Table of Contents

EXECUTIVE SUMMARY .......................................................... 1

INTRODUCTION ........................................................................ 4
Terms of Reference ...................................................................... 4
Purpose of this report ................................................................. 4

1. ORGANISATIONAL CONTEXT ........................................ 5
Land Administration and Land Information Services in Western Australia ........................................... 5
Public Sector Reform and Land Information ......................................................................................... 6
Investment in Shared Infrastructure for Land Information ................................................................. 6
Establishment of Landgate ....................................................................................................................... 7

2. LANDGATE’S PERFORMANCE .................................. 8
Strategy and Focus ...................................................................... 8
Foundations for Operational Success ....................................................... 9
Financial and Operational Performance ............................................................................................ 11
Effectiveness and Landgate’s Strategic Development Plan .................................................................... 15
Customer Experience and Satisfaction ............................................................................................... 17
Innovation and Business Reform ......................................................................................................... 18
Policy Leadership ................................................................................................................................. 19
Contributions to National Reform Initiatives ...................................................................................... 20
Awards and Recognition ...................................................................................................................... 21

3. INDUSTRY AND GOVERNMENT PERSPECTIVES .......... 22
Industry Partners and Associations ...................................................................................................... 22
WALIS Partners in Government .......................................................................................................... 23
Central Government Agencies ............................................................................................................ 23
Landgate’s Policy Role – the Location Information Strategy .............................................................. 23
Leadership and National Conveyancing Reform ................................................................................ 24
Digital Security and Property Transactions ......................................................................................... 25
Commercial Activity and Competitive Structure .............................................................................. 25
Participation in Business Associations .............................................................................................. 26
Improving Product and Service Functionality .................................................................................... 27
Pricing and Sustainability ...................................................................................................................... 27
Pricing and Land Information ............................................................................................................... 28
Capability and Capacity ....................................................................................................................... 28
Role of Statutory Offices ...................................................................................................................... 29
Landgate Perspectives .......................................................................................................................... 29

4. FINDINGS .............................................................................. 31
Effectiveness of Landgate .................................................................................................................... 31
Case for Continuation as a Statutory Authority .................................................................................. 31
Governance and Statutory Offices ...................................................................................................... 33
Governance and Policy ........................................................................................................................ 33
Governance and Regulatory Transparency .......................................................................................... 34
Pricing Framework Reform .................................................................................................................. 35
Employment Model .............................................................................................................................. 37
The Business of Landgate .................................................................................................................... 37
Simplifying Linkages between Planning and Implementation .............................................................. 39
Commercial Practice ........................................................................................................................... 39
Leadership and Location Information Strategy .................................................................................. 41

5. SUMMARY OF RECOMMENDATIONS .......................... 43
Strategic Recommendations ................................................................................................................ 43
Operational Recommendations ................................................................. 43

Appendix A ................................................................................................. 45
  Review Methodology ................................................................................ 45
  Industry Stakeholders Consulted ............................................................ 46
  Government Stakeholders Consulted ....................................................... 46
  Other Organisations and Individuals Consulted ...................................... 47
  Acknowledgements .................................................................................. 47

Appendix B ................................................................................................. 48
  Statutes Administered by Landgate ......................................................... 48

Appendix C ................................................................................................. 49
  Pricing Framework under Section 16 of the Act ...................................... 49

Appendix D ................................................................................................. 50
  Review of Landgate’s Pricing Framework - Terms of Reference ............. 50

Appendix E ................................................................................................. 51
  Glossary of Terms .................................................................................... 51
EXECUTIVE SUMMARY

This review meets a requirement of the Land Information Authority Act 2006 for an assessment of the operation and effectiveness of this Act after the first five years of operation of Landgate. Section 93 of the Act requires the review to consider:

- the effectiveness of the operations of Landgate;
- the need for the continuation of the functions of the Authority; and
- other matters that appear to be relevant to the operation and effectiveness of this Act.

An extensive range of industry peak bodies and Landgate partners within the WA Public Sector contributed to this assessment of Landgate’s performance and effectiveness as a statutory authority, its legislative framework and the need for the continuation of its functions.

Chapter One provides an overview of Landgate’s effectiveness and performance across the first five years of operation. Chapter Three summarises industry, governmental and Landgate input to the review. The review’s Findings and Recommendations to Government are summarised in Chapters Four and Five.

The review concludes that the operations of the Western Australian Land Information Authority, trading as Landgate, have been effective in its first five years of operation and that there is a persuasive case for the organisation to continue in the statutory form provided for in the Act.

Landgate enjoys the respect of its working partners within industry and across the governmental community and has a reputation as an effective, innovative and responsive organisation. It has competently managed the governance and performance transition to its new operating form as a statutory authority and the operational challenges presented to it (and the broader property sector) from a profound downturn in property sector transactions arising from the Global Financial Crisis (GFC).

The net worth of the Authority has increased from $76.2m at 1 January 2007 to $108.1m at 30 June 2011, and was $119.6m at the end of 2011. The financial and operational performance of Landgate demonstrates the positive benefits accruing to the State of the statutory authority model. The Authority has proactively managed its affairs to ensure that key performance measures (revenue, equity, profitability and productivity) have improved over the last five years.
The review found no compelling operational or strategic reason for early transition of Landgate to Government Trading Enterprise (GTE) status or for reversion to a departmental model of governance.

Landgate’s continuing role is to ensure the State’s economy is underpinned by a sound land administration system and that long run benefits to government and the geospatial sector are realised, conditional on the organisation demonstrating greater clarity in respect of its business strategy (rather than profound change to its current organisational and governance model).

The vision for Landgate is as a responsive Statutory Authority – leading the modernisation of the Government’s land information assets and services and generating sufficient funds to ensure financial sustainability within risk, pricing and performance parameters set by the Government. The expectation established in the 2007/08 – 2011/12 Strategic Development Plan (SDP) for Landgate’s first dividend to be available from the 2012/13 financial year will be realised (although this may also be available for reinvestment by government in multi-agency Location Information Strategy Initiatives).

A reduction in the scale and form of the appropriation provided to Landgate to meet its role in servicing Government’s land information requirements is in prospect. To achieve this outcome the business will focus on improving financial sustainability through increased productivity, cost reductions, alternative sourcing strategies and the adoption of more contemporary pricing models. Modernising the pricing frameworks available to Landgate is the critical initiative to enable the organisation to fund its future operations.

