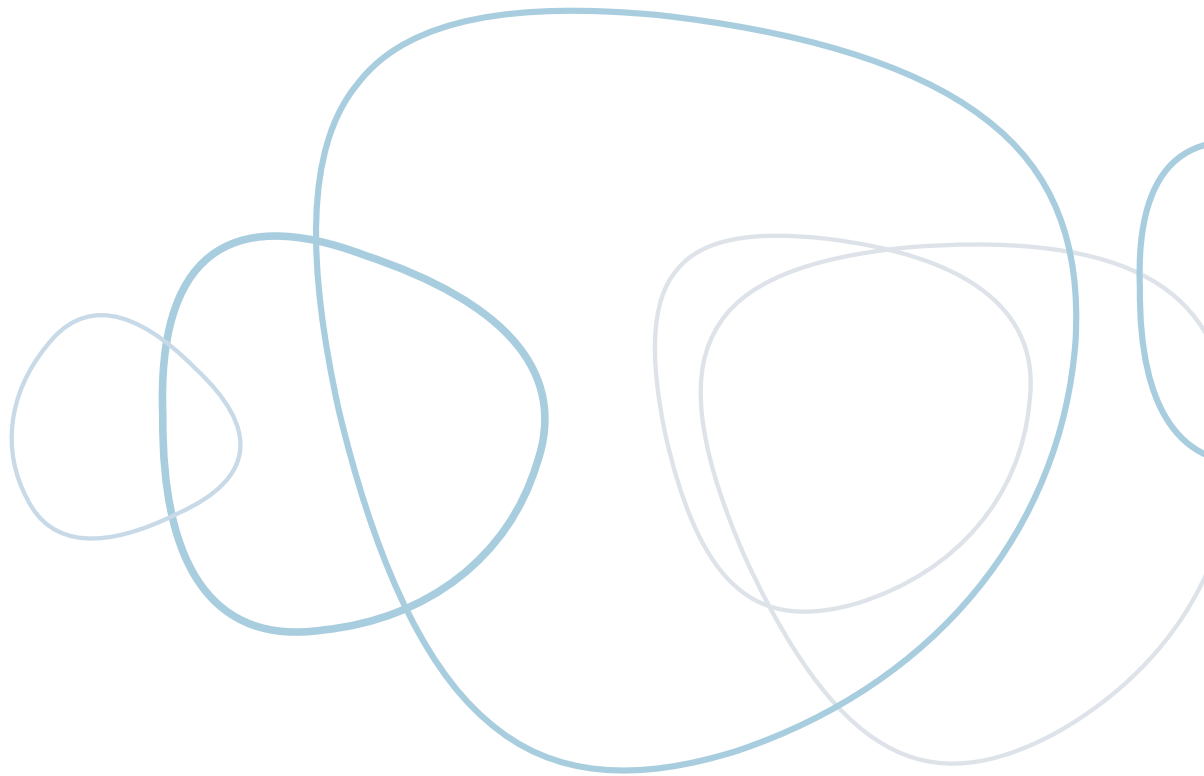
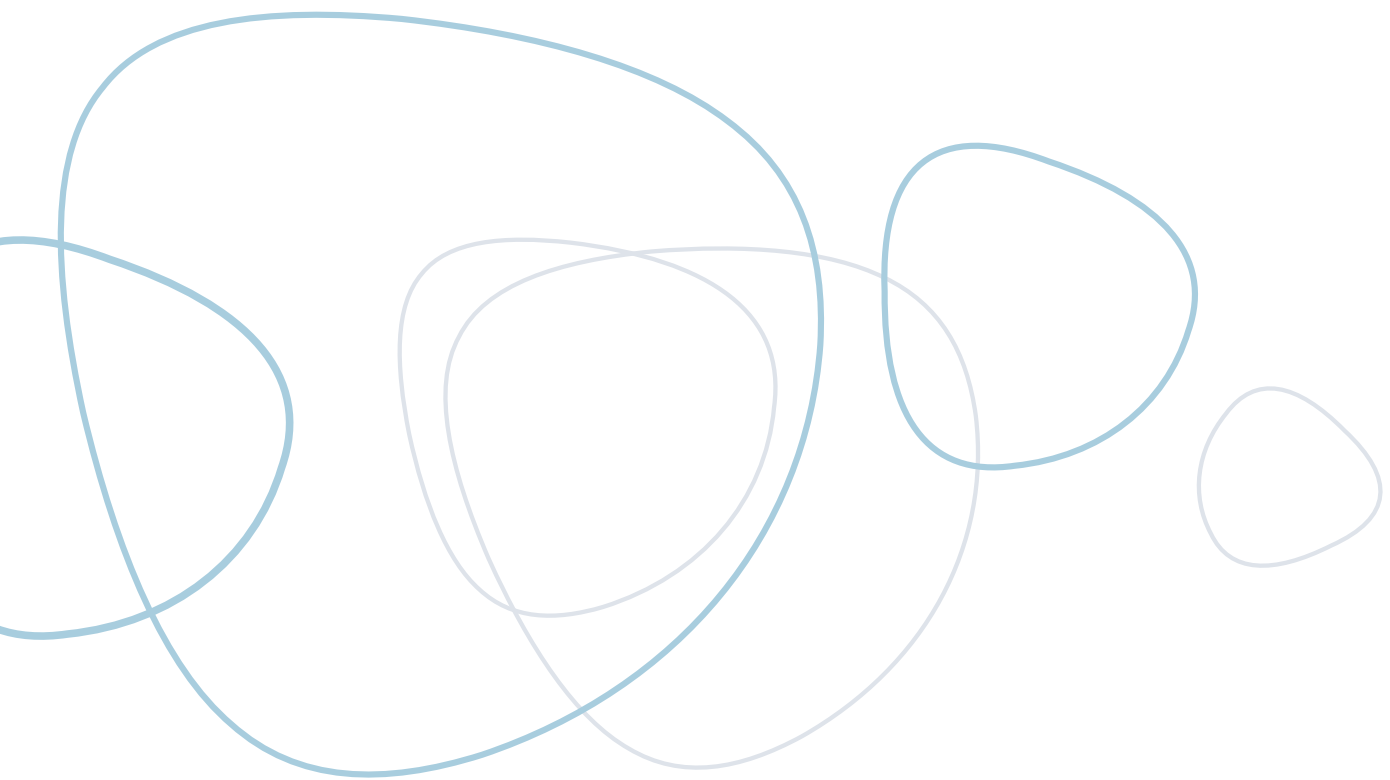




