

REVIEW OF THE LAND INFORMATION AUTHORITY ACT 2006

2022 REVIEW REPORT FOR THE MINISTER FOR LANDS



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Executive Summary

The *Land Information Authority Act 2006* (LIAA), which establishes the Western Australian Land Information Authority (the Authority), requires the Minister for Lands to review the operation and effectiveness of the Act after every fifth anniversary of commencement. The 2022 LIAA review comes after a period of significant change for the Authority and represents an opportune moment to evaluate the delivery of land information functions for the State.

In November 2019 the WA government developed a partial commercialisation model to unlock the significant value of the land registry while maintaining ownership of the register, data and titling system. This represented the fruition of a long strategic journey for the Authority with respect to automated land titling transactions and yielded a \$1.41 billion return to the State.

Following the conclusion of the partial commercialisation process, the Authority had a keen focus on smoothly implementing the Commercialised Services Agreement and transitioning to a new operating model for land titling services in a manner which minimised customer impact. Consultation conducted as part of this review highlighted these efforts were successful, with feedback indicating there has been no discernible impact to the efficiency or effectiveness of land titling services as a result of partial commercialisation.

With the new arrangements for automated land titling services now embedded and operating smoothly, the Authority has refocused its efforts on leveraging land information to better benefit the State, its economy and the community. Renewed efforts in this space will focus on opportunities to harness new technologies to improve the sharing and visualisation of land information and location data. With a vision to improve decision-making, streamlining development, optimising land use infrastructure planning and asset management, and making better and more efficient communities by adopting smart city technology, this will be an area of focus for the Authority over the coming review period.

In the context of the Authority's current functions, qualitative feedback gathered through consultation indicates that, on balance, stakeholders are satisfied with the performance of land information functions. Quantitative performance results as measured through Outcome Based Management Key Performance Indicators have also been strong through the period.

From a financial perspective, the Authority has appropriately balanced its dual objectives as outlined in section 8 of the LIAA, delivering certain types of land information on a cost recovery basis whilst also generating a fair commercial return on other offerings. Total expenditure has been stringently managed, with overall expenditure reducing substantially. This prudent financial management has enabled the ongoing financial sustainability of the organisation and led to profits being recorded in each financial year.

In the broader context there do not appear to be any changes in government, industry or regulatory dynamics which would remove the need for the continuation of the Authority's functions. This, coupled with the strong performance of the Authority and its track record of financial success, indicate the statutory authority model currently in use continues to be an efficient and effective way for the State's land information functions to be delivered.

Feedback gathered through consultation has highlighted four areas where the functions of the Authority need to evolve in coming years to continue meeting the needs and expectations of stakeholders. These were as follows:

1. **Continued service digitisation and innovation** – Peak industry bodies and State Government entities interviewed as part of consultation articulated an ongoing demand for further digitisation of products and services.
2. **Land information leadership** – A consistent theme emerged of a desire for the Authority to play a greater leadership role in the capture and use of spatial data and land information across the public sector. This included revisiting pricing principles to explore opportunities to remove barriers to state and local government entities better leveraging fundamental land information as part of their operations.
3. **Timeliness of valuation services** – Dissatisfaction with the timeliness of certain property valuation services was raised during consultation. The efficiency challenges highlighted are due to dependence on an antiquated, bespoke technology solution and growth in the number of properties in the State over time. Replacement of the technology solution is underway, but additional process innovation is needed to improve efficiency.
4. **Product lifecycle management** – Invigorating the Authority's efforts in regard to product lifecycle management, including the development of new products and services which create either community benefits or commercial returns, was highlighted as an opportunity.

Ultimately, whether it be through partial commercialisation, industry reform or service digitisation, this review of the LIAA has highlighted that change is the only true constant when it comes to land information. Increasingly the Authority's key strength is its ongoing focus on step-change innovation and affinity for embracing change to meet the current and future needs of customers and the State.

This aptitude for change has been built throughout a journey of evolution spanning almost 200 years. From the paper maps and survey books of the Survey Office of Western Australia in 1829 to the machine-readable data and digital land information systems of the Authority in 2022, the way land information functions are delivered is constantly evolving. This statement is true now more than ever, and the Authority will need to continue to adapt and evolve in coming years to ensure opportunities on future horizons translate into tangible benefits for Western Australians.

Recommendations



Business model

1 The Authority continue to deliver the functions outlined in the *Land Information Authority Act 2006* on behalf of the State Government.

11 The Authority to continue operating under the existing statutory authority model.



Functions & services

2 The Authority to continue implementation of system replacement and process innovation to improve the efficiency of valuation service delivery.

3 Continue driving innovation and digitisation of services to meet customer expectations and create benefits for the State.

4 The Authority to engage with government and stakeholders about its role in leading the promotion and use of land information across the public sector.

5 The Authority to maintain continuous dialogue with state agencies responsible for emergency and environmental management to ensure clarity around their evolving land information needs.

6 The Authority to invigorate its approach to product lifecycle management, including through partnerships with third parties, to maximise the community value and/or commercial returns generated by products and services.



Financial & pricing

7 The Authority to prepare a business case for maintaining the taxing provisions in the Authority's administered Acts for consideration by government.

9 The Authority to explore opportunities to make fundamental land information available free of charge to state and local government customers.

12 The Authority to prepare a business case for specifying a new relevant amount for transactions which require ministerial approval, taking into account inflation since 2007.



Performance management

15 Progress actions which enable the Authority to access and apply the 'substandard performance and disciplinary' provisions in Part 5 of the *Public Sector Management Act 1994*.



Legislation & regulations

8 The Authority to explore opportunities for the Chief Executive Officer to determine the types of land information that constitute 'fundamental land information' based on clear principles.

10 The Authority to explore opportunities for the Chief Executive Officer to authorise the provision of land information free of charge to support natural disasters or emergency situations.

13 The Authority to, in consultation with government and stakeholders, explore opportunities to modernise its suite of administered legislation to create a contemporary legislative framework.

14 The Authority to explore opportunities to modernise the *Valuation of Land Act 1978* whilst preserving the Valuer-General's independence with respect to placing values on land and property assets.



1 Introduction

The Western Australian Land Information Authority (the Authority) was established as a statutory authority on 1 January 2007 under the *Land Information Authority Act 2006* (LIAA) and is known by its trading name “Landgate”.

Accurate and timely land information and security of property ownership are foundational to a high-functioning civilisation. History reflects this, with the original Survey Office of Western Australia constituted in 1829, making it one of the state’s oldest government agencies.

While the way effectively administering land and property information has changed substantially, its importance has remained constant. As part of this evolution the Valuer-General’s Office was amalgamated into the Authority’s predecessor, the Department of Land Information, in 2003. The integration of property valuations into the organisation, bringing together the three recognised dimensions of the state’s cadastral framework (land boundaries, interests in land and values), represented the establishment of the Authority as it stands today.

The LIAA provides that a statutory review must be conducted after every fifth anniversary of the establishment of the Authority to assess the effectiveness of its operations over the period, and also the continuing need for the Authority.

1.1 Terms of reference

This year represents the 15th anniversary since the establishment of the Authority, and as such a statutory review has been conducted in line with the terms of reference outlined in the LIAA. This report outlines the findings and recommendations of the review.

Sections 93 and 94A of the LIAA outline the requirements of the review, which in summary state that the review must consider the following:

1. The operation and effectiveness of the LIAA
2. The need for continuation of the functions of the Authority
3. How prescribed fees for certain Acts administered by the Authority were calculated during the period, including principles and methodologies applied as part of calculation
4. Whether sufficient efficiencies have been achieved which would enable those fees to be reduced or not increased
5. Any other matters that appear to the Minister to be relevant to the operation and effectiveness of the LIAA.

An exact extract of the terms of reference as outlined in Sections 93 and 94A of the LIAA are provided in Appendix A.

1.2 Stakeholder consultation

As the review of the LIAA has been primarily carried out for the Minister for Lands by the Authority, ACIL Allen, an independent consultancy firm, was engaged to undertake stakeholder consultation on the Authority's behalf to ensure integrity and independence. Utilising this approach ensured feedback was distilled with expertise to generate objective and unbiased findings which could be used by the Authority to underpin this report.

In total, 40 organisations and four of the Authority's statutory officers were invited to be interviewed. Of these, 25 organisations and all statutory officers chose to participate. Organisations consulted included state government agencies, local governments, industry peak bodies and commercial customers. A list of stakeholders consulted is provided in Appendix B.

In addition, public consultation was undertaken where the general public and consumers of the Authority's goods and services were invited to have their say on the operations and effectiveness of the Authority in an online survey. Public consultation was open for five weeks between April and May 2022, and was advertised via a Customer Information Bulletin, the Authority's social media channels, and on the Authority's website. In total, 55 responses were received. A copy of the advertisement placed on the Authority's website is provided in Appendix C.

Where relevant, specific feedback collected through consultation has been included throughout this report. Further, the perspectives and feedback from stakeholders have been considered in detail as part of the analysis underpinning this review, and as such has directly shaped many of the findings and recommendations.



2 Recent history

Over recent years, land registries globally emerged as a new asset class attractive to superannuation funds and investment banks seeking long-term, relatively stable income streams. In parallel with several other Australian jurisdictions, the Western Australian government developed a partial commercialisation model to unlock the significant value of the land registry while maintaining ownership of the register, data and titling system.

Announcement of the proposal to commercialise the Authority's automated land titling services in June 2018 created clarity around the Authority's long-term operating model. However, the journey leading to this point commenced many years prior.

In 2013 the Authority embarked on a program of transformation aimed at developing new technology, reforming processes and future proofing its workforce. At the heart of this initiative was investment in automation of manual paper-based processes. The goal was to achieve improved service efficiency and customer outcomes, while also reducing costs.

The New Land Registry was the flagship system in this program of work. The system came online in December 2015 when the first land registry transaction was processed electronically. The system development continues to broaden the number of types of transactions that can be lodged and registered electronically. In parallel, the Authority invested in the foundation of a national e-conveyancing platform along with the land registries from other Australian jurisdictions. The entity created through this investment would later become Property Exchange Australia (PEXA).

Development of the New Land Registry and the establishment of PEXA paved the way for the majority (76%) of land registry transactions to be lodged and processed electronically. This highly efficient operating model turned the New Land Registry into a valuable asset.

The partial commercialisation of automated land titling services concluded with Land Services WA appointed as the service provider for a 40-year term under the Commercialised Services Agreement, which delivered a \$1.41 billion return to the State in November 2019. This agreement provides for Land Services WA to maintain and improve automated land titling services, with the Authority continuing to retain ownership and responsibility for the integrity of the land titles register.

Prior to the partial commercialisation, the Authority progressively increased its shareholding in PEXA exercising its powers to invest under the LIAA, investing a total of \$38m. As part of the partial commercialisation process, the Authority sold its PEXA shares in May 2019, realising a \$186 million dividend to the State, which was returned to the Consolidated Fund.