Four recommendations are presented for consideration by Government. Recommendations 1 and 4 recommend that the current legislated role and employment model for Landgate continue. Recommendations 2 and 3 may require subsequent amendment to legislation, adjustment to policy settings for pricing and the commencement of a rolling program of review and overhaul of the suite of subordinate legislation overseen by Landgate.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Landgate continue operations as a statutory authority with functions as currently defined in the <em>Land Information Authority Act 2006</em>.</td>
</tr>
<tr>
<td>2</td>
<td>Landgate review and modernise its subordinate legislation to ensure alignment with the LIA Act and to appropriately define and position statutory offices, and related regulatory and policy roles for the future.</td>
</tr>
<tr>
<td>3</td>
<td>Landgate (in conjunction with the Department of Treasury and Department of Finance) conduct a review of the Landgate’s pricing framework with the objective of establishing contemporary pricing structures and ensuring the financial sustainability of the organisation.</td>
</tr>
<tr>
<td>4</td>
<td>Landgate’s employment framework remains as provided in Sections 44 and 45 of the Act and the organisation continue as an SES organisation.</td>
</tr>
</tbody>
</table>
The review also makes five recommendations for action by the Landgate Board and management team in the coming months. All arise from the findings and observations designed to strengthen the performance and focus of the organisation within the framework provided by the current legislation and priorities signalled by Government through the SDP process.

The intent is for Landgate to:

- support the future growth of the state by modernising the way land information functions are discharged; and to
- progressively fund, renew and strengthen government’s land information capabilities and infrastructure.

These recommendations are:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Landgate’s Board continue to review and sharpen the business model for the organisation to reflect the performance expectations signalled in the draft SDP for 2012/13 to 2016/17.</td>
</tr>
<tr>
<td>6</td>
<td>Landgate’s next Statement of Corporate Intent include (in schedule form) greater emphasis on implementation strategies, actions, resources and timelines.</td>
</tr>
<tr>
<td>7</td>
<td>Landgate review its commercial investment policy, risk assessment tools and related processes to ensure all assessments of future business associations reflect appropriate transparency and contestability measures, including market testing.</td>
</tr>
<tr>
<td>8</td>
<td>Landgate continue to provide leadership in implementation of the Location Information Strategy across government and explore bi-lateral opportunities for replacement technologies, provision of GIS capability and related solutions with government and industry partners.</td>
</tr>
<tr>
<td>9</td>
<td>Landgate develop an appropriate change management strategy to support the achievement of priorities and initiatives confirmed with government through the 2012/13 – 2016/17 Strategic Development Plan.</td>
</tr>
</tbody>
</table>
INTRODUCTION

Terms of Reference

On 1 January 2007 the Western Australian Land Information Authority, a statutory authority with commercial powers trading as Landgate (the ‘Authority’), was established under its enabling legislation, the Land Information Authority Act 2006 (the ‘Act’).

Under Section 93 of the Act, the Minister for Lands is required to undertake a review of all matters relating to the operation and effectiveness of the Act.

The relevant section states that:

(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.

Purpose of this report

The purpose of this document is to report on the outcomes of a review of the operation and effectiveness of the Act.

The review involved extensive consultation with industry and Government stakeholders, in relation to the operation of the Act and Landgate’s performance as a Statutory Authority.

The methodology used is described at Appendix A together with a list of organisations and individuals who contributed to the review.
1. ORGANISATIONAL CONTEXT

Land Administration and Land Information Services in Western Australia

Landgate can trace it origins back to its beginnings as the Survey Office of the Swan River Colony in 1829.

In the early days of the fledgling colony, land was the most available currency. The survey and mapping of land for allocation to settlers was of critical importance and the Survey Office was responsible for the division, planning and management of Crown Land, protection of public reserves and the mapping of the colony as well as other Government functions.¹

The role of the organisation continued to change as the economy of the colony developed. With the achievement of responsible self-government in 1890, a Department of Lands and Survey was established.

In the latter part of the twentieth century, the increasing use of computers created new opportunities and capabilities to assist in the management of land information. The quantity of information, particularly tenure and cadastral data, was increasing rapidly but not easily accessible. Interagency cooperation was limited and duplication of effort and resources was a significant issue across the public sector.

In 1979 the Western Australian (WA) Government sought to develop a computer-based land information system to meet the needs of the State. The Land Information System Support Centre (LISSC) was established to develop a land information capability for WA and to act as the custodian of tenure and cadastral data. Various advisory and planning structures were created which led to the establishment of the West Australian Land Information System (WALIS) in 1981.

A subsequent public sector review (Functional Review Committee 1986) resulted in the Department of Lands and Survey and LISSC being abolished and restructured as the Department of Land Administration (DOLA)

A governmental commitment to decentralisation led to DOLA moving from the central business district to new business premises in Midland in 1993. The move commenced the transformation of the agency as DOLA’s early investment in digital capability meant that title searches by customers could be undertaken remotely. DOLA subsequently became one of the first organisations in Australia to offer an online purchasing facility for its customers in 2003 and pioneered the delivery of e-Government initiatives in WA.

¹ Ron Hutchinson, Land, Mapping and Survey: A General History of the Department of Lands and Surveys, pi.
Public Sector Reform and Land Information

In 2001 the Machinery of Government (MoG) Taskforce reviewed the structure of the public sector. Their report, *Government Structure for Better Results*, proposed transfer of the Valuer General into the new Department of Land Information (DLI) and noted the potential of Government land information activities to be self-funding. The establishment of a self-funding Government Business Enterprise (GBE\(^2\)) to provide land information and titles\(^3\) was recommended.

After further review an organisational model based on a statutory authority with defined commercial powers was agreed as a more appropriate structure than a fully corporatised GTE.\(^4\)

In 2002, Cabinet approved drafting of a Bill to establish a new authority to carry out the functions then performed by DLI and to drive the commercial development of the State’s land information asset.