Statement of Corporate Intent

2014/15





Contents

04

**Section One
Leadership**

06

**Section Two
About Us**

07

**Section Three
Our Strategic Agenda**

08

**Section Four
Our Plan for 2014/15**

16

**Appendix One
Financial Outcomes**

23

**Appendix Two
Key Performance Indicators**

43

**Appendix Three
Governance**

Section One - Leadership



A message from the Chairman

At Landgate, we are firmly committed to creating value for our customers and shareholder.

To date, we have successfully delivered a range of strategic and operational reforms to improve our productivity and performance.

We know that to grow our business and meet the demands of a changing customer and technology landscape, we need to accelerate our reform agenda.

This *Statement of Corporate Intent* demonstrates our ongoing commitment to optimising our processes and systems and maximising the value of our investments, while maintaining service delivery to our customers.

Through Landgate's business transformation program, TRANSFORM, we will implement a series of improvements to better engage with our customers, make our processes and systems efficient and user friendly, and build the capability of our workforce.

This *Statement of Corporate Intent* is the first step towards making our business future-ready, and realising our potential. It is a robust action plan to help us implement measurable and sustainable initiatives to improve the performance of this business.

I look forward to working with Mike Bradford and the executive team as they implement this plan for 2014/15.



Our year ahead

Our success is driven by the decisions we make and how well they are executed. This *Statement of Corporate Intent* provides a clear action plan to guide our first year on the TRANSFORM journey.

With opportunities identified across the customer experience, finance, technology, processes and people, this plan represents our commitment to sustainable improvement.

We will ensure our energies are focused on activities that provide the most value for our customers and returns to our shareholder.

This means changing the way we operate and building a culture around business excellence that is responsive in meeting our customers needs.

As we work towards our common goals, we will continue to maintain service delivery to our customers, and progress current

initiatives such as National Electronic Conveyancing, the Location Information Strategy (LIS) and Strata Titles Act Reform (STAR).

The success of our change agenda depends on the continued desire to work innovatively and collaboratively with industry and the community.

We have worked hard to successfully deliver a number of key initiatives over the past year. For example, the implementation of electronic conveyancing and the *Shared Location Information Platform (SLIP) Future*, the infrastructure which improves the ability to manage, share and use location information across government.

I look forward to an exciting year ahead as we begin the TRANSFORM journey, and build on our successes to create a better business together.

Section Two - About Us



Our Role and Function

Landgate was established under the *Land Information Authority Act 2006* (the Act) to be an innovative, commercially focused Statutory Authority responsible for Western Australia's land and property information.

Our Purpose

Landgate secures the property rights of the community and optimises the access, use and integration of authoritative location information to deliver economic, environmental and social benefits to government, industry and the community.

Landgate delivers a broad range of location information products and services to state, national and international customers in government, the private sector and the community.

Our Values

We work together as one business and collaboratively and consultatively with our partners. Our values include:

- **Community** – by showing respect and taking responsibility
- **Excellence** – in everything we do
- **Creativity** – in what we do and how we do it
- **Growth and Learning** – by growing our business and developing our people
- **Celebration** – by recognising our people and our achievements
- **Sustainability** – by contributing to a sustainable environment and providing a sustaining work environment.

Section Three - Our Strategic Agenda

An integrated approach

Taking an integrated approach to strategy execution involves aligning strategy, planning and budgets with measurement of success. For Landgate to successfully execute its strategy, it must be enabled by its people, processes, technology and data.