The conclusion of the partial commercialisation resulted in the State reaping the benefits of a long strategic journey for the Authority with respect to automated land titling transactions.

While the journey relating to automated land titling transactions yielded significant dividends for the State, another initiative reached its conclusion during the review period which will also have a long-lasting impact on the Western Australia community, being the *Strata Titles Act 1985* reforms.

Over a decade in the making, these reforms came into effect on 1 May 2020, modernising strata legislation and introducing a new form of land ownership in leasehold strata titles schemes. Subsequently, the *Community Titles Act 2018* commenced operation on 30 June 2021. This Act introduced community titles schemes as a new form of land subdivision and land ownership, generating exciting new opportunities for future mixed-use developments.

On the technology front, since the conclusion of the partial commercialisation the Authority has been increasingly focused on enhancing systems associated with delivering functions other than land titling. Many of these systems have only had minor enhancements in recent history as automated land titling technologies were prioritised. A prime example of this is the valuation system (ValSys) which has remained largely unchanged for more than twenty years. Replacement of this system with a modern solution that enables greater efficiencies has become a strategic priority.

Opportunities to leverage emerging technologies for the benefit of the State have been another focus area in recent years, and to leverage the value of location data for the State, the Authority has progressed the 'Spatial WA' concept.

Spatial WA would maximise the value of the State's location data, enabling it to be shared, discovered and visualised in a spatially accurate, advanced 4D digital twin. In this digital twin,

government agencies would have the ability to plan, coordinate and collaborate in a 'virtual WA', enhancing decision making and delivery of services.

In a more holistic sense, the theme of change has been interwoven into every aspect of the Authority's story throughout the review period. Whether through partial commercialisation, technological advancement or legislative reforms, change has remained constant. In keeping with the Authority's genuine commitment to innovation and business improvement, the agency has embraced these changes, adapting and evolving to ensure opportunities on future horizons translate into tangible benefits for Western Australians.



3

Effectiveness of the Authority's Operations

3.1 Performance of functions

The Authority is responsible for providing land information functions for the State on behalf of Government. One of the primary ways that effective performance of functions is measured is through Outcome Based Management Key Performance Indicators (KPIs). These measures are agreed with Treasury annually. Reflecting on performance through these indicators provides an objective measure of effectiveness and efficiency of the Authority's functions over the review period.

The Authority reports on effectiveness and efficiency KPIs for three clearly defined outcomes for the State. These outcomes are as follows:

1. The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
2. Independent valuations support government's collection of rates and taxes and management of property assets.
3. Effective access to land and location information, which can be demonstrated by improved data capture, access and useability of location information.

Detailed results of the Authority's performance with regard to these KPIs is provided in Appendix D. Results for 2017/18 were excluded from analysis as the Authority's KPIs were significantly changed at the end of that year to ensure they were fit for purpose based on the evolution of the Authority's services, making results for that year not comparable with the rest.

The Authority's performance of functions over the past four financial years, measured through KPI results has been strong. In total, 29 of 40 or 72.5% of effectiveness targets were achieved.

Further, in ten of the eleven instances where targets were not achieved, the variance between actual performance and the KPI target was less than 5%.

Feedback gathered through consultation indicates that, on balance, the Authority's stakeholders are generally satisfied with the performance of functions throughout the period.

At this stage there does not appear to be any change in government, industry or regulatory dynamics which would remove the need for the continuation of the functions of the Authority.

With this in mind and considering positive stakeholder feedback and strong performance against KPIs through the review period, it is recommended the Authority continue to deliver the land information functions outlined in the LIAA on behalf of the State Government.

"Overall perception is Landgate operates efficiently and effectively in the discharge of its statutory responsibilities."

- Office of Digital Government

"The Public Sector Commission holds no concerns regarding Landgate's efficiency and effectiveness."

- Public Sector Commission

"It is perceived Landgate is performing well in making data and information available in a way where there is strong governance. The capacity for the Department to access information through online platforms, and to pull this information out, is critically important."

- Department of Planning, Lands and Heritage

"In general, we find Landgate is able to meet the needs of DMIRS. There are good relationships at account level and with the subject matter experts. Landgate has a good understanding of what is trying to be achieved and put systems in place accordingly."

- Department of Mines, Industry Regulation and Safety



Business
model

Recommendation 1: The Authority continue to deliver the functions outlined in the *Land Information Authority Act 2006* on behalf of the State Government.

3.1.1 Timeliness of Valuation Services

One area consistently highlighted by relevant stakeholders as presenting a challenge was the efficiency of certain types of property valuation services. The Authority received feedback that some stakeholders are not satisfied with the timeliness of certain property valuation services, most notably those outside of the general valuation programs.

Under the current operating model, cyclical programs of valuation work are conducted to satisfy the statutory requirements of the *Valuation of Land Act 1978* (VLA) for maintaining the accuracy and currency of valuations.

There are two cyclical valuation programs conducted by the Authority. The first is the unimproved value revaluation program, which is conducted annually and consists of slightly over one million valuations. Unimproved values represent the value of the land only, and this information is provided to Revenue WA for use as part of determining which properties are subject to land tax. Unimproved values are also used by some local governments for rating purposes.

The second general valuation program conducted by the Authority is the gross rental value (GRV) revaluation program.

This type of valuation represents the gross annual rent a property might reasonably be expected to earn annually if it were rented. GRVs are used by rating authorities, such as local governments, water providers and the Department of Fire and Emergency Services to work out rates, services charges and levies to be paid by property owners. At the time of this review, there are over 1.3 million GRVs for all the properties across the State.

"Stakeholders that accessed or relied upon Landgate's Valuation services were less complementary regarding the effectiveness of operations, with feedback provided that suggested there were regular delays in the provision of valuations outside of the "big" valuation tasks."

- ACIL Allen

"Each year when unimproved land valuations are provided, there is difficulty in getting the data through from Landgate on time."

- City of Swan

"Concerns raised about timeframes associated with more complex valuations being completed, which has an opportunity cost to the State in terms of foregone revenue."

- Department of Finance

"However, due to delays that have occurred in engaging directly with Landgate valuers, DBCA has been undertaking a process whereby external valuers are engaged and then this value is subsequently verified by Landgate in order to complete the transaction."

- Department of Biodiversity, Conservation and Attractions

The model in use for conducting the GRV revaluation program has broadly remained the same since the 1970s, although some adjustments to frequency have been made in regional areas. In essence, a new GRV is placed on every property in the metropolitan region every three years, and every three to six years in regional areas depending on the specific region.

While this model was fit for purpose and sustainable pre-2000, consistent growth in the total number of properties in WA and the increasingly complex micro markets across property types and asset classes has made the current approach challenging. Simply put, it takes more effort today to provide a GRV for every property in the metropolitan area that meets the standard for fairness and equity than it did 20 years ago.

To address these issues, the Authority has previously undertaken a program of reforms aimed at improving the efficiency of property valuations. However, there remains opportunity for further technology and process innovation to fully realise the potential benefits. Project work focused on system replacement is currently being progressed, particularly given the valuation system in use is over 20 years old. System replacement is expected to be completed by the next LIAA review.

Outside of technology solutions there is also opportunity to review other aspects of service delivery to address efficiency challenges. The relevant sections in the VLA are worded in such a way that different approaches can be considered to ensure the continuing accuracy and currency of valuations. Further, existing processes for both general valuation programs and non-statutory valuations need to be reviewed to ensure efficiency and sustainability, and that customer expectations are being met with respect to the timeliness, quality, and independence.



Functions
& services

Recommendation 2: The Authority to continue implementation of system replacement and process innovation to improve the efficiency of valuation service delivery.

3.1.2 Service digitisation and innovation

Many of the functions performed by the Authority play a significant role in land and property industries, or directly underpin the delivery of other key governmental services. Changing the way these functions are performed can directly influence efficiency. This enables the Authority to create tangible benefits for the State through digitisation and innovation of its functions and service delivery models.

"The industry expressed a strong desire for continued digitisation of the functions of Landgate to promote ease of use and seamless integration with the use of information."

- Property Council of Australia

"Going forward, Landgate needs to be flexible to technology changes in the application of spatial data, which represents a strong commercial opportunity."

- Urban Development Institute of Australia

"There is an expectation from the public and those in the spatial profession that Landgate will remain innovative and current in its approach to spatial technology and its application."

- Western Australian Institute of Surveyors

"Better integration of Landgate's spatial and non-spatial data, more quality control of the data provided, and digitisation of non-digitised information should be priorities for Landgate going forward."

- Western Power

The importance of this was highlighted by several peak industry bodies interviewed as part of the stakeholder consultation process, who reinforced the ongoing demand from their respective industries for further digitisation of services. This sentiment was echoed by State Government entities that consume products, services or data generated by the Authority.

In order to meet the expectations of industry and the State broadly, it is critical for the Authority to deeply understand the evolving land information needs of its customers. Maintaining this understanding requires concerted effort but enables the Authority to focus on driving service digitisation and innovation in areas that will deliver the greatest benefits.

In general terms the Authority has a history of embracing innovation and disruptive technologies as evidenced through the e-conveyancing journey to date. Continuing to emphasise customer focused innovation will be critical for the Authority to meet stakeholder expectations over the next review period.



Functions
& services

Recommendation 3: Continue driving innovation and digitisation of services to meet customer expectations and create benefits for the State.

3.2 Guiding principles

3.2.1 Land information leadership

Sections 10(3)(b) and 10(3)(c) of the LIAA state that the Authority must, as part of performing its functions, have regard to:

- (b) the importance of satisfying the land information needs of the State government; and*
- (c) the requirements of participants in the land information industry within the State.*

Feedback received highlighted the growing role of land information and location data in the economy and the formation of public policy. Further, the Western Australian Land Information System (WALIS) council was called out as being an important collaboration mechanism for State Government agencies and local governments to ensure a holistic approach to location information management in Western Australia.

Historically, the Authority has perceived its role as being constrained to certain types of land information for Western Australia and has been cautious of advising other state agencies on how to manage and make use of land information or location data, particularly where it is used for purposes beyond the management of land or property. This has been grounded in concerns that provision of such advice would be poorly received by other agencies. However, the stakeholder consultation process revealed a desire for the Authority to play a greater leadership role in the application of spatial data and land information across the public sector.

"It was expressed Landgate could be regarded as a 'central agency' of type, as they provide services across a range of departments. That is, Landgate was always perceived to be of great help when agencies sought advice or needed guidance on spatial information matters [...]. ACIL Allen perceives this to be an important opportunity for Landgate to consider as part of its organisational realignment following the statutory review."

- ACIL Allen

"DFES would welcome ideas from Landgate around more open data sharing."

- Department of Fire and Emergency Services

"Landgate need to be clearer with their role in the geospatial space."