In a statement to Parliament, the then Minister for Planning and Infrastructure flagged that the establishment of a statutory authority would ensure that WA remained a world leader in land information technology:

> The new statutory authority will have the commercial flexibility to be able to deliver a greater return to the State and community. […] the new organisation will become self-funding and be able to reinvest revenue into customer service to ensure that Western Australia remains at the cutting edge of land information systems. This will see the development of new on-line services and improvements in the quality of the information available to the public.\(^5\)

Investment in Shared Infrastructure for Land Information

During this transition period Cabinet approved development of the Shared Land Information Platform (SLIP), a collaborative initiative to link land information from multiple government agencies and make subscribed information accessible online through a common framework. DLI hosted the SLIP Enabler, a technical platform of infrastructure and services that enabled the connection, management and delivery of locational information across government.

---

\(^2\) The Machinery Of Government Review used the terminology *Government Business Enterprises (GBEs)*. The terminology subsequently adopted in Western Australia was *Government Trading Enterprise (GTE)*. GTE is used in this report.


\(^5\) Hon Alannah MacTiernan, Hansard of Legislative Assembly, 13 November 2002, p 3070.
Establishment of Landgate

On 14 June 2006, a Bill to establish a new land information authority was introduced to the State Parliament.

The Second Reading speech outlined the Authority’s purpose:

…a statutory authority to undertake the Government’s land titling, land information and land valuation functions. In addition, the authority will lead the commercial development of the state’s land information databases, which have acquired market value in recent years as a result of significant changes in technology and demand.

These commercial activities will generate capital funds to replace essential but ageing systems, improve data quality, and provide faster and easier access to land information.\(^6\)

The legislation received bipartisan support.

The Land Information Authority Act 2006 enabled the establishment of the Western Australian Land Information Authority, which commenced trading as Landgate on 1 January 2007.

The Act provided for:

- the delivery of government land information services that include land registrations and the provision of valuation services;
- the delivery of commercial services that include bulk digital data, customised imagery and maps, valuation goods and services, land information consultancy, international programs and fundamental land information (FLI);
- pricing principles governing regulated and non-regulated goods and services;
- the role of the Board of Management in managing the affairs of the Authority, subject to the control of the Minister; and
- Ministerial accountability for the governance of the Authority including its strategic direction and performance and oversight of business arrangements.

\(^6\)Hansard of Legislative Assembly, 14 June 2006, p3361.
2. LANDGATE’S PERFORMANCE

The review requires consideration of all matters relating to the operation and effectiveness of the Act including effectiveness of the operations of the Authority.

Strategy and Focus

Landgate’s effectiveness and performance is best evaluated within policy expectations set for it by Government (as the shareholder) and against the statutory charter determined for it by the Land Information Authority Act 2006.

The Act provides for two statutory instruments – the Strategic Development Plan (SDP) and Statement of Corporate Intent (SCI)\(^7\). These documents and the process by which they are developed link the legislative charter of Landgate to an annual consideration and endorsement by Government of Landgate’s specific priorities and financial parameters.

Approval of the SDP by the responsible Minister and the Treasurer ensures that the Government’s priorities and policy settings for the organisation are communicated to Landgate’s Board and leadership team and embedded in its operational activities.

Across the past five years the challenges conveyed to Landgate through the SDP/SCI process, and successfully responded to, can be characterised around two key strategic themes. These are to:

- support the future growth of the State by modernising the way Landgate’s functions are discharged; and to
- progressively fund, renew and strengthen government’s land information capabilities and infrastructure.

Landgate’s 2011/12 – 2015/16 SDP positions the organisation to:

- maintain the quality and integrity of government’s location information systems, including the State’s survey, mapping, titles and valuations functions;
- be self-sustaining and generate profits to reinvest in the business and deliver a return to the State;
- grow commercial revenue and diversify income streams through expansion of existing markets, development of targeted opportunities, and a focus on information services and strategic alliances;
- operate effectively as ‘one business’, with better integration, increased efficiency and greater flexibility in directing business capacity;

\(^7\) The Act also contains various provisions requiring specific Ministerial approvals, disclosure and provision of information arrangements and procedures where a formal Ministerial direction to the Authority may be required.
• provide quality information through reliable and customer focused systems;
• increase automation and integration of data, systems and processes, and facilitate the sharing of data between other government agencies;
• collaborate with government and industry as a partner of choice;
• ensure business continuity through the development of robust systems and sound business practices; and
• be recognised as the primary source of integrated location information in WA, enabling better decision making and planning by government, industry and the community.

Landgate’s strategic directions and business priorities over the last five years reflect its commitment to deliver economic, environmental and social benefits to WA.

The Authority underpins the operation of the State’s economy and land and property markets by registering property transactions annually and supporting the State’s rating and taxing base. In 2010/11, the value\(^8\) of transfer documents lodged at Landgate was $33 billion. Landgate’s statutory role has also assisted broader public sector reform and efficiencies via access to government data through the continued expansion of SLIP.

Landgate’s Innovation Program and partnerships with industry have supported growth in small to medium-sized enterprises in the rapidly maturing spatial information industry. The organisation plays a role in supporting education and research, including an alliance with Curtin University and involvement in the Cooperative Research Centre for Spatial Information. It has played an influential policy role in the development of the Location Information Strategy (described elsewhere in this document). The Authority has also played an important facilitative role in the application of technology to better inform safety, climatic, geographic and spatial information relevant to land use, occupancy and the development of all West Australian communities.

Landgate’s On Line Shop has simplified and enabled public access to Landgate’s services. Introduced in February 2007 this channel enabled the general public to access a range of land information products to the general public for the first time, with 24,768 transactions and $434,759 revenue in its first year growing to 78,437 transactions and $1,704,514 revenue in 2010/11.

**Foundations for Operational Success**

A stewardship principle has been applied by the organisation to improve the value to the Government of its long run investment in land information assets. A range of industry partnership arrangements have been developed to progressively identify

\(^8\) ‘Consideration value’ determined by the Valuer-General for stamp duty purposes as reported in Landgate Business Activity Profile Report, June 2011.
and unlock new ways in which land information can be accessed across government, industry and community settings.

The establishment phase for Landgate has been shaped by two specific operating challenges:

- achieving orderly transition from its former departmental model of operation; and
- responding to acute performance and revenue challenges (particularly in its regulated businesses) as the volume of land transactions declined dramatically as a consequence of the GFC and subsequent property market impacts in WA.  

In its first five years of operation Landgate’s performance has been underpinned by the establishment of strong governance protocols, astute foundation planning for the new Authority and effective strategic and operational management.

