

# STATEMENT OF CORPORATE INTENT

2015/16

## [ Our Values ]

### Our Values



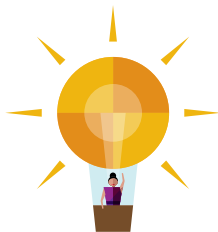
#### **Commit and act**

We do what we say we will do  
We take personal responsibility



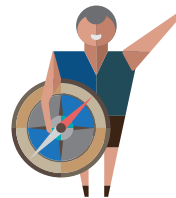
#### **Dynamic and engaged**

We are passionate, proud and enthusiastic  
We make it easy to do business with us



#### **Innovate and achieve**

We think about tomorrow in what we do today  
We celebrate success



#### **Honest and true**

We are supportive and respectful  
We communicate openly

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## Section One - Leadership



### A message from the Chairman

Our vision for the future is built on solid foundations. A focus on financial sustainability, commercial acumen and innovation and our role as the guardian and protector of property rights in Western Australia, underpins our strategic plan for 2015/16 and beyond.

Landgate has built a sound financial base with a strong balance sheet and a competent management team. Over the last year, we have made continued progress in advancing our strategy to improve our processes, capability and systems. This transformation process is providing the platform for our long-term growth and is seeing us build a more agile and efficient Landgate.

There is clear direction for 2015/16, with key initiatives identified and the capability to explore, adapt and seize opportunities in the national marketplace as the business is transformed.

Additionally, with our financial sustainability secured, we will ensure we continue to deliver value for customers, public policy benefits for the people of Western Australia and a greater return to our shareholder.

Our work across government and with industry will focus on delivering benefits through legislative and industry reforms, collaboration and research.

The Board is looking forward to meeting the challenges of the coming year, and working with Mike Bradford and the Executive Team as they implement this plan for 2015/16.



### Building a better Landgate

Smart, agile, efficient: that's our vision as we work to build an even better Landgate in 2015/16.

Our comprehensive business improvement program is upgrading our systems and technology, as well as guiding the transformation of our people into more skilled knowledge workers. These changes are positioning Landgate as an agile and commercially focused business, and providing the foundation for Landgate to drive a harmonised national land administration sector.

Our customers, as always, remain at the heart of everything we do. Landgate's product offering and service delivery are constantly reviewed to ensure they deliver what our customers want and expect. Delivering value for our customers and the community will continue to be a focus throughout 2015/16.

Up-skilling our people as we transform is essential to the long-term success of Landgate. Developing a high performing culture will remain a priority.

Our reform program is not only internal. Landgate continues to lead legislative reform to enable broader benefit to the Western Australian economy. Reforms to the *Strata Titles Act 1985*, will ensure Western Australia has a modern regulatory environment to better meet the needs of the State.

Our role in facilitating the take-up of e-conveyancing is also pivotal in delivering benefits for the broader conveyancing industry and the community, as well as realising internal efficiencies.

Always an innovation leader, Landgate will continue to drive government's agreed open data policy, in parallel to developing a world-class Location and Innovation Hub.

It is an exciting time, as we build an even better Landgate.



## Section Two - Our plan for 2015/16

**Key Initiatives**

Landgate's five key priorities (figure 1 below) form a significant part of its plan for the year ahead. Collectively, they will enable Landgate to deliver its strategic outcomes.

As we progress our business transformation to become leaner and more efficient, we provide the platform to lead innovation and collaboration with other jurisdictions to support a more harmonised national land administration sector.

The recent introduction of e-conveyancing provides an enabler for this further reform. Therefore, supporting and increasing industry uptake of Property Exchange Australia (PEXA) is a priority.

In addition, Landgate will continue to reform its legislative platform to support government and industry priorities (Strata Titles Act Reform), and enable business transformation where necessary.

Progression of a Location and Innovation Hub will support the delivery of the Location Information Strategy, with the Shared Location Information Platform (SLIP) replacement platform providing the integrated spatial infrastructure to deliver agency savings and support delivery of an agreed open data policy on behalf of government.