- Water Corporation

"Landgate is well set up to continue to progress the evolution of State spatial data sets. We see 3D mapping as the next big frontier and are already seeing States like New South Wales and Victoria investing heavily into this."

- Geoscience Australia

Since 2020, the Authority has focused on stakeholder engagement regarding the future use of land information and location data as part of public policy and decision making with the goal of ensuring the State realises maximum benefit from its information assets. The potential to create value by leveraging information assets is expected to increase in coming years. The role of the Authority may therefore need to evolve to include playing a leadership role in the use of land information and location data as part of public policy and decision making.

The preamble of the LIAA states the agency it creates is to “promote the use of land information and related goods and services”, however performing such a role is not included in the functions of the Authority as outlined in section 9. As such, amending the functions outlined in section 9 may be necessary for the Authority to take a broader leadership role with respect to promoting the use of land information and location data across the public sector.

Successfully performing such a function would require collaboration and engagement with stakeholders to ensure leadership in the land information and location data space is collaborative, collegiate, and focused on the common interest of benefiting Western Australia. The exact details of how such a function would be performed would require further consideration and consultation.



Functions
& services

Recommendation 4: The Authority to engage with government and stakeholders about its role in leading the promotion and use of land information across the public sector.

3.2.2 Environmental outcomes

Feedback was also received about the guiding principle in section 10(2) of the LIAA, which states that:

“The Authority has to perform its functions under this Act in a way that supports the sustainable economic, social and environmental management and development of the State.”

"Landgate was viewed by a stakeholder as having consistently proven to be present and responsive when needed for matters regarding emergency responses, and in some cases proactive, such as the provisioning of imagery for the emergency response to the Woorloo bushfire and Tropical Cyclone Seroja."

- ACIL Allen

Positive feedback was received regarding the Authority's current services that support environmental and emergency management, but also received feedback which questioned how the organisation will support environmental management as the needs of the State Government evolve over time.

Presently, the Authority's only KPI related to environmental management is around the availability of imagery systems which support

mapping, monitoring and predicting of bushfires. However, in alignment with the guiding principles of the LIAA, the Authority provides a multitude of other land information products and services aimed at supporting emergency services and natural resource management. The Authority itself does not consume these services and data, but instead provides them in support of organisations directly responsible for environmental and emergency management functions.

Environmental management is becoming an increasingly important aspect of government policy, and land information is a valuable asset that can be leveraged as part of the performance of environmental functions. Moving forward, it will be critical to have continuous engagement with organisations responsible for emergency and environmental management functions to ensure the Authority has clarity around their land information requirements. This will enable the Authority to best support the achievement of the government's environmental, social and governance outcomes in line with its guiding principles.



Functions
& services

Recommendation 5: The Authority to maintain continuous dialogue with state agencies responsible for emergency and environmental management to ensure clarity around their evolving land information needs.

3.3 Implementation of the Commercialised Services Agreement

In September 2019, the State Government announced the appointment of Land Services WA as the service provider for its automated land titling services by entering into the Commercialised Services Agreement. Following completion, the services in scope of the agreement were transferred to Land Services WA in October 2019.

Since the appointment of Land Services WA, service delivery has been largely unaffected by the implementation of the Commercialised Services Agreement. Outcome Based Management measures for land titling functions have been met each financial year since the partial commercialisation, and feedback gathered through the stakeholder engagement process confirmed service delivery is continuing to meet expectations.

While feedback about land titling functions after partial commercialisation was mostly positive, feedback on the development of non-regulated land information products and services was less so.

"Generally speaking, stakeholders were of the view Landgate met its statutory objectives with respect to accuracy and integrity of the land registry, noting a tendency for small errors (which were generally rapidly fixed)."

- ACIL Allen

"No other land register in Australia has managed the outsourcing of services as smoothly as Landgate which now operates as well if not better than it did before."

- Sympli

The Commercialised Services Agreement includes a non-exclusive right for Land Services WA to propose new products and services using certain types of land information for the Authority's consideration. The Authority undertakes an assessment of the offering(s) and decides whether to approve, or not approve the product prior to it being taken to market by Land Services WA.

Several product proposals have been put forward to date, although the process of evaluating and approving products has not run as efficiently as either party would like. Implementing this aspect of the Commercialised Services Agreement remains a work in progress for both the Authority and Land Services WA.

In a broader context, stakeholders expressed confusion regarding which organisation was the correct contact point regarding land information products, and a perspective that there was a lack of new product offerings being created.

"More generally, there was a perception that Landgate had fallen behind other State land authorities or associated entities with respect to its commercial / new and innovative product offerings."

- ACIL Allen

"Feedback from the property sector suggests some of Landgate's commercial products are out of date, not as user friendly as they could be and there's confusion around whether they should contact Land Services WA or Landgate for queries or assistance."

- Land Services WA

"It would be useful to find out about all data that is captured by Landgate, as well as by Land Services WA where at present there is very limited visibility."

- CoreLogic

The Authority has been focused on embedding the new operating model and retaining a high grade of service throughout the transitional period. This has been successful as evidenced by stakeholder feedback articulating no discernible variance in service delivery as a result of the partial commercialisation. Additionally, the Authority has had a focus on strengthening relationships with State Government customers in recent years. With the new operating model now embedded and running smoothly, there is an opportunity to invigorate efforts around product lifecycle management, including the development of new products and services.

Increasing the Authority's focus on product lifecycle management would require a concerted and deliberate effort. Increased engagement with customers and stakeholders would be required to identify and explore opportunities to develop products or services that generate

community benefit or financial benefit. Further, internal processes and governance protocols related to product lifecycle management would need to be revisited to better monitor whether products and services meet customer expectations, and where they do not, that action is taken to remediate issues or discontinue the offerings as appropriate. This would include considering procurement and contract management protocols to ensure they are fit for purpose with regards to potential partnership arrangements.

Given the Authority has received direct feedback from stakeholders that highlights demand for more land information products it seems prudent for the Authority to bolster its efforts with regard to product lifecycle management.



**Functions
& services**

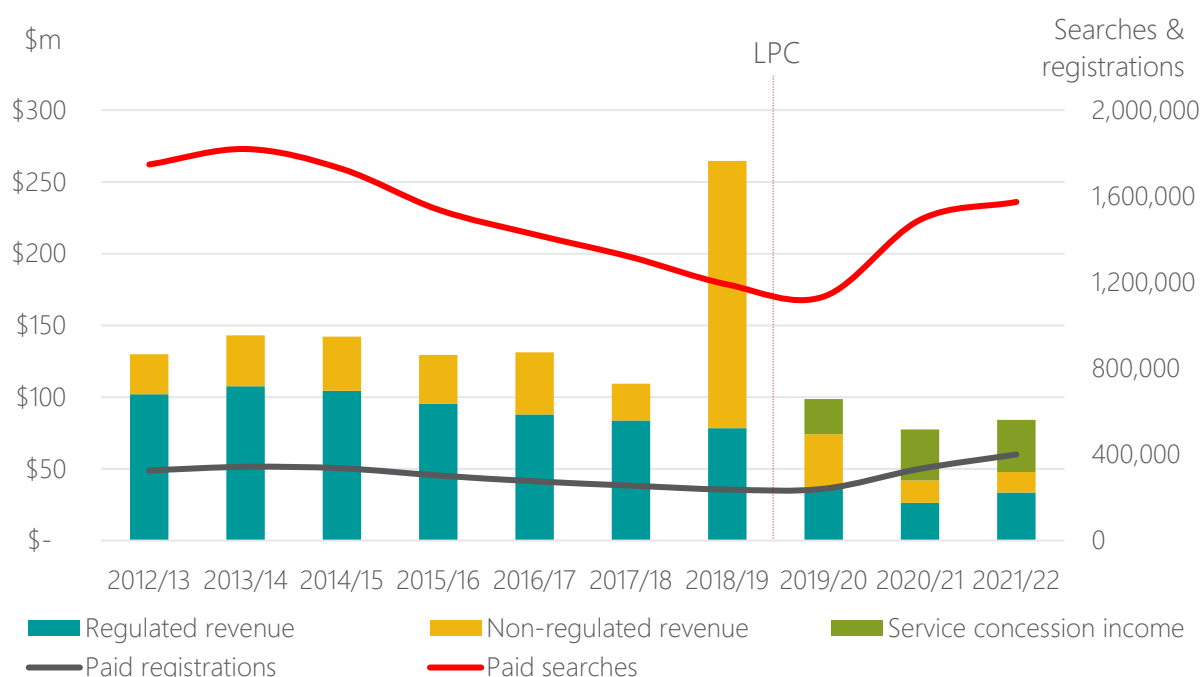
Recommendation 6: The Authority to invigorate its approach to product lifecycle management, including through partnerships with third parties, to maximise the community value and/or commercial returns generated by products and services.

3.4 Financial performance

Financial performance over the past five-year period has been relatively strong, albeit in two very different contexts. The Landgate Partial Commercialisation (LPC) has had a substantial impact across a range of financial metrics. As such, financial performance before and after October 2019 must be considered in different contexts. Clear delineation of when the LPC occurred is included in the relevant graphs in this section of the report to make this distinction easier to see.

Between 2017/18 and 2019/20 the property market was relatively subdued, with the Authority processing an average of 244,000 paid registrations and 1,270,000 paid searches annually. This is reflected in Figure 1, where the impact of low market activity during this period can be seen through regulated revenue results, which decline in parallel.

Figure 1 – Revenue and registration activity



Since the start of the COVID-19 pandemic the property market has seen a surge of activity. This began because of government housing stimulus packages, however the trend of high activity has continued long afterward. In 2021/22 paid document registrations were 68.9% higher than pre-pandemic levels of activity, and paid searches were 32.2% higher.

Noticeably, increased activity has not directly translated into a material increase in regulated revenue outcomes for the Authority. This is a direct effect of the LPC, as a significant portion of

revenue from paid searches and paid registrations now go to Land Services WA under the Commercialised Services Agreement.

Despite this, higher than expected market activity has generated more revenue than originally forecasted, which has masked the full impacts of the LPC. Regulated revenue generated from paid registrations is forecasted to reduce in coming years as market activity subsides. As this occurs, the Authority will become more reliant on government appropriation to ensure it has sufficient funds to meet its operating requirements.

Service concession income outlined in Figure 1 represents the reduction of the \$1.41 billion Service Concession liability created by the partial commercialisation. This liability will be reduced by \$35.25 million each year over the 40-year term of the Commercialised Services Agreement. This reduction in liability is considered revenue in Landgate's Profit and Loss statement, although the Authority does not receive any actual income.