Key achievements include:

- a competent governance and risk framework has been set up by the Board to guide the establishment and early operation of the organisation.
- a sophisticated approach to risk identification and management has been developed and applied. An active Audit and Risk Committee operates as a Board sub-committee and has mandated a number of best practice governance measures and procedures within Landgate.
- an excellent standard of financial compliance has been achieved. The Financial Statements included with all Annual Reports tabled by the Authority since commencement were issued without Audit qualification. The Auditor General issued a qualification of one of the Performance Indicators used by the Authority in 2010/11. The qualification related to the integrity of a data source used to inform the particular performance measure – a remediation of this issue is underway and will be addressed in the 2011/12 Annual Report.
- a maturation of the Authority’s approach to strategy and performance has been driven by the Board. The SDP/SCI documents developed over time now reflect a sharper focus on outcomes and performance standards for the organisation.

---

[9] The decline in document registrations and search activity as a result of this downturn in the property market is shown in Figure 1 overleaf.
- A board sub-committee – the Marketing and Business Development Committee was established in 2010 to promote the commercialisation of the Authority’s products and services, and to enhance the generation of non-regulatory income.

**Financial and Operational Performance**

The financial and operational performance of Landgate demonstrates the positive benefits accruing to the State of the statutory authority model over a departmental model. The Authority has proactively managed its affairs to ensure that key performance measures (revenue, equity, profitability and productivity) have improved over the last five years.

Landgate demonstrated a disciplined response to the operating and financial challenges presented by the Global Financial Crisis (GFC). In 2010/11 the Authority’s revenue performance was adversely impacted by record low levels in property market activity with document registrations at the lowest levels experienced since the early 1990s.

**Paid Document Registrations and Search Activity**

![Data chart illustrating paid document registrations and search activity from 2004/05 to 2010/11.](Image)

*Figure 1: Actual Levels of Paid Searches and Document Lodgements 2004/05 to 2010/11*
Landgate’s 2010/11 Annual Report noted that registration activity levels (the main source of Landgate’s revenue), finished 17 per cent below 2009/10 which was previously the lowest level recorded since 2000/01. Over 70 per cent of the Authority’s revenue is derived from regulated fees from property transactions (searches and document lodgements).

Consequently financial and organisational performance of Landgate has been impacted by the downturn in property transactions.

A high proportion of revenue remains dependent on property market activity and very low property transactions levels over the past few years have significantly impacted revenue and cash reserves.

Recovery in property market activity is expected to slowly improve overall, however will remain subject to periods of volatility, which will impact relevant revenue streams.

Landgate has responded by exercising fiscal discipline and finding efficiencies although it has been constrained by high fixed costs and lack of flexibility to reduce these costs quickly in line with changing market conditions.

Despite this impact, overall operating revenue finished above target in 2010/11 and 2.7 per cent above the previous year, due mainly to additional valuation revenue whilst the lower activity levels for key revenue sources were partially offset by fee increases.

A steady increase in non-regulated revenues over the period indicates progress is being made in developing the commercial aspects of the business.

Expenditure growth for 2010/11 was tightly contained (only 0.9 per cent over the
previous year against wage increases of 4 per cent\textsuperscript{10} due to the instigation of savings initiatives in response to the prevailing economic conditions.

A decision taken by the Board to suspend the iLand Project is characteristic of the growing rigour applied by the Board and the organisation to investment prioritisation and performance.

The iLand decision relates to an initiative commenced in 2008/09 to automate Landgate’s core business processes and systems. Delays were experienced on system and process reforms leading to an assessment that increasing project costs and a subdued market would render the business case unviable.

The Board discontinued major aspects of the program other than for the purpose of improving registration processes required as part of the National Electronic Conveyancing System.

As a consequence an impairment loss of $10.5m was recognised for the iLand Program which pushed overall expenditure $7.3m above target and $11.6m above the previous year.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{profit_loss_graph.png}
\caption{Profit and Loss (before tax) for 2004/05 to 2010/11}
\end{figure}

The Authority also enforced greater adherence to leave reduction requiring staff to clear an average of 6.2 weeks leave during that financial year.

\textsuperscript{10} In line with the Public Sector General Agreement 4 as of 1 April 2010.
A leave reduction strategy has been in place for several years and since July 2008 Landgate’s leave liability reduced by 5 per cent ($0.8m), in contrast to the total public sector where there was a 24 per cent ($0.5 billion\textsuperscript{11}) increase during the same period.

Notwithstanding the challenging operating environment described the Authority has been able to improve the value of the organisation over the past five years as measured by a marked improvement in net equity.

![Balance Sheet Summary](image)

**Figure 4: Balance Sheet Summary 2004/05 to 2010/11**

The net worth of the Authority has increased from $76.2m at 1 January 2007 to $108.1m at 30 June 2011, and was $119.6m by the end of 2011.

As a statutory authority, Landgate has delivered benefits to the WA Government through holding accounts (for calculating depreciation), and payments of payroll tax and income tax equivalents, which it would not have been required to provide had it been a department.

The Authority initially increased its full time equivalent (FTE) levels upon formation to assist with establishment and facilitate development of the commercial aspects of the business.

The average tenure for Landgate employees was 14.7 years compared to 8.7 years for the WA public sector\textsuperscript{12}.

Additional recruitment was undertaken to address the growing needs of succession

\textsuperscript{11} Data from Treasury budget papers using actual results for reported years.

\textsuperscript{12} Data as provided by the Public Service Commission.
planning by attracting a range of graduates and cadets.

In response to the tighter financial position and application of a stronger business focus, the Authority has reallocated its existing FTEs into areas of greatest importance and has participated in the Government’s recent voluntary redundancy program.

![FTE Levels](image)

*Figure 5: Full Time Equivalent Staff Numbers 2001/02 to 2010/11*

Landgate projects that by the conclusion of this financial year, the actual FTE number will be approximately 800, a figure equivalent to the size of the predecessor Department of Land Information in 2004/05.

**Effectiveness and Landgate’s Strategic Development Plan**

A review of Landgate’s Strategic Development Plans to date (as summarised in the following graphic) reveal the agency has pursued a range of initiatives and strategies.