As Landgate implements its plan for 2015/16, it will continue to apply rigorous risk management practices for operational and strategic projects.



Figure 1: Landgate's key initiatives for 2015/16

### Customers and Industry

Landgate will lead innovation, collaboration and thought leadership across government and with other jurisdictions and industry partners to shape the environment in which it operates.

The recent introduction of e-conveyancing has demonstrated that significant economic benefits are being achieved through collaboration on a national scale.

Harnessing this, along with other changes in the operating environment, Landgate will pro-actively drive harmonisation of national land administration systems and processes. By leading collaboration and technological innovation across government nationally, Landgate aims to drive benefits for industry, customers and the community.

#### Strata Titles Act Reform

Landgate is delivering reforms to the *Strata Titles Act 1985* on behalf of government to help provide more flexible and sustainable housing options in light of a growing population and declining housing affordability.

In addition to the legislative changes, extensive system, policy and business process changes will be required for Landgate, the Office of State Revenue and other agencies.

In 2015/16, Landgate will deliver a Cabinet submission for the legislative amendments and progress system and process changes to support reform to the sector.

#### SLIP

SLIP delivers an integrated spatial data infrastructure which improves the ability to manage, share and use location information across government.

Work to identify a new platform for SLIP will be a priority, following Google's announcement that the Google Maps Engine platform will be unsupported from January 2016.

The new SLIP platform will support implementation of an agreed open data policy, which Landgate will lead on behalf of the State Government.

Landgate will work with agencies to determine an implementation plan, support them in developing their own policies and provide the platform for open data sharing.

#### Location and Innovation Hub

Following the development of a high level concept for the hub, implementation is intended to commence in 2015/16.

The Location and Innovation Hub will create a 'Centre of Excellence for Location Information' and technology that builds on Landgate's relationships with industry and academia.

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.

#### e-Conveyancing

Landgate will continue to facilitate the uptake of e-conveyancing in the broader conveyancing industry, in conjunction with PEXA.

Landgate will play a leadership role in encouraging industry to work with PEXA, including provision of training on legislative requirements. Landgate will also support uptake of the new system through internal reforms which reduce barriers to entry for e-conveyancing, including possible amendments to the *Transfer of Land Act 1893*.

e-Conveyancing will realise significant benefits for the conveyancing industry and the community. These include greater efficiency in the settlement process, greater certainty around property settlement dates and a reduction in time needed to access proceeds from property sales and reflect changes to ownership on property titles.

### Customer Focus

In 2015/16, Landgate will deepen its understanding of customers to enhance its current product and service offerings to drive revenue growth and lower service delivery costs.

To this end, a customer management model will be developed, leveraging the Customer Relationship Management (CRM) system. In addition, customer segmentation research will be undertaken to better understand customer needs.

Collectively, these initiatives will help to inform enhancements to the current product suite, ensuring increased customer value, a streamlined customer experience and adequate return for commercial products and services.

### Operations

Landgate is leading large scale innovation to reform the delivery of registration, valuation and location knowledge services to deliver improved capabilities, realise efficiencies, and support future growth.

Innovation will drive the required changes to our operating model (including capabilities, business process and technology elements), as well as any enabling changes required to our legislative platform i.e., *Transfer of Land Act 1893*.

As part of the reform of registration services, work will continue on building a new multi-tenanted registry system, which will be complete by the end of 2016. The new system will support e-conveyancing, enable process automation, and provide a scalable, secure solution that supports national harmonisation.

Work will begin to identify the options for delivery of valuation services and location knowledge services which will be used to inform the scoping of requirements for supporting systems and processes. The revised operating model for our core services will then inform the reform of our supporting corporate services.

### People and Suppliers

Our values will continue to underpin everything we do. To ensure values are led and lived, and that we drive a high performance culture, a 'Landgate way of working' model will be developed for all aspects of people management.

In addition, to ensure we have consistent skills to lead change and drive performance across Landgate, we will define a leadership model and create a plan to develop our leaders.