With regard to non-regulated revenue performance has been relatively consistent with expectations but must be considered in context of several key factors. These are as follows:

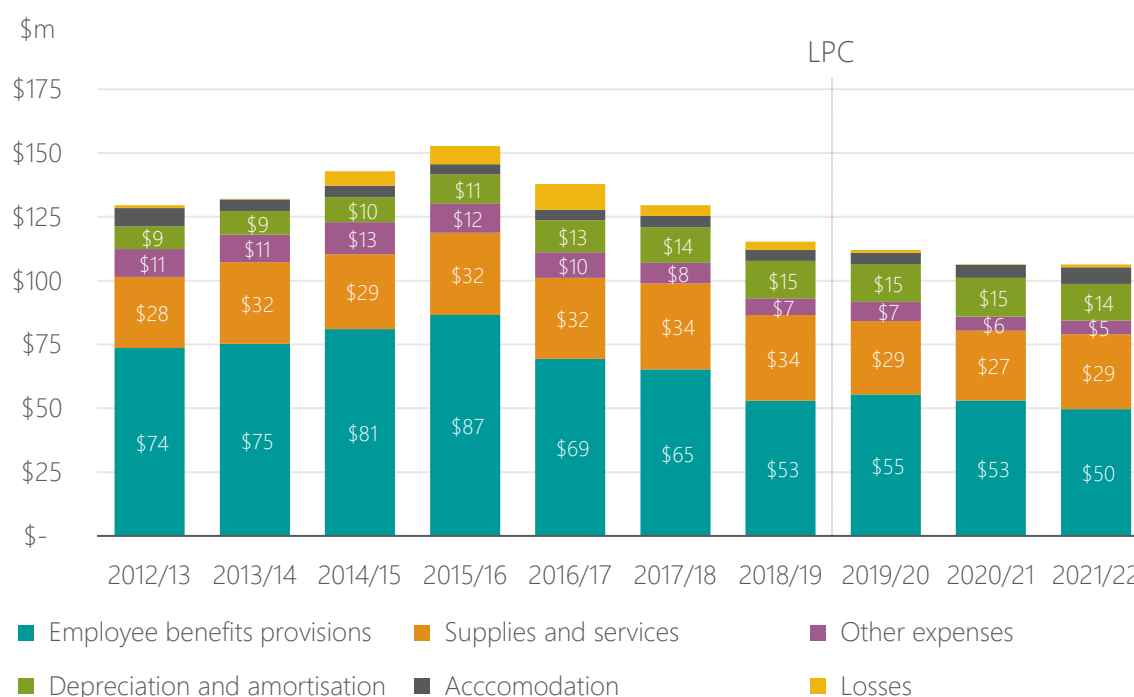
1. The general valuation program for the metropolitan region is delivered on a triennial basis, creating a spike in non-regulated revenue every third year. This occurred in 2016/17 and 2019/20 respectively. As such, non-regulated revenue should be considered by looking at averages over 3 or 6-year periods, rather than year-on-year results.
2. An extraordinary non-regulated revenue result was reported in 2018/19 when the PEXA shareholdings were divested for \$186 million, generating \$153 million in net gains. If gains from divestment are excluded from that year's result non-regulated revenue was \$33 million. This is close to the \$34 million average over the six years prior (2012/13 – 2017/18).
3. In 2020/21 the annual works related to the regional general valuation program for GRVs was deferred due to COVID-19 pandemic travel restrictions and abnormal market impacts to some asset classes. There was also a slowdown in commercial activity which led to lower than forecasted sales for various types of land information. These impacts manifested in an atypically low non-regulated revenue result of \$15.5 million, well below the \$34.4 million average over the six years prior (2014/15 – 2019/20).

On balance, average operating income has decreased since the previous review. Between 2012/13 and 2016/17 annual operating income (i.e. not considering appropriation) ranged between \$130 million - \$143 million. In 2017/18 and 2018/19 (pre-LPC) operating income (excluding gains from the sale of PEXA shareholding) was \$109 million and \$112 million respectively. However, between 2019/20 and the present (post LPC) operating income has been

reduced, ranging between \$42 million - \$74 million (this excludes the “service concession income” revenue category, as this represents a liability reduction and is not actual cash).

Reduced income has been mirrored by tight management of expenses, as can be seen in Figure 2.

Figure 2 – Expenses by category



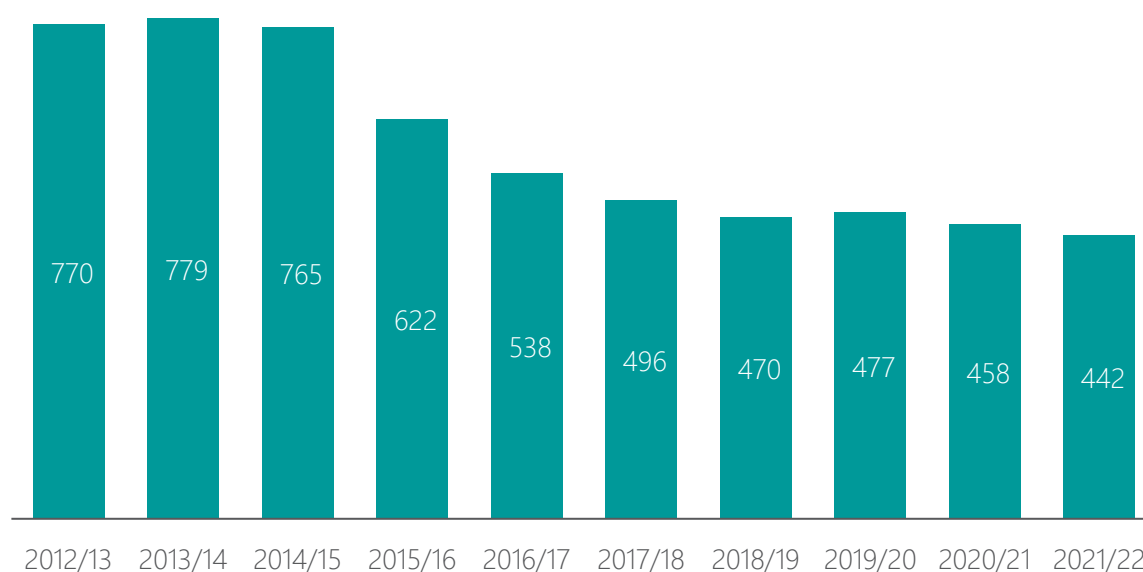
Total expenses have been reduced by 18% throughout the review period, decreasing from \$129.6 million in 2017/18 down to \$106.3 million in 2021/22.

Expenses in the supplies and services category reduced from \$34 million in 2017/18 down to \$29 million in 2021/22. This is primarily as a result of two main factors, which are as follows:

1. Renegotiation of the Master Services Agreement (MSA) with Advava for the provision of information technology services following the sale of the Authority’s shareholding in Advava. Certain aspects of the Advava MSA for the provision of information technology support services related to the New Land Registry system were separated to Land Services WA as a result of the partial commercialisation, leading to a cost reduction.
2. Flow on impacts of the Asset Investment Program (AIP) program being reduced post-LPC on recurrent expenses (expensed capital and ongoing capital expenses impacts).

Employee benefits provisions remain the largest portion of the Authority's expenses and were reduced substantially during the previous review period (2012/13 – 2016/17). This trend continued in the current review period as employee benefit expenses were reduced by a further 24%, from \$65.2 million in 2017/18 down to \$49.7 million in 2021/22. This reduced rate of employment expenses has been maintained since then, primarily driven by tight management of FTE levels as outlined in Figure 3. It should be noted that any decrease in FTE levels over the period is not in any way associated with the partial commercialisation.

Figure 3 – Full-time equivalents



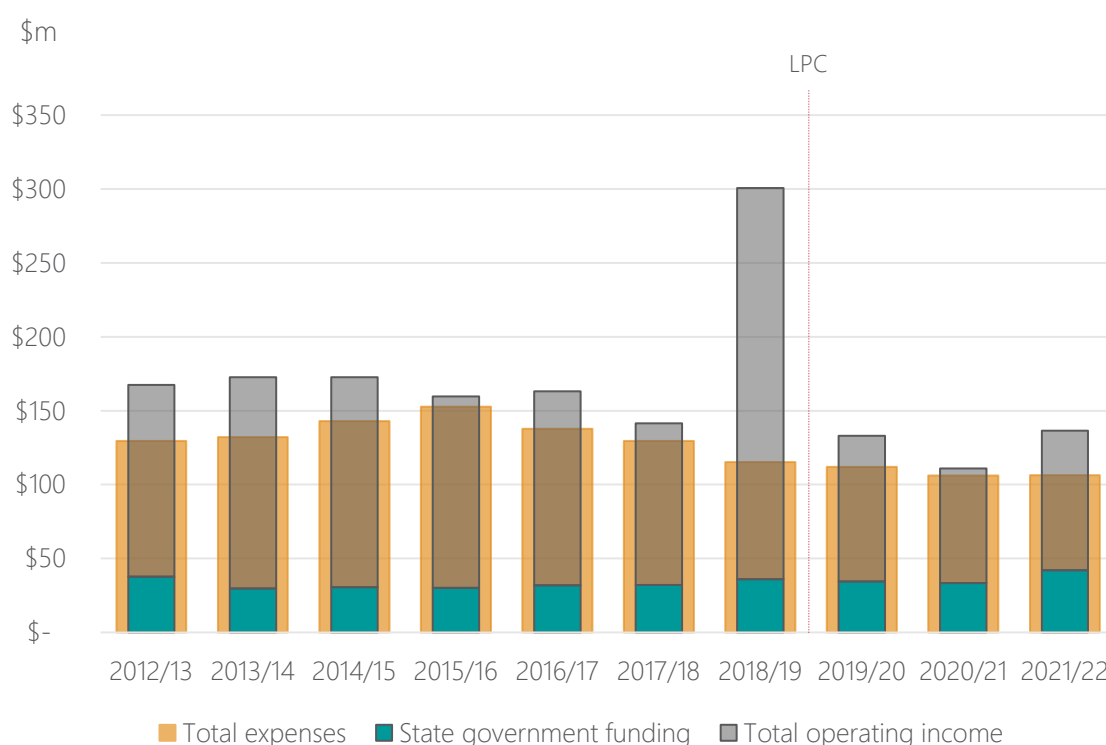
Stringent management of recruitment and role establishment and, more recently, the inability to easily fill roles in the tight labour market, has enabled FTEs to reduce from 496 to 442 over the period. These practices have had some impact on operations though, as resourcing any activities beyond those required by statute or one of the Authority's KPIs is challenging.

Over the next review period it may be challenging for the Authority to employ new talent at the rate required to achieve its long-term strategic objectives in a timely manner. This is particularly true for strategic objectives related to increasingly digital services, algorithm-based intelligence and automation. The acquisition of talent with capabilities in these areas is hotly contested in

the employment market and government salary bands for many technical roles are not competitive with the private sector.

Despite the challenge it poses, close management of the Authority's expenses has become increasingly important for financial sustainability post-LPC as can be seen in Figure 4.