Our approach to integrated strategy execution is outlined in figure 1 below.

The journey of TRANSFORM

The TRANSFORM program has already holistically assessed the business, with the findings pointing to a series of improvements expected to deliver the following outcomes:

- A deep understanding of our customers and how best to meet their needs
- Optimal management and use of current and future capital
- High value process and technology improvements
- A highly engaged, high performing workforce.



Figure 1: Driving the implementation of strategy through planning and performance management

Section Four - Our Plan for 2014/15

Key Initiatives

Our plan for 2014/15 consists of the TRANSFORM program, as well as current projects which are already reforming our business. These include National Electronic Conveyancing, Pricing Reform, the Location Information Strategy, and Strata Title Reform.

It is acknowledged that as we move to improve our business, we must continue to deliver for our customers today. This will involve balancing the demands of transformation and current projects with delivery of our existing services, as well as new high priority projects that may arise (i.e. system and process changes to support impending local government reforms).



Figure 2: Landgate's key initiatives for 2014/15

TRANSFORM Overview

TRANSFORM

Commenced in 2013/14, TRANSFORM will continue implementation in 2014/15 and over the next two years. TRANSFORM involves implementing a pragmatic series of business improvement opportunities which will ensure we deliver optimal value to our customers and shareholder, improve our operating performance and build a highly skilled and engaged workforce.

Customers and Industry

Customers will be central to everything we do. In 2014/15, Landgate will strengthen its customer focus through a deeper understanding of its customers.

A series of initiatives including a *Know Your Customer* program and market segmentation will provide a platform for development of the customer strategy and an improved cost to serve model.

Deeper understanding of our customers will inform Landgate's future product suite, ensuring value for customers and an adequate return for commercial products and services. In addition, it will help us streamline customer channels and enhance the customer experience.

Development of customer knowledge will be supported through implementation of a customer relationship management (CRM) system across Landgate, and a redeveloped corporate website.



Figure 3: Overview of TRANSFORM

TRANSFORM Overview - cont.

Systems and Processes

Landgate will begin the design phase for a new operating model with appropriate governance structures. The outputs will be better business performance and reduced operational cost. This will align with work to implement business process improvement opportunities identified in the assessment phase of TRANSFORM through methodologies such as Lean Six Sigma.

An enhanced portfolio management capability will be introduced to improve oversight of organisational wide projects to drive better benefits realisation.

Planning will progress for an appropriate IT operating environment and the development of future state architecture that supports the delivery of Landgate's products and services in a contemporary, cost efficient manner. This will include investigation into modernised, simplified core systems and enhancements to corporate systems supporting financial, human resource and time management functions.

People and Suppliers

Landgate will maximise workforce capability by focusing on improved recruitment strategies and learning and development programs. This includes a review of recruitment practices to ensure Landgate has the best people for the job and the implementation of a learning and development framework to build staff capability.

Additionally, a leadership program will be established to ensure Landgate has the management capabilities to deliver its *Strategic Development Plan*.

To drive behaviours and work practices which align with Landgate's desired future state, our corporate values will be revisited and refreshed. Passion for customer service and innovation will anchor a culture of business excellence and performance.

A culture of accountability will also be strengthened. The GPS program will be integral to managing individual performance, building accountability and career development, while providing employees with a better understanding of how their work contributes to Landgate achieving its goals.

Financial Performance and Investment

Landgate will progress governance arrangements that facilitate the allocation of finite capital, talent and resources to improve the strategic alignment of projects and return on investment.

Landgate will also plan for the introduction of a new treasury capability for the identification and management of external investment opportunities to deliver maximum return on its external investments.

Progressing current projects

National Electronic Conveyancing

The implementation of national electronic conveyancing will continue to reform the property and real estate industry by automating highly manual conveyancing and registration processes.

Landgate is a participant in this Council of Australian Governments (COAG) led initiative and is a shareholder in the company delivering the technical platform for e-conveyancing, known as Property Exchange Australia (PEXA).

Following the successful implementation of Release One, Release Two will be implemented in 2014/15 in two stages.

The first stage will extend the functionality of PEXA to enable processing of documents with duplicate Certificates of Title.

The second stage will enable processing of simple caveats, withdrawals of caveats, transfers, payment of stamp duty and full financial settlement, and allow additional subscribers such as conveyancers and lawyers, to use PEXA for the first time.

On completion of Release Two, it is estimated that between approximately 60% to 70% of Landgate's total transactions will be capable of being lodged through PEXA.

Pricing Reform

Following Cabinet approval to draft legislation to enable reform of its pricing framework, Landgate will continue to reform its pricing model. This will enable Landgate to secure its financial footing by retaining savings made through business efficiencies to reduce costs for customers, deliver public policy benefits for WA, provide a greater return to its shareholder and reinvest into business transformation.