The staged development of a strategic workforce plan will continue to ensure the size, experience and capabilities of Landgate's workforce support our strategic objectives into the future.

Work to embed Landgate's sourcing strategy within the business will be undertaken to improve procurement practices. This will include the development of capabilities to deploy strategic sourcing and enable some procurement activities to be undertaken within the business units.

Landgate will also explore innovative opportunities to source and deliver services that support a national land administration service.



### Financial Performance and Investment

Landgate will maximise our intellectual property and capital investment to enable a national land administration service.

Landgate will further develop capital management strategies, policies and processes to maximise the value of internal and external capital investment. This includes progressing governance arrangements that facilitate the allocation of finite capital, talent and resources (i.e., introduction of portfolio planning).

Landgate will also develop strategies for the identification and management of investments to improve return on capital, recognising the need to avoid increased risk.

Joint ventures and other opportunities for external investment will also continue to be identified and assessed, as appropriate.

## Customers &amp; Industries

**We will change and improve how we serve our customers and work with industry to be more competitive**

- C1. Innovate and collaborate with other jurisdictions to deliver a harmonised environment for a national land administration service. (Lead CE, GM BD, GM FILS)
- C2. Lead legislative change to the *Strata Titles Act 1985* (STAR) to support government and community priorities. (GM OPS, GM S&R)
- C3. Develop the customer engagement model to sharpen our focus of customers, products and channels. (GM SMACS)
- C4. Deliver a replacement SLIP platform and progress the creation of a Location and Innovation Hub, to support the delivery of WA's Location Information Strategy. (GM BD)
- C5. Lead the implementation of an agreed Open Data Policy to support a consistent approach for WA Government. (GM BD)
- C6. Drive industry uptake of e-conveyancing via PEXA to leverage the benefits of automation. (GM SMACS and GM OPS)

**We will have satisfied customers & industry stakeholders, measured by:**

- » Increased revenues (commercial products)
- » Increased customer satisfaction
- » Economic and social benefits to the State

## Operations

**We will run an efficient and effective business**

- O1. Innovate and reform our systems, processes and legislation to realise efficiencies and also support a national land administration system (e.g. build a multi-tenanted registration system, amend the *Transfer of Land Act 1893* if necessary). (GM OPS, GM FILS, GM S&R)
- O2. Reform Registration Services (document and plan) through a revised operating model (systems, processes and people) to deliver improved capabilities and realise efficiencies. (GM OPS)
- O3. Reform Property and Valuation Services and Location Knowledge Services, through a revised operating model (systems, processes and people) to deliver improved capabilities and realise efficiencies. (GM OPS)
- O4. Reform Business Development, Finance Information and Legal Services and Strategy and Reform, through a revised operating model (systems, processes and people) to deliver improved capabilities and realise efficiencies. (GM BD, GM FILS, GM S&R)
- O5. Continue to meet service delivery expectations during business transformation. (Corporate Executive)

**We will have efficient and effective operations, measured by:**

- » Increased productivity
- » Reduced costs and service effort
- » Excellence and appropriateness in data quality, services and products

## People & Suppliers

### We will enhance our capability and build a high performing and engaged workforce

- P1. Develop innovative sourcing strategies to build capability to deliver a national land administration service (e.g., business case to support the formation of a new entity). (GM FILS & GM BD)
- P2. To drive a values based performance culture, develop a 'Landgate way of working' model for all aspects of people management including:
  - » An agreed leadership model and plan to grow our leaders
  - » Alignment of reward and recognition activities with our values and strategic direction and
  - » A strategic workforce plan to achieve an optimum workforce. (Lead GM S&R, Corporate Executive)
- P3. Embed Landgate's sourcing strategy within the business to improve procurement practices. (GM FILS)

### We will have a highly skilled and engaged workforce, measured by:

- » Increased employee engagement
- » Increased productivity
- » Ability to meet future business requirements