Figure 4 – Operating income, State Government funding and expenses



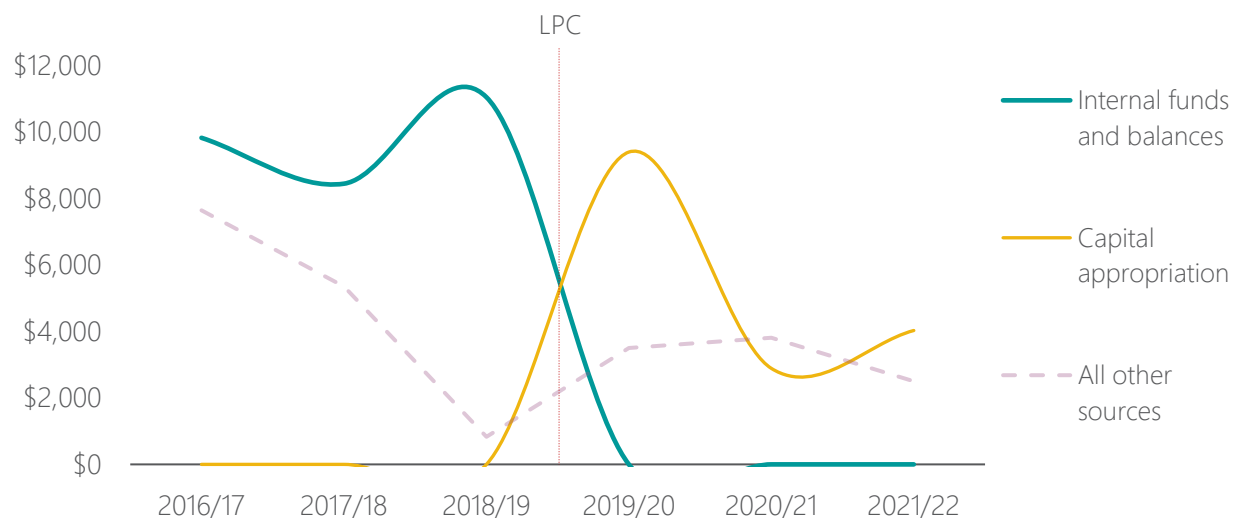
Note: Operating income in 2018/19 included \$153 million in gains generated by the divestment of the Authority's PEXA shareholdings, leading to an extraordinary result for that year.

Total profit has fluctuated throughout the review period, ranging from as little as \$4.7 million in 2020/21 to as much as \$30 million in 2021/22. Positive overall profit outcomes have been recorded in the years since the LPC despite the regulated revenue reductions associated with Land Services WA service fees. However, this has occurred during a period of extraordinarily high property market activity, and is not expected to be sustained throughout the next review period.

Tight management of expenses has helped ease this pressure to some extent, with total annual expenses reducing from \$137.6 million in 2017/18 down to \$106.3 million (or 23%) since the start of the review period. If this had not occurred the Authority would not have been profitable in 2020/21, and profits recorded in other years during the review period would have been much smaller.

Diminishing total income has impacted the Authority's capacity to self-fund its Asset Investment Program. Historically, a portion of funds retained beyond cost were reinvested into system development and other projects. As seen in Figure 5, in the years following the partial commercialisation the Authority has not been able to self-fund project works, and instead has relied on capital appropriation.

Figure 5 – Capital investment (Asset Investment Program) funding sources



Overall, the Authority has proven itself to be fiscally responsible over the review period by closely managing expenditure and FTEs, and as a result has recorded noteworthy profits during this period of high property market activity.

Over the next review period the Authority will need to continue working within its established expense limit and carefully managing its cashflow. Additionally, opportunities for refining operations and processes to drive down costs and generate a fair commercial return will become increasingly important.



4 Prescribed fees and pricing principles

4.1 Prescribed fees

Section 94A of the LIAA outlines the requirement of this statutory review to consider several issues regarding fees prescribed by the following Acts:

1. *Community Titles Act 2018*
2. *Registration of Deeds Act 1856*
3. *Strata Titles Act 1985*
4. *Transfer of Land Act 1893*
5. *Valuation of Land Act 1978*

4.1.1 Calculation of prescribed fees

Calculation of prescribed fees throughout the review period has been heavily influenced by the introduction of the *Land Legislation Amendment (Taxing) Act 2015* and *Land Legislation Amendment Act 2015* (the taxing provisions). These Acts were introduced to enable some prescribed fees to be set based on methodologies other than cost recovery as a response to findings in the 2012 LIAA review.

Decoupling the calculation of certain prescribed fees from cost helped alleviate the impact of fluctuating property market conditions, reducing price sensitivity and achieving greater fee stability. Additionally, it incentivised efficiency by allowing the Authority to retain earnings from prescribed fees beyond the cost of service delivery for reinvestment in the business and apply them to system renewals such as the creation of the New Land Registry.

When these Acts were introduced, a commitment was made that prescribed fees would be held at the levels of the 2014/15 financial year and only increased by Treasury's forecast Consumer Price Index (CPI) each year until 2018.

In December 2018 the Executive Council endorsed an instrument, the *Land Legislation (Postponement of Expiry) Proclamation 2018*, which extends the expiration date of the taxing provisions until 31 December 2024. While no further commitment was made regarding constraining fee increases, prescribed fees in force during the review period were all calculated by applying Treasury's forecast CPI as per the original commitment.

In 2022/23, prescribed fees for land titling services were increased based on ensuring fee relativity with Land Services WA service fees rather than Treasury's forecasted CPI. This was necessary to ensure the Authority has the financial means to discharge its contractual obligations under the Commercialised Services Agreement.

Prescribed fees for the review period, including annual increases, can be found in Appendix E.

4.1.2 Efficiencies and prescribed fees

When considering whether the Authority has achieved efficiencies which enable prescribed fees to be reduced or not increased, it is easiest to divide the prescribed fees in two categories.

The first category is for prescribed fees associated with the VLA and specified in Schedule 1 of the *Valuation of Land Regulations 1979*. These fees are for services related to the provision and administration of valuation rolls. Activities underpinning these services have not fundamentally changed throughout the review period. The information technology solution and processes in use have remained static. As such, there have been no significant efficiencies achieved which would allow these prescribed fees to be held at their current rates or reduced.

The second category of prescribed fees are those associated with land titling. Service efficiency for land titling services is now, to a large extent, decoupled from the ability to not increase or reduce prescribed fees.

Under the Commercialised Services Agreement the Authority is required to pay Land Services WA a service fee for each paid document and plan lodgement and paid search of the land titles register. Service fees are based on the pricing levels from 2019 when the agreement was entered and vary each year according to the Australian Bureau of Statistics CPI (Perth). Achieving improved efficiency for the services in scope of the Commercialised Services Agreement has no impact on the service fees the Authority is required to pay Land Services WA for each in-scope transaction, and as such will not enable their respective prescribed fees to not be increased or reduced.

Further, it should be noted that if the taxing provisions expire it would create financial challenges due to Land Services WA service fees being treated as a revenue reduction from an accounting perspective. Expiry of these provisions would mean prescribed fees for land titling can only be set based on cost recovery, which would not accommodate Land Services WA service fees, as they are not a cost. This would create a sizeable gap between prescribed fees and service fees and result in the Authority being reliant on State Government funding through increased appropriation to meet its contractual obligations under the Commercialised Services Agreement.



Financial
& pricing

Recommendation 7: The Authority to prepare a business case for maintaining the taxing provisions in the Authority's administered Acts for consideration by government.

4.2 Pricing principles for land information

The pricing principles used to determine charges for land information, products and services, which are not subject to any prescribed fees under another Act, are specified in section 16 of the LIAA. A summarised view of these pricing principles is provided in Figure 6.

Figure 6 – Summarised pricing principles from section 16 of the LIAA

	Any information used for a purpose involving a commercial benefit	Fundamental Land Information (FLI) (No commercial intent)	Goods or services other than FLI (No commercial intent)
State and local government, or a customer meeting the criteria outlined in s16(9) ¹	Charges designed to provide an overall profit representing a fair commercial return on total cost	Charges designed to cover extraction and provision costs only	Charges designed to cover the Authority's total cost related to the goods or services
Any other customer (includes commercial and federal government)	Charges designed to provide an overall profit representing a fair commercial return on total cost	Charges designed to provide an overall profit representing a fair commercial return on total cost	Charges designed to provide an overall profit representing a fair commercial return on total cost

Note 1: Customers outlined in s16(9) are "Persons with functions of a public nature; and who will not use the information for purposes other than education, research or activities of a community or regional nature; and who will comply with any conditions on which goods or services are provided at a charge described". Demonstrating a link to WA Government policy or initiative, or significant public benefit to WA is required.

Fundamental land information (FLI) is a construct designed to create a separate pricing category for certain types of land information which are fundamental to State Government operations and policy development. The exact types of land information which constitute FLI are specified in the *Land Information Authority Regulations 2007* (the Regulations). As a result of this construct, anything which is not explicitly listed in the Regulations cannot be considered FLI for the purposes of pricing, regardless of how foundational the information may be. It should be noted that the construct of FLI is primarily relevant to transactions with State and local government.

The construct of FLI is quite inflexible. In circumstances where the State or a local government requires land information that is foundational in nature but not explicitly listed in the Regulations as FLI, the Authority is obliged to apply charges designed to cover the total cost of the service. At times this may act as a barrier to the uptake and usage of land information for government purposes. Additionally, as technology evolves and new types of land information emerge, they are not considered FLI as they are not listed in the Regulations.

To alleviate this issue, it is recommended that the current approach to FLI be adjusted. Creating a mechanism for the Authority's Chief Executive Officer to determine the specific types of land information which constitute FLI based on clear principles would create greater flexibility. If this approach were adopted, provisions should require a list of FLI be published in specific locations such as the Authority's website to maintain transparency.



Legislation &
regulations

Recommendation 8: The Authority to explore opportunities for the Chief Executive Officer to determine the types of land information that constitute "fundamental land information" based on clear principles.

In a broader context, feedback from stakeholders regarding the pricing of data, products and services was mixed. Some stakeholders viewed pricing as expensive while others saw it as representing value for money. However, feedback from state government agencies with regard to data pricing was consistent, primarily questioning the need for one state government agency to charge another for data.

The two pricing principles used for State and local government are divided into those for FLI as specified in section 16(4) of the LIAA, and those for other types of information, products or services as outlined in section 16(6) of the LIAA.

Pricing for the provision of FLI to State and local government is based on the cost to the Authority of extracting the information from systems and providing it to the customer. The exact types of costs which can be included in these charges are provided for in section 16(5) of the LIAA. In an

effort to drive greater adoption of land information and its use to inform public policy and decision making, as well as promote public sector data sharing, it is recommended the LIAA be amended to enable FLI to be provided to State and local government customers free of charge when that information will be used for non-commercial purposes.

The financial impact to the Authority of such a change would be relatively immaterial, as transactions in this category of pricing generate less than \$250,000 annually. This cost pales in comparison to the benefits which can be created through the State better leveraging land information as part of policy development and decision making.