The end state outcomes described highlight that the Authority has been reasonably successful in meeting its obligations to Government.
Progress against the five critical success factors listed in the 2011/12 – 2015/16 Strategic Development Plan is detailed below:

### Being profitable and financially sustainable:

- **Achievements:** commercial revenue has exceeded original targets; increased equity; financial contributions to the State; delivery of expenditure savings; and reduced FTE’s.
- **Areas for improvement:** Landgate’s cost baseline requires further scrutiny and reduction as high fixed costs have contributed to increases in regulated statutory fees against the target of holding increases in line with CPI.

### Excelling for customers (and being market focused):

- **Achievements:** consistently high levels of customer satisfaction; recognition as an innovative, modern organisation; enabling access for the public to an unprecedented amount of land information; and the provision of a wide range of products and services on-line.
• *Areas for improvement*: greater understanding of potential markets and opportunities; refinement of commercial processes; and rigorous assessment of business development opportunities.

**Providing reliable information and infrastructure:**

• *Achievements*: high quality and integrity/accuracy of information; enhanced reputation; success in improving access to government location information; and awareness of benefits in decision-making (e.g. SLIP and WALIS).

• *Areas for improvement*: system stability to improve performance and the customer experience across all platforms and web browsers.

**Having the right workforce and workplace environment:**

• *Achievements*: Landgate’s workforce is becoming more business oriented and operates within appropriate commercial practices and behaviours.

• *Areas for improvement*: High fixed labour costs and enhanced performance management to improve productivity.

**Maintaining sound governance and strong leadership:**

• *Achievements*: leadership position has been enhanced within government; continuation of building support across government and industry; and success of the Innovation Program has supported the Landgate brand, reputation and in building relationships within the public sector.

• *Areas for improvement*: Promoting the benefits of the Landgate Brand.

**Customer Experience and Satisfaction**

Landgate convenes a quarterly Customer Service Council that provides important input on a range of issues that affect customers and stakeholders.

The Council has been in place since 1995 and comprises members from industry and government. This forum is recognised as a valuable and effective group that has influenced the Authority’s strategic direction, provided feedback on its activities and enhanced the provision of a quality service.13

Remarkably (given the impacts that organisational change can have on external customers and their service experience), Landgate’s third party customer surveys reflect excellent satisfaction ratings of its performance and service over the past five years.

---

13 The Customer Service Council comprises members from the following groups: Landgate, WA Local Government Association (WALGA), Spatial Industries Business Association (SIBA), Real Estate Institute of WA (REIWA), Law Society, Australian Institute of Conveyancers WA (AICWA), Surveying and Spatial Sciences Institute (SSSI), Pastoralists and Graziers Association, Australian Property Institute (API) and WALIS.
Landgate’s bi-annual customer survey (conducted across more than 400 professional account customers) show measures of customer satisfaction have improved since Landgate was established.

**Customer Satisfaction Survey**

![Customer Satisfaction Survey Chart](image)

*Figure 7: Customer Satisfaction Ratings from Customer Surveys 2006, 2008 and 2010.*

**Innovation and Business Reform**

An important investment by the organisation in strengthening capability and processes has been the Innovation Program (established in 2008). Landgate has played a lead public sector role in facilitating a regular Innovation Champions Network with representatives from up to thirty WA public sector agencies. These groups focus on innovation and collaboration across government.

The *Pathways to Greater Capacity* initiative was commenced in 2010 to identify ways in which the organisation could streamline operations, increase productivity and release resources. This work has resulted in the decommissioning of a number of underperforming products and services, reduced the costs of information technology provision to the business and increased the appropriation received from Government to match the level of service being delivered to key Government agencies. Consolidation of the majority of operations to the Midland site has reduced costs and improved alignment of functions.

The initiative has also commenced financial reforms for better cost management and introduced a business strategy led approach to align Landgate resources to the SDP.
Policy Leadership

1. Location Information Strategy
On 1 August 2011 Cabinet approved the Location Information Strategy for Western Australia (LIS). The aim of the LIS is to enable more timely and cost effective decision-making particularly in relation to infrastructure investment and delivery of services in WA. It encompasses a significant program of work with far reaching benefits for government, industry and the WA community. As the State’s guardian of its land information asset, Landgate is taking a lead role in managing and delivering the work program.

Landgate is working with the Department of Treasury and the Department of Regional Development and Lands to finalise funding arrangements for Stage 1 of implementation (2011/12 to 2014/15). A cross-agency implementation group was established in November 2011 to oversee detailed planning and implementation of the work program to be overseen by WALIS.

2. Property Interest Disclosure
Since 2003 Landgate has led the implementation of a land interest enqiry system, through the SLIP Enabler, to improve access to government information on interests that may affect the use of land in WA. In recent years, discussions with the Department of Commerce considered how interest disclosure and Interest Enquiry may be encouraged throughout the property industry to increase transparency and enable customers to reduce the risks they may encounter as a result of purchasing or owning land.

The Department of Commerce plans to issue a directive to the Real Estate and Settlement industries requiring agents to disclose interests. Interest Enquiry is a system that can be used by agents for this purpose.

3. Strata Development for the State
The increasing prevalence of strata title as a form of land ownership has resulted in the need for policy reform. Landgate has worked with industry and government to review and improve the existing strata title system and propose amendments to the Strata Titles Act 1985.

The reforms aim to simplify certain provisions in the Act (e.g. insurance) and increase flexibility and innovation in property development. Although drafting legislation for these reforms has been slower than hoped, Landgate continues to work with stakeholders to progress this initiative.

---

14 An interest is defined as anything which affects the use or enjoyment of land, is bound by some form of legislation and has a recognised Government agency as its custodian. Interests can also be known as rights, restrictions and obligations.
4. Verification of Identity in Land Transactions

In 2010 and 2011, two allegations of land title fraud in WA were made to Landgate. The Authority worked with the WA Police, Department of Commerce and various industry bodies in the ensuing investigation and subsequently supported measures to improve identity verification including using the standard 100 point check when dealing with remote clients. Greater scrutiny is also applied to transfers executed overseas by the seller.

A draft policy has been prepared that is aimed at reducing the opportunity for land title fraud and for other improper dealings in WA. Set to take effect from 1 July 2012, the policy will require identification of persons claiming authority to deal with a land title. Minimum standards of identification needed for executing property documents that will be lodged at Landgate, including transfer, mortgage, survivorship and powers of attorney documents are proposed.