## Financial Performance & Investment

### We will improve our financial management and performance

- F1. Maximise our intellectual property and capital investment to enable a national land administration service. (GM FILS & GM S&R)
- F2. Develop capital management strategies, policies and processes to maximise the value of internal and external capital investment. (GM S&R, GM FILS, GM BD)

### We will have a satisfied shareholder, measured by:

- » Improved return on capital and dividend payments
- » Regulated fees reflect operational savings
- » Increased net worth value of the business

## Appendix One - Financial Outcomes

Projected 2015/16 financial performance and capital investment are reflected in the following financial statements. Projected financial outcomes and performance targets for 2015/16 are also included. Highlights are provided in the table below:

**PROJECTIONS (end 30 June 2016)**

Profit (after tax)	\$12,249
Net assets	\$216,736
Cash Balance	\$68,158
Dividends paid	\$4,496

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 2015/16, though these forecasts will be closely monitored in light of property market movements.

**Funds provided by Government**

The overall 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.



## Profit and Loss Statement

	<b>PROJECTIONS 2015/16 (\$'000)</b>
<b>REVENUE</b>	
Registration services	112,033
Valuation services	16,780
Commercial products & services	12,928
Interest revenue	2,574
Service appropriations	29,544
Royalties for regions fund	112
Resources received free of charge	680
<b>TOTAL REVENUE</b>	<b>174,651</b>
<b>EXPENSES</b>	
Employee benefits	84,562
Supplies & services	40,741
Depreciation	14,221
Accommodation	5,300
Finance costs	1,857
Other expenses	10,472
<b>TOTAL EXPENSES</b>	<b>157,153</b>
<b>PROFIT BEFORE INCOME TAX EQUIVALENTS</b>	<b>17,498</b>
Income tax equivalents	5,249
<b>PROFIT FOR THE PERIOD</b>	<b>12,249</b>

	<b>PROJECTIONS 2015/16 ('000)</b>
<b>REGULATED REVENUE ACTIVITY</b>	
Documents	357
Searches	1,814



## Balance Sheet

	<b>PROJECTIONS as at 30 June 2016 (\$'000)</b>
<b>CURRENT ASSETS</b>	
Cash	68,158
Receivables	12,939
Amounts receivable for services	5,705
Other current assets	13,076
<b>Total current assets</b>	<b>99,878</b>
<b>NON-CURRENT ASSETS</b>	
Amounts receivable for services	22,534
Investments	32,491
Leased land & building	51,800
Fixed assets, intangibles & land reserves	55,460
Other non-current assets	5,582
<b>Total non-current assets</b>	<b>167,867</b>
<b>TOTAL ASSETS</b>	<b>267,745</b>
<b>CURRENT LIABILITIES</b>	
Employee provisions	11,271
Payables	3,766
Finance lease	3,425
Other current liabilities	11,539
<b>Total current liabilities</b>	<b>30,001</b>
<b>NON-CURRENT LIABILITIES</b>	
Employee provisions	3,893
Finance lease	16,926
Other non-current liabilities	189
<b>Total non-current liabilities</b>	<b>21,008</b>
<b>TOTAL LIABILITIES</b>	<b>51,009</b>
<b>NET ASSETS</b>	<b>216,736</b>
<b>EQUITY</b>	
Contributed equity	77,041
Reserves	27,106
Retained earnings	112,589
<b>TOTAL EQUITY</b>	<b>216,736</b>

## Cash Flow Statement

	<b>PROJECTIONS 2015/16 (\$'000)</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	
Service appropriations	24,267
Royalties for regions fund	112
Holding account drawdowns	4,072
Income tax equivalents	(6,385)
Dividends paid	(4,496)
<b>NET CASH PROVIDED BY STATE GOVERNMENT</b>	<b>17,570</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<i>Payments</i>	
Employee benefits	(88,304)
Administration	(49,551)
Accommodation	(5,300)
Finance costs	(1,857)
GST payments	(7,112)
<i>Receipts</i>	
Operating receipts	136,249
GST receipts	7,112
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(8,763)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of non-current assets	(20,295)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(20,295)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Finance lease payments	(3,152)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3,152)</b>
<b>NET INCREASE/DECREASE IN CASH</b>	<b>(14,640)</b>
Cash at the beginning of the year	82,798
<b>CASH AT THE END OF THE YEAR</b>	<b>68,158</b>

