
Port Hedland LIA	✓				✓
Port Hedland Residential	✓	✓			✓
Collie Light	✓	✓			✓

Table B	Functions of WALA as set out in s.16(1)				
Project Level Alignment LandCorp Project	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
Industrial					
Collie Residential	✓	✓			✓
Harvey	✓	✓			
Walpole Town	✓	✓			
Dalwallinu	✓	✓	✓		
Dowerin	✓	✓			
Jurien Bay	✓	✓			
Lancelin	✓	✓			
Trayning Townsite	✓	✓			
Varley	✓	✓			
Exmouth Marina Village	✓	✓			✓
Kalgoorlie North West Sector	✓	✓			
Albany Emu Point	✓	✓			
Albany Waterfront	✓	✓			✓
Broome Cable Beach	✓	✓			✓
Broome North	✓	✓			✓
Mandurah Ocean Marina	✓	✓			✓
Mandurah TOD	✓	✓			✓
Karratha Gap Ridge Bulky Goods	✓	✓			✓
Karratha Service Workers Accommodation	✓	✓			✓
Karratha Tambrey Mixed Use Site	✓	✓			✓
Karratha Revitalisation	✓				✓
Port Hedland Tidal	✓	✓			✓

Table B	Functions of WALA as set out in s.16(1)				
<p>Project Level Alignment</p> <p>LandCorp Project</p>	To be an agency which provides or promotes the provision of land for the social and economic needs of the State	To be an agency through which the crown and public authorities may dispose of land	To be an agency through which local governments and regional local governments may dispose of land in accordance with the Local Government Act 1995	Complete the development of the Joondalup Centre in accordance with the plan referred to in section 18 on the land described in Schedule 2	Identify other potential centre of population and centres of population in need of urban renewal and use its power to bring about the provision or improvement of land, infrastructure, facilities or services for the same
Flats					
South Hedland	✓	✓			✓
Bunbury Waterfront	✓	✓			✓
Gracetown	✓	✓			✓
Cervantes	✓	✓			
Government Services					
Government Asset Disposal	✓	✓	✓		
Contaminated Site Services	✓				
Rottneest Island	✓				

APPENDIX 3 LIST OF ABBREVIATIONS

CSO	Community Service Obligation
DoH	Western Australian Department of Housing
GTE	Government Trading Enterprise
HIA	Heavy Industrial Area
ICC	Infrastructure Coordinating Committee of the WAPC
LGA	Local Government Authority
LIA	Light Industrial Area
MoU	Memorandum of Understanding
PACH	Property Asset Clearing House of RDL
RDL	Western Australian Department of Regional Development and Lands
SCI	Statement of Corporate Intent
SDP	Strategic Development Plan
WACC	Weighted Average Cost of Capital
WALA	Western Australian Land Authority (trading as LandCorp)
WAPC	Western Australian Planning Commission