To enable pricing reform, minor amendments will also be made to the:

- *Land Information Authority Act 2006*
- *Transfer of Land Act 1893*
- *Strata Titles Act 1985*
- *Valuation of Land Act 1978* and
- *Registration of Deeds Act 1856.*

Extensive work will be undertaken to embed pricing reform across the business. This will include changes to pricing policy and practice, and external stakeholder communication. Further areas of pricing reform will be explored, including treatment of, and funding for, fundamental land information and reducing reliance on appropriation.

Progressing current projects - cont.

Strata Title Act Reform (STAR)

Landgate has been tasked by the Government to deliver reforms to the *Strata Titles Act 1985* on a fast-tracked basis. Pressures from a growing population and rising property prices means the demand for strata title as a cost effective and flexible development option is increasing. Strata title is a key enabler to help address some of these challenges. Therefore, the need for a robust and suitable legislative framework is critical.

Landgate will finalise legislative proposals for strata reform with stakeholders and seek government approval to implement the reform through the legislative process.

When the legislative changes are agreed, work will commence on defining the changes required to Landgate's core systems and operations. The design and testing of the system changes will be completed in late 2014/15. Landgate will also continue to work closely with agencies such as the Office of State Revenue and Department of Commerce, whose systems, processes and policies will be impacted by the reforms.

Location Information Strategy (LIS)

In collaboration with the Western Australian Land Information System (WALIS) community, Landgate will continue to lead the cross-government effort to consolidate and improve access to, the State's location information resources.

In 2014/15 LIS initiatives include:

SLIP Future

Landgate is leading this initiative to deliver an integrated spatial data infrastructure which improves the ability to manage, share and use location information across government. *SLIP Future* is deployed on the Google Maps Engine platform from the existing *SLIP* infrastructure.

Landgate will transition the data and customer base to the new *SLIP Future* and then decommission the existing technology platform.

Landgate will also enhance the value of the *SLIP* service by increasing the number of available datasets and also expand its customer base.

Strategic Capture of the State's Location Information

The State Land Information Capture Program (SLICP), coordinates high priority aerial and high resolution satellite imagery capture to support planning for the development of town sites, major infrastructure and better land use.

In 2014/15, high resolution aerial imagery capture for the second round of priority sites will be completed. The second update of high resolution and current satellite imagery coverage for the entire state will also be accomplished.

Regional and Urban Scenario Planning (RUSP)

Led by the Department of Planning, this initiative will improve access to information on infrastructure and services in WA and visualise the impact of new developments under different scenarios.

Deliverables for 2014/15 include progressing the development of a Regional and Urban Scenario Planning tool. In addition, spatial datasets required for scenario planning will be standardised to ensure optimal use.

Coastal Vulnerability

Led by the Department of Transport, this initiative will improve the quality of, and access to, coastal and marine data. This enables state and local government agencies to undertake more robust coastal planning that will mitigate the risk that major climatic events pose to infrastructure, industry and services.

Deliverables for 2014/15 include the complete capture of all priority datasets for managing coastal vulnerability and the provision of this data through *SLIP*.

Location Information Strategy Benefits Study

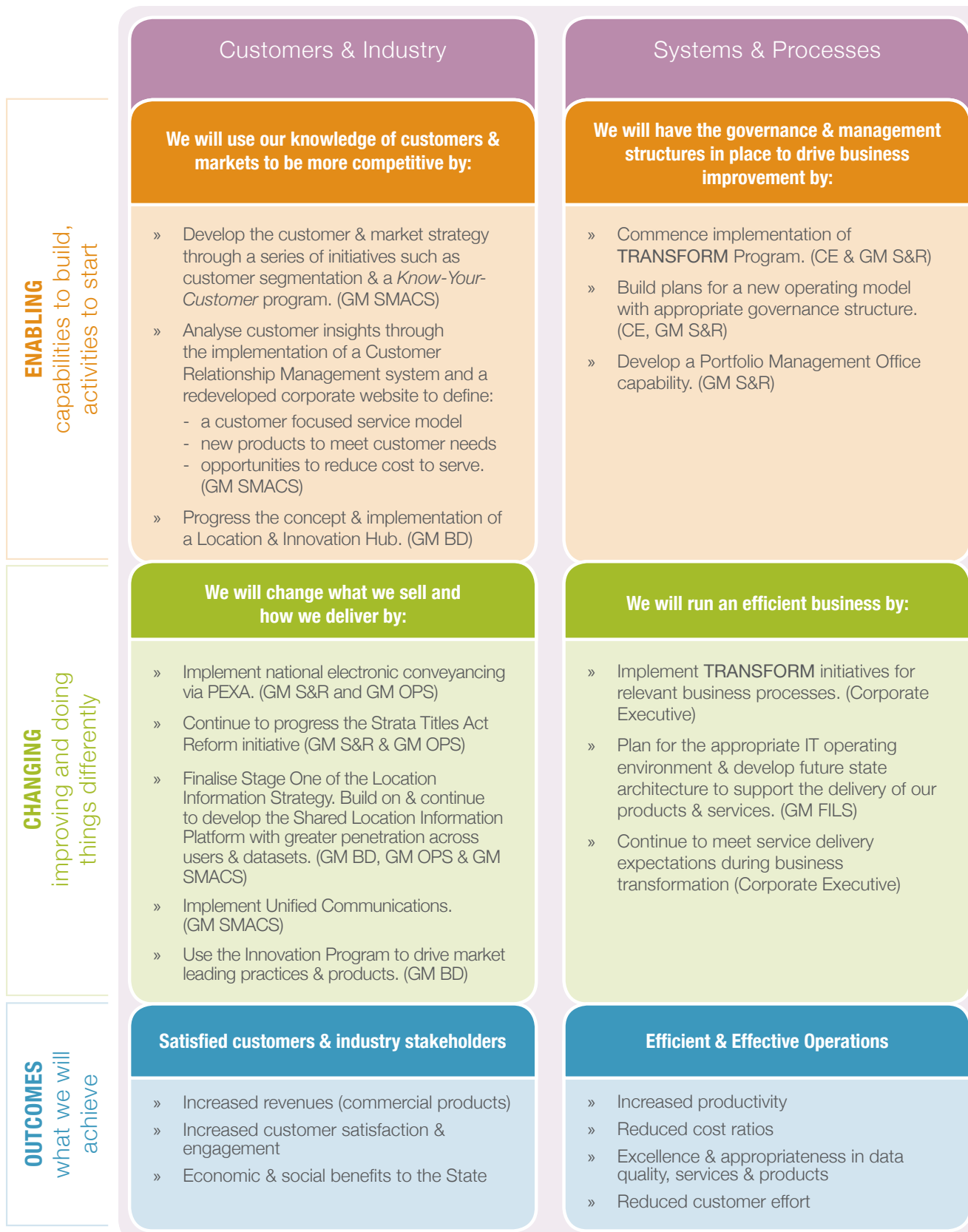
Landgate will undertake a benefits study to determine the value and benefits delivered by the Location Information Strategy Phase One program of work. The outcomes of this study will support the business case proposal for the Phase Two program of work, which will be submitted in 2014/15 for approval and funding.