## Asset Investment Plan

	<b>TOTAL 2015/16 (\$'000)</b>	<b>CAPITALISED 2015/16 (\$'000)</b>
<b>ASSET REPLACEMENT</b>	<b>4,287</b>	<b>4,254</b>
<b>BUSINESS REFORM INITIATIVES</b>		
Registration reform (including e-conveyancing)	2,540	2,286
IT applications	1,800	1,620
Core systems refresh	9,000	7,956
<b>TOTAL BUSINESS REFORM INITIATIVES</b>	<b>13,340</b>	<b>11,862</b>
<b>LOCATION INFRASTRUCTURE</b>		
Innovation	1,500	750
Location and Innovation Hub & other infrastructure	1,000	900
Strata Titles Act reform	1,684	1,203
<b>TOTAL LOCATION INFRASTRUCTURE</b>	<b>4,184</b>	<b>2,853</b>
<b>PRODUCTS &amp; SERVICES</b>	<b>1,473</b>	<b>1,326</b>
<b>TOTAL FUNDS REQUIRED</b>	<b>23,284</b>	<b>20,295</b>

## Financial Outcomes

<b>ECONOMIC ASSUMPTIONS</b>	<b>NOTE</b>	<b>2015/16 PROJECTED</b>
<i>Growth</i>		
Regulated services - volume growth %		1.42%
Regulated services - fee growth %	1	2.50%
Commercial services - revenue growth %	2	(38.56%)
Valuation services - revenue growth %	3	27.31%
<b>PERFORMANCE INDICATORS</b>		
Return on fixed assets %		16.31%
Return on equity (before income tax) %		8.07%
Return on equity (after income tax) %		5.65%
Debt to Equity %		23.54%
Profit (before income tax) on turnover (excl State Government revenue)		12.12%
Total cost per recurrent FTE \$'000		\$225
Total revenue per recurrent FTE \$'000		\$250
Total profit before tax per recurrent FTE \$'000		\$25
<b>FINANCIAL OUTCOMES (\$'000)</b>		
Operating profit (before income tax)		\$17,498
Operating profit (after income tax)		\$12,249
Capital expenditure		\$23,284
<b>ACCRUALS TO STATE GOVERNMENT (\$'000)</b>		
Payroll tax & other duties		\$4,667
Income tax equivalents		\$5,249
Dividend declared, approved and paid	4	\$4,496
<b>Total</b>		<b>\$14,412</b>
<b>Funds from State Government (including RFR)</b>		<b>\$30,336</b>
<b>Net revenue from State Government</b>		<b>\$15,924</b>

**Notes:**

1. The regulated fee is based on cost recovery and is rounded for the fee growth calculation.
2. The decline in Commercial Services revenue results from a prior period gain on the revaluation of the PEXA investment being brought to account in 2014/15 as a consequence on implementing Equity Accounting.
3. 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.
4. Under the *Land Information Authority Act 2006*, 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 profit after tax.

## Appendix Two - Key Performance Indicators

KEY EFFICIENCY INDICATORS	2015/16 TARGETS
<b>Land Information</b>	
Average Cost per Land Registration Action	\$36.57
Quantity	2,336,750
Average Cost per Land Information Action	\$24.08
Quantity	1,449,640
<b>Valuations</b>	
Average cost per Valuation	\$16.85
Quantity	1,642,801
<b>Access to Government Location Information</b>	
Average cost of coordinating the Capture WA Program per request for capture	\$11,943
Quantity	229
Average cost per pages viewed of information delivered through the Shared Location Information Platform (SLIP)	\$0.83
Quantity	7,700,000
<b>KEY EFFECTIVENESS INDICATORS</b>	
<b>Land Information</b>	
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
<b>Valuations</b>	
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%