Financial
& pricing

Recommendation 9: The Authority to explore opportunities to make fundamental land information available free of charge to state and local government customers.

The secondary pricing category for land information outside of FLI is used for a variety of services and continues to serve a required purpose. Many of the Authority's services are not supported by appropriation, and as such are reliant on section 16(6) of the LIAA to apply charges designed to recover the total cost of the service. This is necessary to ensure sustainable service delivery.

One example of this is with respect to property valuations. Prescribed fees under the VLA primarily relate to the administration of, changes to, and provision of valuation rolls. There are no prescribed fees associated with the service of placing a financial value on a particular property or land asset. Charges for such property valuation services are recovered by applying the pricing principles outlined in section 16(6) of the LIAA.

Given the ongoing need for the Authority to price certain services based on the principle of cost recovery it is not recommended for section 16(6) of the LIAA to be changed at this time.

Feedback regarding pricing for information or data that will be used for commercial purposes was mixed. Some stakeholders stated pricing represented value for money while others cited the Authority's pricing as being high. Overall, with no consistent feedback in any regard there is no obvious need for change. However, there is an opportunity for the Authority to continue refining its processes related to the sale and licensing of data, products and services intended for commercial purposes to ensure affordable pricing whilst still generating a fair commercial return.

Section 17 of the LIAA outlines provisions enabling the Minister, with the Treasurer's concurrence, to direct the Authority to provide information free of charge in circumstances where there is a public benefit sufficient to justify giving the direction. These provisions are primarily used to support responses to natural disaster or genuine emergency situations, such as large-scale bushfires.

When emergency situations of sufficient magnitude arise that justify providing land information free of charge under section 17 of the LIAA time is of the essence. Ensuring emergency services and other front-line responders have timely access to any land or location information they require is critical.

The current structure of sections 17, 65(1) and 66(1) of the LIAA requires the Authority to seek Ministerial approval and the Treasurer's concurrence to provide information free of charge, which can take time that front line responders and emergency services can ill afford. To alleviate this issue it is recommended that the Authority explore opportunities to enable the Chief Executive Officer to provide land information free of charge in circumstances relating to a natural disaster or emergency situation. For transparency purposes, any changes should require the Authority to report instances where information was provided free of charge in its annual report.



Legislation &
regulations

Recommendation 10: The Authority to explore opportunities for the Chief Executive Officer to authorise the provision of land information free of charge to support responses to natural disasters or emergency situations.



5

Corporate governance and business model

5.1 Statutory authority model

Given the significant changes the Authority has undergone through the partial commercialisation it was deemed important to consider the Authority's overall business model as part of the current review.

The focus of most stakeholders was primarily on considering the Authority's ongoing capacity to generate commercial returns through the sale of data and data products. This was seen as the primary driver for remaining as a statutory authority, with generally mixed views on the subject. It should be noted that not all statutory authorities are commercially focused, such as the Botanic Parks and Gardens Authority and the Small Business Development Corporation.

Despite stakeholders focusing on the sale of data and data products, the power to acquire, hold and dispose of shares, units or other interests in or related to a business concern specified in section 12(2) of the LIAA was significantly more impactful throughout the review period. This was mostly obviously demonstrated through the divestment of PEXA shareholdings in January 2019 which yielded total proceeds of \$186 million, and a net gain of \$153 million for the State.

The investment opportunity that generated this windfall profit was created by the emergence of e-conveyancing and the changes it triggered in industry dynamics. While this window of opportunity has passed, significant changes are brewing over the medium to longer term in the industries related to the Authority's other functions. Continued technological advancements, particularly related to artificial intelligence and predictive algorithms, are expected to impact the land information and property valuation industries in coming years. These changes may create opportunities for future investment and subsequently benefits for the State.

These investment powers also create a simplified vehicle for the State to manage shareholdings in national joint ventures. Examples of this power being used include the Public Sector Mapping Authority (trading as Geoscape), which aggregates and distributes national location information datasets and, more recently, NECDS Co., which was established to curate and maintain national data standards for e-conveyancing.

In addition to investment powers, the statutory authority model also provides for the Authority having a Board of Management comprised of independent directors. This ensures independent oversight of operations and managerial conduct as well as the maintenance of strong governance protocols. Further, the independence of the Board and their ability to define the Authority's strategic agenda enables a greater focus on long-term, ambitious innovation regarding land information and its use across industry and government than might otherwise be possible as a government department.

The main drawback of the statutory authority model comes in the form of costs associated with Board salaries, administrative support for the Board and activities required to create a Statement of Corporate Intent and Strategic Development Plan as required under the LIAA. Based on analysis these costs appear to be relatively minor, particularly when contrasted against the financial benefits created from commercial investment powers.

On balance there does not appear to be rationale to move away from the statutory authority model at this point in time. The current operating model has been financially beneficial for the State, and it would seem short sighted to give up on the possibility for future investment opportunities immediately following the last success.



Business
model

Recommendation 11: The Authority to continue operating under the existing statutory authority model.

5.1.1 Transactions that require Ministerial approval

Under section 13 of the LIAA the Minister must approve any transaction exceeding \$5 million dollars (the relevant amount). However, section 13(3) of the LIAA also states regulations can be made prescribing a greater amount based on the Treasurer's recommendation. No such regulations have been made to date.

Since the LIAA was enacted in 2006, the Authority's cost of goods and services (e.g., software licenses and cloud data storage) has steadily increased while the relevant amount has remained constant. This has slowly decreased the number of contracts or procurements that the Board of Management can authorise without seeking approval from the Minister for Lands.

To reduce administrative burdens on the Minister and the Board with respect to approving transactions an updated relevant amount could be prescribed in the Regulations, accounting for, as a minimum, fifteen years' worth of inflation since the LIAA was enacted. This would bring the Board's financial decision-making powers back into line with the original intent of the LIAA.



Financial
& pricing

Recommendation 12: The Authority to prepare a business case for specifying a new relevant amount for transactions which require ministerial approval, taking into account inflation since 2007.

5.2 Governance, administered legislation and statutory functions

Division 1 of Part 4 of the LIAA provides that the Board of Management is the governing body for the Authority and is to perform the functions of the Authority as specified under the LIAA or any other written law. The Board is comprised of independent directors appointed by the Minister for Lands in accordance with section 22 of the LIAA, along with the Chief Executive Officer, who is responsible for managing the operations of the Authority.

More broadly, the Authority is responsible for the administration of 18 Acts, some of which establish statutory roles to be performed by certain officers, commonly referred to as statutory officers. Statutory officers are employees of the Authority with duties prescribed by their respective administered Act (or Acts). The major statutory officers employed by the Authority and the Acts establishing those roles are:

- Valuer-General (*Valuation of Land Act 1978*)
- Surveyor General (*Licensed Surveyors Act 1909*)
- Registrar of Titles (*Transfer of Land Act 1893*)
- Commissioner of Titles (*Transfer of Land Act 1893*)

The following section of this report focuses on several issues related to the Authority's suite of administered legislation, its relationship with certain statutory officers and governance challenges which arise from the current arrangements.

5.2.1 Administered legislation

The Authority has a role in administering 18 Acts for the State, which primarily relate to surveying and land titling functions. The full list of these administered Acts is available in Appendix F.

Half of the Authority's administered legislation is over 100 years old. Many of the older Acts use antiquated or overly complex language that is not in line with modern expectations. For example, some Acts use the phrase "the colony" when referring to Western Australia. Further, many Acts set out their functions in a manner which is unnecessarily complex when compared to contemporary legislation.

Further, a report entitled "Report on Repeal of Nineteenth Century Acts" was produced by the Inspector of Plans and Surveys in December 1989 which investigated whether five of the Acts related to surveying and land boundaries, which are currently in the Authority's suite of administered legislation, could be repealed or amalgamated. The Acts investigated by this report were:

1. *Land Boundaries Act 1841*
2. *Street Alignment Act 1844*
3. *Town Allotments (Boundaries) Act 1844*
4. *Town Boundary Marks Ordinance 1853*
5. *Amendment of Deeds of Grant Act 1884*

This report found that, with some minor amendments to other existing legislation, all five of the Acts listed above could be repealed. While the referenced report is quite dated, it is unlikely there has been an increase in reliance on any of the provisions of these Acts in recent years.

Over the longer term there is an opportunity to review, simplify, and consolidate the Authority's suite of administered Acts with a view to create a less complex contemporary framework. This would be a substantial undertaking given the breadth of Acts and the important functions and industries those Acts underpin. As such, this should be viewed as a longer-term objective.



Legislation &
regulations

Recommendation 13: The Authority to, in consultation with government and stakeholders, explore opportunities to modernise its suite of administered legislation to create a contemporary legislative framework.

5.2.2 Relationship between statutory officers and the Authority

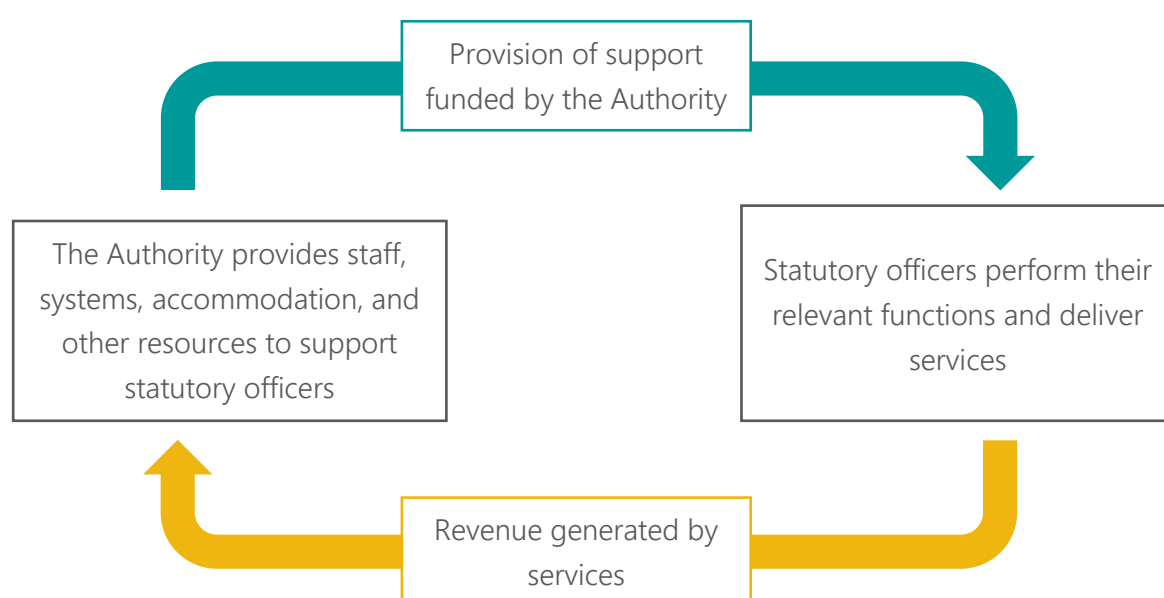
Section 9(6) of the LIAA specifies the Authority's function in relation to the Valuer-General, Commissioner of Titles and Registrar of Titles as being to:

"[...] provide staff, systems, and other resources and support, and to provide services and facilities, for the performance of functions that any other Act gives to a member of the Authority's staff."