Location and Innovation Hub

Following the development of a high level concept for the hub, detailed planning and implementation is intended to take place in 2014/15.

The Location and Innovation Hub will create a centre of excellence for location information and technology. It will focus largely on industry development and government efficiency outcomes. Benefits include a stronger location industry in WA, and improved government service delivery through better use of location information technology.







Appendix One - Financial Outcomes

Projected 2014/15 financial performance and capital investment are reflected in the following financial statements. Projected financial outcomes and performance targets for 2014/15 are also included. Highlights are provided in the table below:

PROJECTIONS	(\$'000)
Profit for year end 30 June 2015	\$18,311
Net assets as at 30 June 2015	\$209,686
Cash Balance as at 30 June 2015	\$94,390
Dividends paid during year ended 30 June 2015	\$4,086

Key policies and assumptions used in preparing Landgate's financial statements are outlined below:

Key Assumptions & Policies

Regulated Revenues

Revenue projections have been prepared following trend analysis and assessment of economic forecasts to predict the future activity in the property market. Activity is expected to increase in 2014/15, though these forecasts will be closely monitored in light of property market movements.

Funds provided by Government

The reliance on funds from Government will continue to reduce over time as the payments to the State including taxes and increasing dividends offset service appropriations.

Dividend Policy

In accordance with the *Land Information Authority (LIA) Act 2006*, after the end of the financial year the Board is to make a recommendation to the Minister as to whether a dividend should be paid and the amount of that dividend. Landgate's projected dividends, based on after tax profit, are expected to increase over the term of the *Strategic Development Plan*.

Accounting Policy

Landgate prepares financial statements on the accrual basis of accounting using the historical cost convention, except for land and building which are periodically valued to fair value.

Landgate prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) as applied by the Treasurer's Instructions.

Landgate's detailed accounting policies can be found in the notes accompanying the financial statements in the Annual Report.

Performance Reporting

Landgate provides the Minister with a half yearly report covering the first six months of the financial year and an annual report prepared in accordance with the provisions of the *Financial Management Act 2006* and Treasurer's Instructions.

Services provided to and on behalf of Government

Landgate performs functions on behalf of the State Government that are not otherwise commercially viable. These services are provided to meet the Government's desire to satisfy the broader economic, environmental and social needs of the community.

These services include:

- State wide mapping and surveying programs
- Collection and maintenance of state wide fundamental land information datasets
- Provision of access to government location information.

Landgate funds these services through a service appropriation from the State Government.