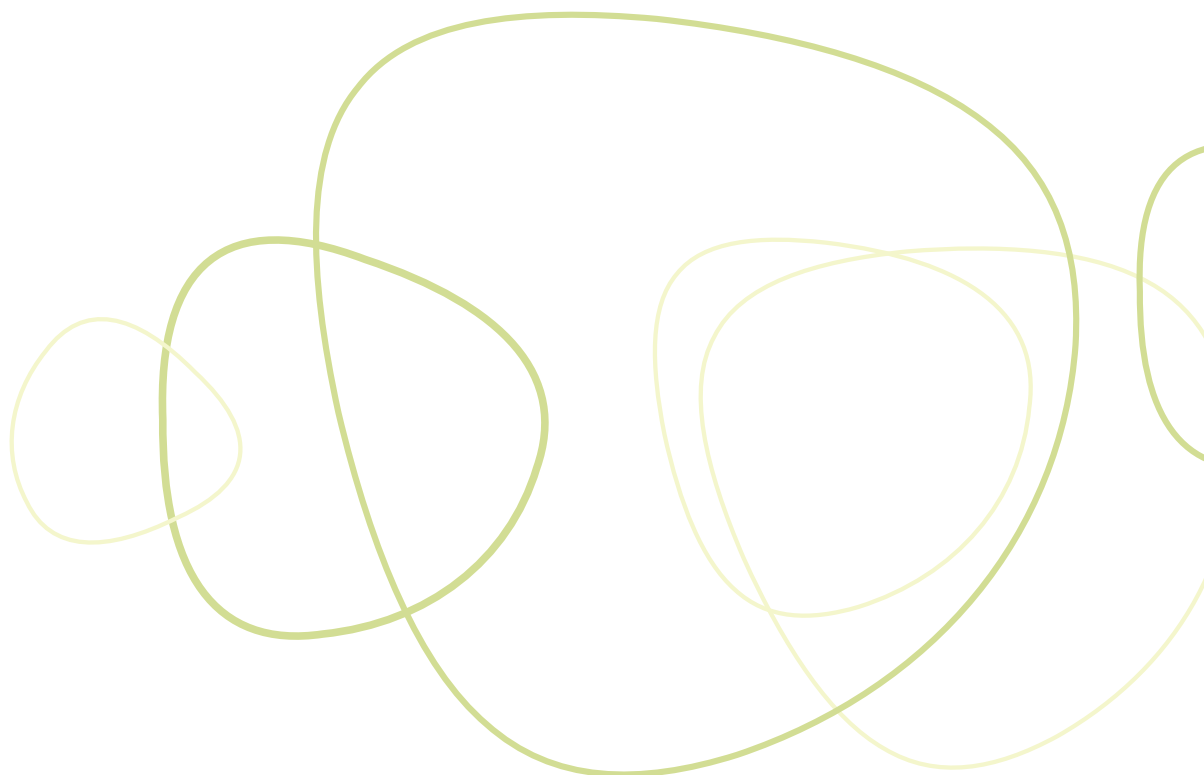
KEY EFFECTIVENESS INDICATORS - CONT.	2015/16 TARGETS
<b>Access to Government Location Information</b>	
Overall satisfaction with the capture of, access to and useability of Government Location Information	70%
<b>Strategic Capture:</b>	
Percentage increase in the number of requests submitted by agencies (manually and on-line) requesting data capture through the Capture WA Program	3%
<b>Enhanced Access:</b>	
Percentage increase in the total volume of data delivered (pages viewed) through SLIP	1 100%
Percentage increase in the number of datasets available through SLIP	5%

1. As a result of the implementation of a revised Outcome Based Management measurement methodology for the data delivered through SLIP the 2015/16 target forms the base year and hence is reported as 100%.



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**Landgate**

1 Midland Square, MIDLAND WA 6056  
Telephone: +61 (0)8 9273 7373  
Email: [customerservice@landgate.wa.gov.au](mailto:customerservice@landgate.wa.gov.au)  
[www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)