The Authority's statutory officers, including the Surveyor General, were all interviewed as part of the stakeholder consultation conducted for this review. All four statutory officers indicated they felt well supported and respected by the Authority's senior executive in regard to their roles. Further, it was noted they receive adequate support related to technology and human resources, but that there is scope for improvement regarding internal processes in the information technology space.

Provision of support for statutory officers is, in the broader context of the Authority's operating model, a circular relationship. This relationship is articulated in Figure 7.

Figure 7: Relationship between the Authority and its statutory officers



There is the potential for this cyclical arrangement to create governance challenges in certain circumstances. Most notably, this could occur when a statutory officer has the power to make decisions that have a direct revenue impact on the Authority and there is no requirement for them to formally consult with the Authority's Board as part of the decision-making process. This situation could put the Authority's ability to fund the provision of support at risk, compromising its ability to perform its function under section 9(6) of the LIAA. This issue primarily relates to the Valuer-General and the VLA and is discussed in more detail in the next section of this report.

5.2.3 *Valuation of Land Act 1978* and governance implications

The VLA has a variety of provisions that have remained unaltered since the Valuer-General's Office was first amalgamated into the Authority's predecessor department, the Department of

Land Information, in 2003. Much of this Act is still structured in a way where the Valuer-General's Office is a standalone entity, and not part of a larger statutory authority.

One of the governance challenges this creates is that unlike the Authority's other administered legislation, administration of the VLA is attributed to a specific officer, the Valuer-General. This is provided for in section 7(1) of the VLA, which states that:

"The Valuer-General shall have the general administration of this Act."

It is assumed this provision relates back to the time when the Valuer-General was the responsible officer of the Valuer-General's Office. However, no other Act in the suite of legislation administered by the Authority has provisions attributing administration to a specific entity. As an example, the *Transfer of Land Act 1893* does not give general administration of that Act to any statutory role it establishes, such as the Registrar of Titles or Commissioner of Titles.

This construct is problematic from an overarching governance perspective, as the party responsible for administration typically drives policy change and reform where necessary. Responsibility for developing policy related to the Authority's land information functions is specified in section 9(8)(a) as a function of the LIAA, stating that:

"The Authority's other responsibilities under this Act are to, at the request of the Minister or as the Authority considers appropriate –

(a) develop policy and advise the Minister or any public body on matters related to the Authority's land information functions [...]"

With this function of the Authority in mind, and given the critical role the Authority plays in enabling the delivery of functions specified in the VLA through the provision of staff, systems and accommodation, it would be more practical for the general administration of the VLA to sit with the Authority rather than a specific officer. Further, transitioning general administration of the VLA to the Authority would standardise governance arrangements for all of the Authority's administered legislation and facilitate a holistic approach to legislative reform.

The VLA also lacks clear objectives and definition of purpose. Contemporary legislation usually outlines the specific objectives the Act seeks to achieve in a clear and concise manner. Further, Acts which establish statutory roles usually include a clear list of functions to be performed by those roles. Currently the VLA does not contain any such list of objectives or functions.

The second governance challenge arising from the VLA's current structure is created by section 22 of the VLA, which provides the Valuer-General with a broad range of powers regarding the administration, frequency and timing of general valuation programs. These include powers

related to deferral of general valuation programs where delivery is determined to be not practicable.

The timing of the delivery of general valuation programs has significant resourcing and revenue implications for the Authority, and consequently have a material impact on the Authority's ability to continue funding the provision of support and resourcing it is required to provide to the Valuer-General under section 9(6) of the LIAA.

Despite the potential impacts to the Authority's ability to continue funding the provision of support and resourcing, there is no requirement for the Valuer-General to formally consult with the Authority as part of making decisions in this regard. This presents a governance challenge for the Authority's Board and their ability to discharge the obligations in section 9(6) of the LIAA.

There is a need for decisions regarding the administration of programs of valuation work to better balance input from both the Valuer-General and the Authority to ensure sustainable service delivery. However, when it comes to the act of placing a financial value on land or property assets the independence of the Valuer-General is paramount. Ensuring this independence is preserved as part of any solution to these governance challenges is critical.



Legislation &
regulations

Recommendation 14: The Authority to explore opportunities to modernise the *Valuation of Land Act 1978* whilst preserving the Valuer-General's independence with respect to placing values on land and property assets.

5.3 Performance management and disciplinary powers

Within the current legislative framework of the LIAA, there are a limited number of disciplinary powers available to the Chief Executive Officer. Due to the way the LIAA is written the Authority cannot access Part 5 of the *Public Sector Management Act 1994* (PSMA), which provides many more tools, applied throughout the sector, to enable management of substandard performance and disciplinary matters, except for matters relating to Senior Executive Officers (as defined in the PSMA).

This issue was identified as part of the 2017 LIAA review and a recommendation was made to amend the Act to provide the Authority with the ability to apply Part 5 of the PSMA. At the time, advice was received stating this outcome could only be achieved by amending the LIAA. This issue alone was not deemed sufficient to justify legislative amendment, so the recommendation was not implemented.

As part of the consultation conducted for this review, feedback was received from the Public Sector Commission indicating the possibility of including the Authority's employees in section 14 of the *Public Sector Management (General) Regulations 1994*, which would then classify employees as "public sector workers" and as such, enable the provisions outlined in Part 5 of the PSMA to be applied.

Two other methods of achieving the desired outcome with respect to having access to greater employee disciplinary powers were identified, in the modification of employment contracts or amending the LIAA to provide for greater disciplinary actions. However, both these options have drawbacks and would be less ideal than the potential solution raised by the PSC. Regardless of the approach, the Authority should take steps to resolve this issue in due course.















Performance
management




Recommendation 15: Progress actions which enable the Authority to access and apply the 'substandard performance and disciplinary' provisions in Part 5 of the *Public Sector Management Act 1994*.

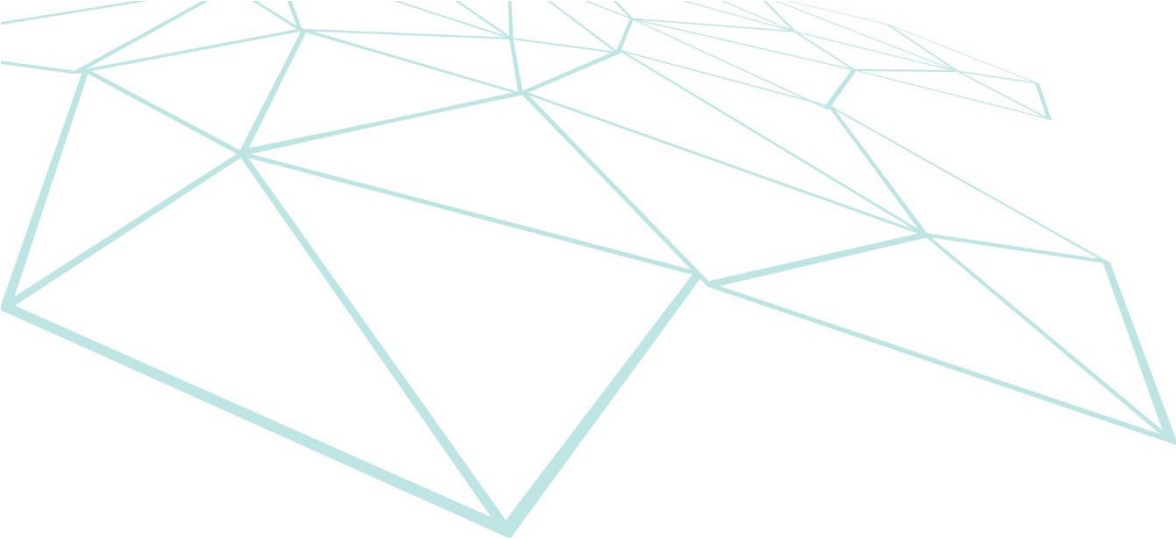
6

Recommendations

#	Recommendation	Category	Page no.
1	The Authority continue to deliver the functions outlined in the <i>Land Information Authority Act 2006</i> on behalf of the State Government.	 Business model	12
2	The Authority to continue implementation of system replacement and process innovation to improve the efficiency of valuation service delivery.	 Functions & services	14
3	Continue driving innovation and digitisation of services to meet customer expectations and create benefits for the State.	 Functions & services	15
4	The Authority to engage with government and stakeholders about its role in leading the promotion and use of land information across the public sector.	 Functions & services	17
5	The Authority to maintain continuous dialogue with state agencies responsible for emergency and environmental management to ensure clarity around their evolving land information needs.	 Functions & services	18

#	Recommendation	Category	Page no.
6	The Authority to invigorate its approach to product lifecycle management, including through partnerships with third parties, to maximise the community value and/or commercial returns generated by products and services.	 Functions & services	20
7	The Authority to prepare a business case for maintaining the taxing provisions in the Authority's administered Acts for consideration by government.	 Financial & pricing	29
8	The Authority to explore opportunities for the Chief Executive Officer to determine the types of land information that constitute "fundamental land information" based on clear principles.	 Legislation & regulations	30
9	The Authority to explore opportunities to make fundamental land information available free of charge to state and local government customers.	 Financial & pricing	31
10	The Authority to explore opportunities for the Chief Executive Officer to authorise the provision of land information free of charge to support responses to natural disasters or emergency situations.	 Legislation & regulations	32
11	The Authority to continue operating under the existing statutory authority model.	 Business model	34
12	The Authority to prepare a business case for specifying a new relevant amount for transactions which require ministerial approval, taking into account inflation since 2007.	 Financial & pricing	35

#	Recommendation	Category	Page no.
13	The Authority to, in consultation with government and stakeholders, explore opportunities to modernise its suite of administered legislation to create a contemporary legislative framework.	 Legislation & regulations	36
14	The Authority to explore opportunities to modernise the <i>Valuation of Land Act 1978</i> whilst preserving the Valuer-General's independence with respect to placing values on land and property assets.	 Legislation & regulations	39
15	Progress actions which enable the Authority to access and apply the 'substandard performance and disciplinary' provisions in Part 5 of the <i>Public Sector Management Act 1994</i> .	 Performance management	40



7

Appendices

Appendix A Terms of Reference

93. Review of Act

(1) The Minister is to carry out a review of the operation and effectiveness of this Act as soon as is practicable after every fifth anniversary of the commencement of this section and in the course of each review the Minister is to consider and have regard to —

- (a) the effectiveness of the operations of the Authority; and
- (b) the need for the continuation of the functions of the Authority; and
- (c) any other matters that appear to the Minister to be relevant to the operation and effectiveness of this Act.