Profit and Loss Statement

REVENUE	2014/15 (\$'000)
Registration services	109,945
Valuation services	13,180
Commercial products & services	11,723
Interest revenue	2,744
Service appropriations	28,721
Royalties for regions fund	179
Resources received free of charge	665
TOTAL REVENUE	167,157
EXPENSES	
Employee benefits	81,140
Supplies & services	30,453
Depreciation	13,333
Accommodation	5,287
Other expenses	8,928
Finance costs	2,113
TOTAL EXPENSES	141,254
PROFIT BEFORE INCOME TAX EQUIVALENTS	25,903
Income Tax Equivalents	7,592
PROFIT FOR THE PERIOD	18,311

REGULATED REVENUE ACTIVITY

Documents ('000)	352
Searches ('000)	1,915

Balance Sheet

	2014/15 (\$'000)
CURRENT ASSETS	
Cash	91,755
Receivables	10,822
Amounts receivable for services	4,110
Other current assets	3,569
Total current assets	110,256
NON-CURRENT ASSETS	
Restricted cash	2,635
Amounts receivable for services	22,924
Investments	32,135
Leased land & building	53,255
Fixed assets, intangibles & land reserves	43,490
Other non-current assets	7,219
Total non-current assets	161,658
TOTAL ASSETS	271,914
CURRENT LIABILITIES	
Employee provisions	13,225
Payables	7,268
Finance lease	3,152
Other current liabilities	14,886
Total current liabilities	38,531
NON-CURRENT LIABILITIES	
Employee provisions	3,893
Finance lease	19,590
Other non-current liabilities	214
Total non-current liabilities	23,697
TOTAL LIABILITIES	62,228
NET ASSETS	209,686
EQUITY	
Contributed equity	82,648
Reserves	33,425
Retained earnings	93,613
TOTAL EQUITY	209,686

Cash Flow Statement

	2014/15 (\$'000)
CASH FLOWS FROM STATE GOVERNMENT	
Service appropriations	23,899
Royalties for regions fund	179
Holding account drawdowns	4,386
Capital contributions	1,806
Income tax equivalents	(8,442)
Dividends paid	(4,086)
Payroll tax	(4,453)
NET CASH PROVIDED BY STATE GOVERNMENT	13,289
CASH FLOWS FROM OPERATING ACTIVITIES	
<i>Payments</i>	
Employee benefits	(80,809)
Administration	(34,145)
Accommodation	(5,287)
Finance costs	(2,113)
GST payments	(5,580)
<i>Receipts</i>	
Operating receipts	143,551
GST receipts	5,580
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,197
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of non-current assets	(15,214)
NET CASH USED IN INVESTING ACTIVITIES	(15,214)
CASH FLOWS FROM FINANCING ACTIVITIES	
Finance lease payments	(2,902)
NET CASH USED IN FINANCING ACTIVITIES	(2,902)
NET INCREASE/(DECREASE) IN CASH	16,370
Cash at the beginning of the year	78,020
CASH AT THE END OF THE YEAR	94,390

Asset Investment Plan

Landgate intends to invest just over \$17m in assets of which over \$15m will be capitalised in the Balance Sheet. The investment in the four portfolios of asset replacement, business reform, location infrastructure and products and services will allow Landgate to optimise current operations and build capabilities for the future.

	TOTAL PAID 2014/15 (\$'000)	CAPITALISED 2014/15 (\$'000)
ASSET REPLACEMENT	3,978	3,966
BUSINESS REFORM INITIATIVES		
Registration reform (including NECS)	3,570	3,213
IT applications	500	450
Core systems refresh	4,500	3,839
TOTAL BUSINESS REFORM INITIATIVES	8,570	7,502
LOCATION INFRASTRUCTURE		
Innovation	1,500	750
Location and Innovation Hub & other infrastructure	469	422
Location Information Strategy	1,821	1,821
TOTAL LOCATION INFRASTRUCTURE	3,790	2,993
PRODUCTS & SERVICES	899	753
TOTAL FUNDS REQUIRED	17,237	15,214
FUNDED BY:		
Capital Appropriation	220	220
Drawdowns from the Holding Account	4,386	4,386
Funding included in Service Appropriations	1,666	-
Internal Funds and Balances	9,379	9,022
Drawdowns from Royalties for Regions Fund	1,586	1,586
Total Funding	17,237	15,214

Financial Outcomes

ECONOMIC ASSUMPTIONS	NOTE	2014/15 PROJECTED
<i>Growth</i>		
Regulated services - volume growth %		6.67%
Regulated services - fee growth %	1	0%
Commercial services - revenue growth %		3.71%
Valuation services - revenue growth %	2	-35.55%
PERFORMANCE INDICATORS		
Return on fixed assets %		26.77%
Return on equity (before income tax) %		12.35%
Return on equity (after income tax) %		8.73%
Debt to Equity %		29.68%
Profit (Before Income Tax) on turnover (excl State Government revenue)		18.83%
Total cost per recurrent FTE \$'000		\$181
Total revenue per recurrent FTE \$'000		\$215
Total profit before tax per recurrent FTE \$'000		\$33
FINANCIAL OUTCOMES (\$'000)		
Operating profit (Before Income Tax)		\$25,903
Operating profit (After Income Tax)		\$18,311
Capital expenditure		\$17,237
ACCRUALS TO STATE GOVERNMENT (\$'000)		
Payroll tax & other duties		\$4,453
Income tax equivalents		\$7,592
Dividend declared, approved and paid	3	\$4,086
Total		\$16,131
Funds from State Government		\$29,565
Net revenue from State Government		\$13,434

Notes:

1. The regulated fee is based on cost recovery and is rounded for the fee growth calculation.
2. As a consequence of the General Metropolitan Triennial Program, there is a negative growth in some years for Valuation Services revenue. This represents the cyclical nature of this activity.
3. Under the Act, the Board will make a recommendation to the Minister on whether a dividend will be paid and the size of that dividend. Proposed dividend payments to Government are approved, declared and paid in the following year based on the prior year's profit after tax.