Contributions to National Reform Initiatives

Landgate has made a major contribution to national initiatives in the location information sector. The most significant of these is the National Electronic Conveyancing System (NECS). NECS is one of the priorities of the National Partnership Agreement, established by the Council of Australian Governments (COAG) to deliver a Seamless National Economy (SNE). As part of the establishment of the NECS, during the year, Landgate became a shareholder in National E-Conveyancing Development Ltd (NECDL), a company formed to enable the development of the NECS.

The Cooperative Research Centre for Spatial Information (CRCSI) is a joint venture of Government, academic and private sector organisations utilising spatial technologies and user-driven research to solve complex national problems. Landgate has been proactive in setting research directions within the CRCSI as part of its strategy to encourage research in areas aligned with business priorities. In recent years, CRCSI research has supported Landgate’s involvement in the areas of positioning infrastructure, information generation and spatial infrastructure.

Landgate became a shareholder in PSMA Australia Ltd in 2009 – a joint venture of all of the governments of Australia to provide national data sets for use by the government, private sector and the community. It is a commercially successful joint venture company that provides benefits to government and the community.

Through its networks with Government and industry, Landgate has contributed to meeting strategic challenges such as ongoing provision of quality location information when funds from Government are diminishing.
In 2010 Landgate took a lead role in a study of accessibility and pricing of location information in the Australian public sector commissioned by the Australian and New Zealand Land Information Council (ANZLIC). The study provided an understanding of the information value chain based on robust economic analysis by PricewaterhouseCoopers. This information is being utilised by Landgate and other stakeholders to formulate a collaborative response to ensure financial sustainability is achieved in collecting and maintaining spatial information.

**Awards and Recognition**

Over the past five years Landgate's performance in geospatial matters and as an employer have been recognised in a number of prestigious national and local awards. The more significant include:

<table>
<thead>
<tr>
<th>Landgate initiative</th>
<th>Award</th>
<th>Category</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report</td>
<td>W. S Lonnie award for excellence in annual reporting</td>
<td>Silver category</td>
<td>2011</td>
</tr>
<tr>
<td>Innovation Program</td>
<td>Premier’s Awards</td>
<td>Finalist - Improving Government category</td>
<td>2010</td>
</tr>
<tr>
<td>Firewatch Indonesia (Indofire)</td>
<td>Western Australian Information Technology &amp; Telecommunications Awards (WAITTA).</td>
<td>Winner 2009 Exporter Award</td>
<td>2009</td>
</tr>
<tr>
<td>Landgate’s work life balance initiatives</td>
<td>National Work Life Balance Awards</td>
<td>Finalist Public Sector</td>
<td>2009/10</td>
</tr>
<tr>
<td>SLIP</td>
<td>Premier’s Awards for Excellence in Public Sector Management</td>
<td>Overall winner category Improving Government category</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>Asia Pacific Spatial Excellence Award</td>
<td>Spatially Enabling Government industry award</td>
<td>2008</td>
</tr>
<tr>
<td>Procurement – Discovery workshops</td>
<td>Treasurer’s Awards</td>
<td>Agency Specific Contracting category</td>
<td>2008</td>
</tr>
</tbody>
</table>
3. INDUSTRY AND GOVERNMENT PERSPECTIVES

During the course of the review, Industry stakeholders, Landgate’s public sector partners, the Authority’s Board and management were consulted by the Review Chairman in respect of Landgate’s performance, the operations of the Act and related matters. This chapter provides a précis of the key themes raised in this process.

Landgate enjoys the respect of its working partners within industry and across the governmental community and has a reputation as an effective, innovative and responsive organisation. It is seen to have competently managed the governance and performance transition to its new operating form as a statutory authority and the operational challenges presented to it (and the broader property sector) from a profound downturn in property sector transactions arising from the GFC.

There is no appetite (or compelling operational or strategic reason) for early transition of Landgate to GTE status or for reversion to a departmental model of governance. Stakeholder sentiment is that Landgate’s continuing role is to ensure that long run benefits to government and the geospatial sector are realised from the foundations established across the past five years, conditional on the organisation demonstrating greater clarity in respect of its business strategy (rather than profound change to its current organisational and governance model).

Industry Partners and Associations

Some Industry leaders had an expectation that Landgate will make greater use of private sector partners and expert capacities in areas such as development of new products and services and will generally promote public private partnerships in the development of geospatial capability for the agency and broader community.

The recurring challenge articulated is to ensure that Landgate’s market influence (both in competitive and monopolistic contexts) is appropriate and that Landgate does not compete inappropriately with business in the broader geospatial marketplace.

15 See Appendix for A for details of organisations and individuals consulted.
WALIS Partners in Government

The need for continuation of the functions of the Authority and for the continuation of this Act is supported by WALIS stakeholders across government, although all have heightened performance and delivery expectations associated with Landgate’s future investment in SLIP and the implementation of the Location Information Strategy endorsed by Cabinet in 2011.

Modernisation of Landgate’s regulated and unregulated fees and charges structure and definitional treatment of Fundamental Land Information as described in the Act was also widely canvassed.

Central Government Agencies

Treasury input gave particular attention to budget challenges facing the State Government and the need for rigorous prioritisation and for prudent innovation by Landgate in the procurement, funding and sourcing of priority land information applications, infrastructure services and capability.

Consultation with Treasury also focussed on opportunities for reform of the pricing model under which Landgate’s services operate to enable more contemporary pricing structures to be applied (volume discounts, channel incentives, scheduled transactions and premium service levels) as well as mechanisms to address increasing variability in transaction levels in areas covered by a regulated fee.

The Public Sector Commission canvassed a variety of governance options to ensure that Landgate’s continuing policy role (as opposed to its delivery charter) to government is appropriately structured. Other proposals to align aspects of the Board charter and function with provisions in more recent legislation were also identified for consideration at some future legislative opportunity.

Central government agencies also emphasised the need for Landgate’s structure to better accommodate regulatory transparency (perhaps by the introduction of a role for the Office of the Economic Regulator).

Landgate’s Policy Role – the Location Information Strategy

Landgate is viewed as having competently exercised its policy role to government in the collaborative development of the LIS framework. There is broad support for the intent and principles set out in the Strategy endorsed by Cabinet in August 2011. The business is now challenged to lead the consolidation and management of the State’s location information assets on behalf of government.
A number of foundation projects are underway with leadership roles assigned to the Department of Planning for the Regional and Urban Scenario Planning System and the Statutory Approvals Tracking System led by the Department of Premier and Cabinet.