(2) The Minister is to prepare a report based on the review and, as soon as is practicable after the report is prepared (and in any event not more than 12 months after the relevant anniversary), cause it to be laid before each House of Parliament.

94A. Review to include consideration of fee-setting

(1) Without limiting section 93, in the course of each review carried out under that section the Minister is also to consider and have regard to —

- (a) how the fees prescribed for the purposes of the following Acts have been calculated during the period covered by the review —
 - (ia) the Community Titles Act 2018;
 - (i) the Registration of Deeds Act 1856;
 - (ii) the Strata Titles Act 1985;

- (iii) the Transfer of Land Act 1893;
- (iv) the Valuation of Land Act 1978;

and

(b) whether, since the last review carried out under that section, the Authority has achieved efficiencies in its operations that would enable the fees referred to in paragraph (a) to be reduced or not increased.

(2) For the purposes of subsection (1)(a), the things that the Minister is to consider and have regard to include —

- (a) the principles and methodologies applied in determining the prescribed fees; and
- (b) how those principles and methodologies were applied in determining the amount of each prescribed fee.

(3) Subsection (1) ceases to apply in relation to fees prescribed for the purposes of an Act listed in subsection (1)(a) if the provision of that Act referred to in subsection (5) expires.

(4) This section expires on a day fixed by proclamation.

(5) The day fixed under subsection (4) must not be before all of the following provisions have expired —

- (aa) the Community Titles Act 2018 section 188;
- (a) the Registration of Deeds Act 1856 section 22AA;
- (b) the Strata Titles Act 1985 section 225;
- (c) the Transfer of Land Act 1893 section 182AA;
- (d) the Valuation of Land Act 1978 section 50

Appendix B Stakeholders interviewed by ACIL Allen

1. Urban Development Institute of WA
2. Australian Institute of Conveyancers
3. WA Institute of Surveyors
4. Property Council (WA Chapter)
5. Strata Community Association (WA Chapter)
6. Property Valuation & Advisory (WA)
7. Opteon Solutions (WA)
8. City of Karratha
9. City of Perth
10. City of Swan
11. CoreLogic
12. Department of Biodiversity, Conservation and Attractions
13. Department of Communities
14. Department of Finance
15. Department of Mines, Industry Regulation and Safety
16. Department of Planning, Lands and Heritage
17. Department of Fire and Emergency Services
18. Public Sector Commission
19. Water Corporation
20. Western Power
21. Geoscience Australia
22. Land Services WA
23. Office of Digital Government
24. Property Exchange Australia (PEXA)
25. Sympli
26. Landgate – Commissioner of Titles
27. Landgate – Registrar of Titles
28. Landgate – Surveyor General
29. Landgate – Valuer-General

Appendix C Public consultation information on the Authority's website

2022 review of Landgate's enabling legislation

The Land Information Authority Act 2006 (the Act) requires that every five years a review must be conducted of the Act which assesses its operation and effectiveness, and has regard to:

- (a) the effectiveness of the operations of Landgate; and
- (b) the need for the continuation of the functions of Landgate; and
- (c) any other matters that appear to the Minister to be relevant to the operation and effectiveness of this Act.

In short, the purpose of the review is to assess what Landgate has done well over the past five-year period, what it could improve and how it could meet the needs of the State better, including putting forward recommendations. A report based on the review must be tabled in Parliament by the end of the current calendar year.

Have your say

To help inform the review, Landgate is seeking feedback from organisations and members of the public who deal regularly with Landgate, or who have an interest in its operations.

Respondents are encouraged to provide their feedback through the survey link at the bottom of this page. This survey poses several questions, which have been intentionally designed to be flexible and broad in their focus, while also ensuring information gathered is relevant to the focus areas of the review.

Landgate recognises respondents may have additional feedback which may not align with the focus areas of the review but is nevertheless relevant to the review. To accommodate this feedback, an open commentary section has been included at the bottom of the form.

Landgate does not intend to publish any feedback received. Feedback submissions will be treated as confidential, however they may still be subject to the operation of the Freedom of Information Act 1992.

The opportunity to provide feedback submissions will be open until **COB May 27, 2022**.

To have your say, complete the [Landgate open consultation - 2022 review of Landgate's enabling legislation survey](#). If you have any questions regarding the review, or would prefer to provide a written submission of feedback, please email haveyoursay@landgate.wa.gov.au.

Appendix D Key performance indicators over the review period

Note: The Authority's KPIs changed after 2017/18. As a result of different measures, 2017/18 performance couldn't be compared with the rest of the review period and has been excluded.

Outcome	Key Effectiveness Indicator	Specific Target	2018/19		2019/20		2020/21		2021/22	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
1. The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.	The land titles register is updated and maintained in a timely and accurate manner	Timeliness - Simple and correct documents are registered within two working days of lodgement	80%	85%	80%	81.7%	80%	88.16%	80%	89.51%
		Accuracy - The number of adjusted Certificates of Title arising from identified errors as a percentage of the total Certificates of Title on the land titles register	≤ 1%	0.123%	≤ 1%	0.11%	≤ 0.25%	0.11%	≤ 0.25%	0.10%
2. Independent valuations support Government's collection of rates and taxes, and management of property assets.	International standards for accuracy and uniformity of rating and taxing values are met	Benchmark against international standards for accuracy using Median Ratio Test: Gross Rental Value	>92.5%	91.92%	>92.5%	92.17%	>92.5%	N/A ¹	>92.5%	91.6%
		Benchmark against international standards for accuracy using Median Ratio Test: Unimproved Value	>92.5%	90.67%	>92.5%	90.91%	>92.5%	91.38%	>92.5%	90.8%
		Coefficient of dispersion to check uniformity of values: Gross Rental Value	<7.00%	4.21%	<7.00%	4.22%	<7.00%	N/A*	<7.00%	4.25%
		Coefficient of dispersion to check uniformity of values: Unimproved Value	<15.00%	6.92%	<15.00%	5.68%	<15.00%	5.21%	<15.00%	7.45%

Note 1: The Gross-Rental Value general valuation program was deferred in 2020/21 due to COVID-19 impacts. As such, a result for the associated KPIs was not available for that year.

Outcome	Key Effectiveness Indicator	Specific Target	2018/19		2019/20		2020/21		2021/22	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
2. Independent valuations support Government's collection of rates and taxes, and management of property assets.	International standards for accuracy and uniformity of rating and taxing values are met	Adjustments of rating and taxing values as a result of Objections and Appeals as a percentage of total values in force.	<0.2%	0.015%	<0.2%	0.02%	<0.2%	0.04%	<0.2%	0.011%
3. Land and location information and services to support the management and development of the State	The extent to which the currency and relevance of the Land Information Databases meet the needs of the Western Australian community	Topography ¹ - Completion rate of the annual topographic maintenance program	100%	70.7%	95%	99.4%	95%	94.1%	N/A	N/A
		Names and Addressing - Completion rate of names and addressing jobs delivered within 10 business days	80%	88.5%	80%	92.4%	80%	87.6%	80%	88.74%
		Property Boundaries - Completion rate of property boundary related jobs within the agreed benchmarks	98.2%	94.4%	98.2%	96.3%	96.5%	97.8%	97.2%	97.46%
	Imagery Systems availability supporting the State's mapping, monitoring and predicting of bushfires	Imagery Systems ¹ availability supporting the State's mapping, monitoring and predicting of bushfires	N/A	N/A	N/A	N/A	N/A	N/A	99.00%	99.92%
	Overall satisfaction with the capture of, discovery of, and access to government location information	Overall satisfaction with the capture of, discovery of, and access to government location information	80%	76%	80%	84%	80%	80%	80%	84%

Note 1: The KPI for Topography was discontinued at the end of 2020/21 and replaced with a KPI for Imagery Systems, which was added at the commencement of 2021/22.

Appendix E Table of prescribed fees

Year	Documents	Searches	Copy of a Valuation Roll	Copy of addition, deletion, correction or amendment to a valuation roll	Extract of a valuation roll – per entry	Certified extract of a valuation roll – per entry	Commencement date and basis of escalation
2022/23	187.60 (+ 3.5%)	28.20 (+ 3.5%)	163.50 (+ 2%)	65.60 (+ 2%)	9.00 (+ 2%)	19.60 (+ 2%)	1 July 2022 Proposed fee increase pending Government approval. Based on ensuring fee relativity is maintained
2021/22	181.30 (+ 1.75%)	27.20 (+ 1.75%)	160.30 (+ 1.75%)	64.30 (+ 1.75%)	8.85 (+ 1.75%)	19.20 (+ 1.75%)	1 July 2021 (Treasury forecast CPI-2020/21 Budget Papers and Mid-year Review)
2020/21	178.20 (+ 2%)	26.70 (+ 2%)	157.50 (+ 2%)	63.20 (+ 2%)	8.70 (+ 2%)	18.90 (+ 2%)	1 July 2020 (Treasury forecast CPI-2019/20 Mid-year Review)
2019/20	174.70 (+ 2%)	26.20 (+ 2%)	154.50 (+ 2%)	62.00 (+ 2%)	8.50 (+ 2%)	18.50 (+ 2%)	1 July 2019 (Treasury forecast CPI-2018/19 Budget Papers)
2018/19	171.20 (+ 1.5%)	25.70 (+ 1.5%)	151.50 (+ 1.5%)	61.00 (+ 1.5%)	8.30 (+ 1.5%)	18.10 (+ 1.5%)	1 July 2018 (Treasury forecast CPI-2017/18 Budget Papers)
2017/18	168.70 (+ 1.75%)	25.30 (+ 1.75%)	149.50 (+ 1.75%)	60.00 (+ 1.75%)	8.20 (+ 1.75%)	17.90 (+ 1.75%)	3 July 2017 (Treasury forecast CPI-2016/17 Mid-year Review)

Appendix F Statutes administered by the Western Australian Land Information Authority

1. *Land Boundaries Act 1841*
2. *Street Alignment Act 1844*
3. *Town Allotments (Boundaries) Act 1844*
4. *Town Boundary Marks Ordinance 1853*
5. *Registration of Deeds Act 1856*
6. *Amendment of Deeds of Grant Act 1884*
7. *Transfer of Land Act 1893*
8. *Licensed Surveyors Act 1909*
9. *Redemption of Annuities Act 1909*
10. *Standard Survey Markers Act 1924*
11. *Real Property (Commonwealth Titles) Act 1925*
12. *Real Property (Foreign Governments) Act 1951*
13. *Sale of Land Act 1970*
14. *Valuation of Land Act 1978*
15. *Strata Titles Act 1985*
16. *Land Information Authority Act 2006*
17. *Electronic Conveyancing Act 2014*
18. *Community Titles Act 2018*