Appendix Two - Key Performance Indicators

KEY EFFICIENCY INDICATORS	2014/15 TARGETS
Land Information	
Average Cost per Land Registration Action	\$31.38
Quantity	2,443,258
Average Cost per Land Information Action	\$18.65
Quantity	1,678,955
Valuations	
Average cost per Valuation	\$19.05
Quantity	1,363,000
Access to Government Location Information	
Average cost of coordinating the State Land Information Capture Program (SLICP) per request for capture	\$10,041
Quantity	218
Average cost per gigabyte of information delivered through the Shared Location Information Platform (SLIP)	\$1,160
Quantity	4,402
KEY EFFECTIVENESS INDICATORS	
Land Information	
The extent to which the currency and relevance of the Land Information Databases meet the needs of the WA community	100%
Claims against registered interests as a result of fraud, negligence or errors, settled by the Crown	Nil
Valuations	
International standards for accuracy and uniformity of rating and taxing values are met:	
Median Ratio Test:	
- Gross Rental Value	> 92.5%
- Unimproved Value	> 92.5%
Coefficient of dispersion:	
- Gross Rental Value	< 7%
- Unimproved Value	<15%
Adjustments to Rating and Taxing values as a result of Objections and Appeals as a % of total values in force	< 0.2%

KEY EFFECTIVENESS INDICATORS - CONT.	2014/15 TARGETS
Access to Government Location Information	
Overall satisfaction with the capture of, access to and useability of Government Location Information	80%
Strategic Capture:	
Percentage increase in the number of requests submitted by agencies (manually and on-line) requesting data capture through the SLICP	5%
Enhanced Access:	
Percentage increase in the total volume of data delivered (gigabytes) through <i>SLIP</i>	5%
Percentage increase in the number of datasets available through <i>SLIP</i>	5%

Appendix Three - Governance

Governance arrangements

The Minister for Lands has administrative responsibility for Landgate's enabling legislation, the *Land Information Authority Act 2006*. The Minister approves Landgate's budget, and major strategic plans and financial decisions. The Minister tables Landgate's annual report and any directions given to the agency in Parliament and is accountable to Parliament for Landgate's performance.

Board of Management

Landgate has a Board of Management that sets the strategic direction for the agency. Via the Chief Executive, this direction is implemented through the prioritisation of activities and allocation of resources.

The Board is responsible for reaching agreement with the Minister on Landgate's *Strategic Development Plan* and *Statement of Corporate Intent*, and is accountable to the Minister for the effective and efficient financial management and performance of the agency.

Chief Executive

The Chief Executive is employed by the Public Sector Commissioner, under section 45 of the *Public Sector Management Act 1994*, and is responsible to the Board for the day to day operations of the agency. The Chief Executive operates with delegated responsibility from the Board and is responsible for achieving targets set in an annual performance agreement (jointly signed by the Board, Minister for Lands and the Premier) and for provisions in Part 3B of the *Public Sector Management Act 1994*.

Statutory Office Holders

Within Landgate, there are staff who perform designated functions under other Acts, including the Commissioner of Titles, Registrar of Titles, Valuer General and Surveyor General. These office holders are accountable to the Chief Executive for the execution of their administrative responsibilities, but exercise independence in the performance of their statutory duties.