A core LIS principle, that information is only collected once (single point of truth) and made readily available to support the functions of government, is now receiving additional bi-lateral consideration between Landgate and high volume government users such as the Departments of Planning and Agriculture and Food. The intent is to explore new models for providing geospatial information and capability appropriate to a stronger focus by these agencies on their core business roles.

The SLIP enabler initiative is well regarded as a model for public private participation and demonstrates an appropriate application of the commercial powers of Landgate to encourage the development of infrastructure and technical solutions to underpin the LIS. A practical focus on more effective uploading, management, access and downloading through the SLIP enabler is welcomed across the WALIS community. This will reduce barriers to entry and increase the access and use of available and contributed geo-spatial information. Further investment in an expansion of the State Land Information Capture Program (SLICP) is also supported.

The investment coordination strategy required by the LIS received focus during consultations with WALIS leadership and from central government. The LIS intent is that proposals for new location information capture using government funds will be provided by public sector agencies to Landgate in order to identify and prioritise opportunities for strategic investment in the capture of this information. This requirement is likely to receive greater focus in the context of financial constraints facing all state government agencies and departments.

**Leadership and National Conveyancing Reform**

Much of the commentary from the conveyancing industry focussed on the NECS initiative and scheduled implementation of the first phase of electronic conveyancing commencing at the end of 2013. Landgate is contributing to the development of nationally consistent legislation through the Australian Registrars’ National Electronic Conveyancing Council (ARNECC) to allow e-conveyancing to occur. This legislative development process is expected to be finalised by the end of 2012. The view is that industry engagement facilitated through Landgate has been constructive with attention now turning to implementation, workflow impacts and change management within the industry.
Landgate (with other state jurisdictions) is a shareholder in National E-Conveyancing Development Limited (NECDL). In 2012/13, NECDL will develop and test an e-conveyancing platform to be known as Property Exchange Australia (PEXA), with a view to launching a first stage release to allow the electronic processing of mortgage and discharge documents in 2013. This use of Landgate’s commercial powers is seen by industry representatives as an appropriate mechanism to enable inter-jurisdictional management and investment by major financial institutions in a common national infrastructure.

**Digital Security and Property Transactions**

REIWA, Conveyancing Industry organisations and the Department of Commerce gave particular attention to Landgate’s response to two alleged land title frauds in 2010 and 2011. During the course of this review consultation began on a draft Landgate-initiated policy aimed at reducing the opportunity for land title fraud and for other improper dealings in WA. The policy will require identification of persons (as contracts are executed) claiming authority to deal with a land title and outlines the minimum standard of identification needed for executing property documents to be lodged at Landgate.

**Commercial Activity and Competitive Structure**

A competitive neutrality assessment conducted by Allen Consulting as part of the preparation for introduction of the Landgate legislation concluded that potential restrictions on competition (including those that affect the potential competitive neutrality of the Authority) were considered to be in the public interest and consistent with the requirements of the Competition Principles Agreement.

In addition, the Government determines an average weighted cost of capital for the business which informs rates of return to be achieved by the organisation in its unregulated business activities. Regulated fees are subject to periodic review by the Auditor General to ensure there is no cross subsidy of its commercial activities.

This foundation work has stood the test of time with external stakeholders generally supportive of Landgate’s competitive structure. Looking forward, external stakeholders indicated that Landgate will need to ensure that the framework for its commercial activities and the commercial structures appropriately manage risk for the State.

Landgate distributes land and property information through a number of external licensed third party information providers. Landgate’s commercial partners include:

- brokers of Landgate title products (e.g. Certificates of Title, caveats, mortgages); and/or
- value-added resellers of Landgate land information (e.g. property sales information).
Landgate has sourced a number of industry-leading application developers who have expertise in customising programs that utilise SLIP services. Thirteen companies have been authorised by Landgate as SLIP Developers.

During the course of the review there was considerable industry interest concerning the progress of legal proceedings (commenced in July 2009 in the Federal Court) by RP Data Ltd against Landgate. RP Data Ltd claimed among other things that Landgate had operated in contravention of section 46 of the Trade Practices Act 1974 in respect of a contract between the parties. By consent orders made shortly before the scheduled trial of the matter in March 2012 the parties consented to the Federal Court making orders to dismiss the proceedings and for RP Data Ltd to pay Landgate’s costs fixed at a specified amount.

The more general concern from some in the geospatial industry is that Landgate needs to more clearly articulate and communicate its business strategy and model and its rationale and approach to commercialisation. Industry sentiment received is that Landgate should not inappropriately compete in markets and ensure that its continuing role does not involve misuse of market power.

Elsewhere, this review canvasses the role the Office of the Economic Regulator may play in future in respect of both regulated and unregulated pricing by Landgate.

**Participation in Business Associations**

Landgate has entered three equity arrangements during the first five years of operation. Landgate (along with other Australian state jurisdictions) is a shareholder in National E-Conveyancing Development Limited (NECDL) described elsewhere in this document.

Landgate participates in the joint venture company PSMA Australia Ltd, a company established by the governments of Australia, initially, to ensure availability of suitable geospatial information to support the collection and analysis of the 1996 Census by the Australian Bureau of Statistics. PSMA now plays a key role in aggregating data from the states and territories to provide a range of national geospatial information datasets to support government, business and the community. PSMA is a successful commercial joint venture and prior to establishment of Landgate, Western Australia’s involvement was limited by legislation to observer status. As a consequence of the commercial powers in the Act, in 2009 Landgate joined the Australian government and other state and territory governments as a shareholder of PSMA.

---

16 Participation in ventures of this nature requires the specific approval of the Minister and the Treasurer. This is addition to appropriate diligence within the agency and compliance with Landgate’s Investment Policy.
Discussion with the representatives from the geospatial and surveying sector raised some concerns regarding the recent approval for Landgate to participate in *earthmine Australia Pty Ltd* (eA) with Geomatic Technologies and *Earthmine Inc* (USA) in an incorporated joint venture company that will provide High Resolution 3D Street Level imagery within Australia and New Zealand. Landgate’s focus is the opportunity to enhance the existing data collection and an efficient maintenance regime for its land information products. Some industry participants and stakeholders expressed concerns around the perceived lack of transparency surrounding selection of partners, the potential for competition in the market and the risks to the State in Landgate taking an equity position.