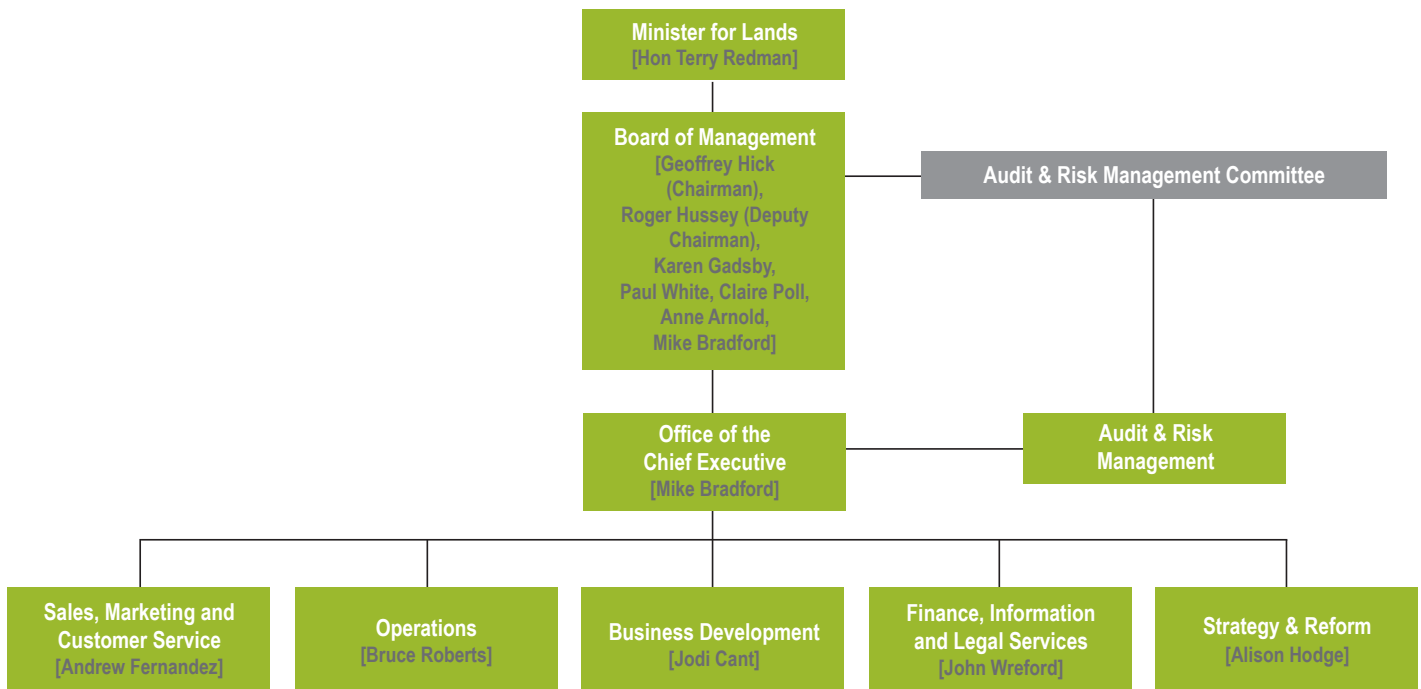
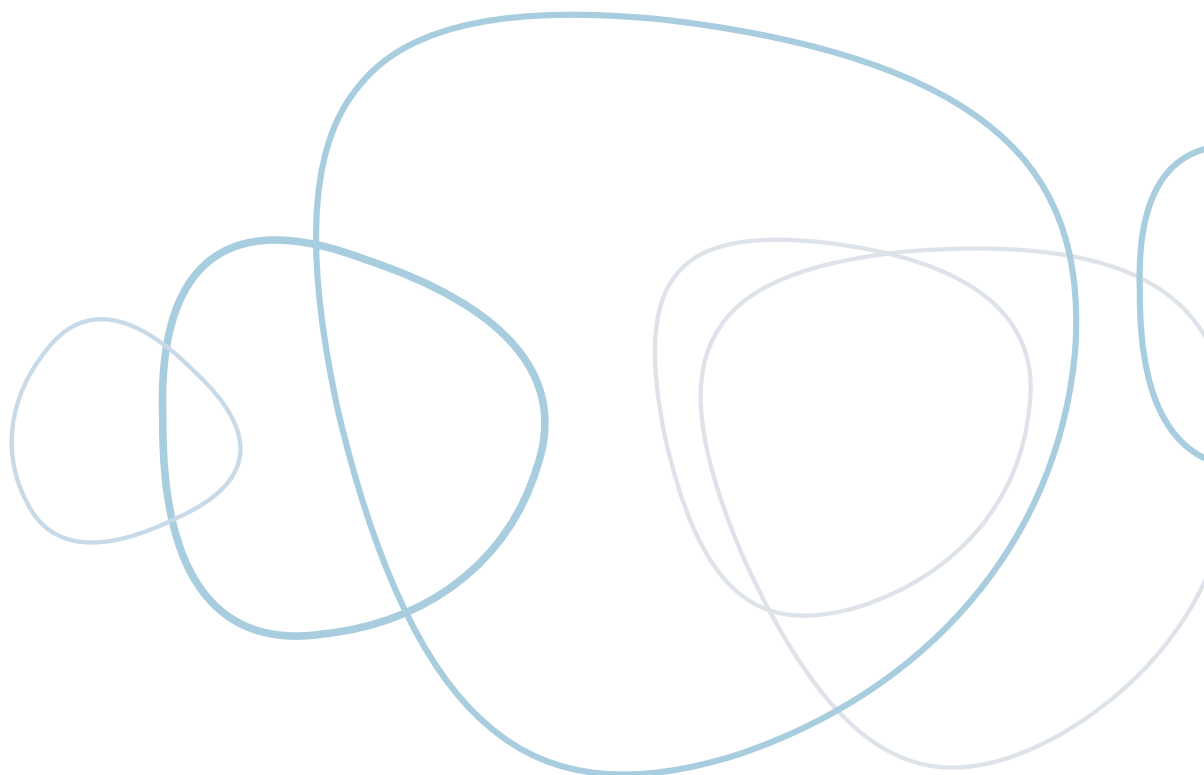


Figure 4: Overview of Landgate's management structure





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