The consistent signal from industry is that Landgate’s commercial focus should be on procured and transparent relationships with industry partners and suppliers rather than direct competition in the market-place.

**Improving Product and Service Functionality**

Most partner agencies across government have completed MOUs with Landgate. Some of these documents are highly prescriptive and are more in the nature of service level agreements. Review discussions focussed on the strategic nature of the relationship with Landgate as most operational issues such as outages and response times are appropriately addressed at officer level or by escalation through Landgate’s Account Management staff.

A number of opportunities for improvements in the functionality offered within Landgate’s products and services were identified through the review, principally from government partners. These are not identified in this report but have been the subject of a briefing provided to Landgate management by the Review Chairman.

**Pricing and Sustainability**

The Strategic Development Plan currently being negotiated with Government targets a progressive reduction in the role that a net appropriation plays in the funding framework for Landgate. There is policy interest from Treasury and some WALIS partners for a realignment of aspects of the net appropriation stream to Landgate to enable “purchasing” agencies to have greater control over companion investment in enabling LIS infrastructure.

There is particular interest in reform of the pricing model under which Landgate’s services operate to enable more contemporary pricing structures to be applied (volume discounts, channel incentives, scheduled transactions and premium service levels) as well as mechanisms to address increasing variability in transaction levels in areas covered by a regulated fee and to ensure the long run sustainability of Landgate (with a consequent reduction in the role that the appropriation plays in the organisation’s revenue framework).
Additionally, the SDP identifies a requirement for a substantial reinvestment in Landgate systems and capabilities across the next five years. WALIS partners anticipate strategic engagement in developing the business case for a substantial rejuvenation of Information Communications Technology (ICT) systems and infrastructure to ensure the planning for the infrastructure “spine” for the LIS and related purposes across government and the community is appropriate and that there is a capacity to leverage this infrastructure for use elsewhere in the public sector.

**Pricing and Land Information**

There is no common or shared view across governments in Australia and New Zealand on how fundamental data should be priced, or the terms under which they should be made available to users. Some recent international and Australian inquiries have called for public sector information (which could include fundamental spatial data) to be provided free or at ‘marginal cost’, with the aim of making this information more affordable to a larger suite of users and stimulating greater levels of use and innovation in products, applications and services that use the information.

The Australian New Zealand Land Information Council (ANZLIC) – the Spatial Information Council has raised concerns that proponents of the ‘free on-line’ model have not considered the full economic implications of this approach on the long term sustainability of the spatial data industry.

In 2009/10, ANZLIC undertook an analysis of the economic fundamentals surrounding the creation, management, maintenance and provision of access to fundamental spatial data held by government. The ensuing report presented a range of models and policies for accessing and pricing spatial information. It reinforced the need for industry to have long-term certainty regarding access to government spatial information at a sustainable price to encourage innovation in both public and private sectors. A particular concern is that the free provision of fundamental data relies on governments fully funding the necessary activities of production, maintenance and distribution of the data and there is a risk that erosion of government funding will lead to a decline in the quality of fundamental datasets.

**Capability and Capacity**

The complexity of the operating environment, growing customer expectations, rapid technological change and a restricted market in WA, were acknowledged as challenges that Landgate has continued to address throughout its journey from department to statutory authority. It was generally agreed that some gaps in capability (knowledge and expertise) exist and need to be addressed in order to enhance service delivery, improve efficiencies and further raise customer satisfaction levels.
Landgate’s workforce and front line practitioners are seen by industry and government partners as responsive and good to work with.

The introduction of an Account Management role has injected an additional level of interaction in the working rapport between Landgate and its principal service users although greater emphasis on this role in the future in the strategic and business context of the client agency is expected.

Stakeholders are aware of the impact on the business of prospective workplace change, greater automation of back office processes and ageing of the workforce. All look to Landgate’s Board and leadership team to ensure retention of an appropriate level of competence and expertise for the future operation of the business.

**Role of Statutory Offices**

The *Land Information Authority Act 2006* resulted in the incorporation of a number of statutory offices within the employment framework of the agency. The Australian Property Institute and the Surveying and Spatial Sciences Institute (SSSI) gave particular emphasis to the leadership roles statutory offices within Landgate can play in respect of spatial, land and property professions. It was noted that a number of subordinate acts and statutes may require review beyond the scope of this review to ensure the roles of Statutory Offices are appropriately defined for the future as Landgate pursues a modernisation reform agenda.

Other governance observations (particularly from the Public Service Commission) in relation to the regulatory and policy roles of Landgate may also be material to some further review to ensure modernisation and alignment of the various supporting statutes including contemporary definition and location of statutory offices.

**Landgate Perspectives**

Input from Landgate executive and senior management to the review generally emphasised the need for:

- Greater clarity and sharpened focus for the Authority’s business model, to direct effort and prioritise investment and allocation of resources.
- Further development of the cost model used by the agency in structuring regulated and unregulated fees.
- Sharper definition and more consistent interpretation of Fundamental Land Information in service and product development and pricing.
- A proactive approach to development opportunities associated with the commercialisation and leverage of Landgate’s products and services.

---

17 Statutes administered by Landgate are detailed at Appendix B.
- Better understanding of Landgate’s market and the consequent delivery of more accurately priced products and services.
- Use of more innovative sourcing strategies, especially in relation to ICT in order to reduce risks associated with ownership and financial responsibility for IT infrastructure i.e. moving from ‘own and operate systems’ (including people, business processes as well as IT hardware and software) towards a ‘buy and coordinate’ services model.
- Development of staff capability and enhanced flexibility in sourcing human resources to meet Landgate’s future requirements, especially where productivity gains associated with the automation of traditional processes can be realised.
- Continuation of the cultural transformation within Landgate to drive the next wave of organisational change.
4. FINDINGS

Effectiveness of Landgate
The review concludes that the operations of the Western Australian Land Information Authority, trading as Landgate, have been effective over the last five years.

Chapter Two summarises performance highlights from the past five years – a period characterised by a successful transition from a Department of State to a Statutory Authority, with the exercise of statutory commercial powers now beginning to be applied by the organisation. The Authority established strong governance appropriate to its charter as a Statutory Authority and has undertaken necessary foundation planning for the business.

The organisation has remained focussed on modernising its operations while providing leadership within the public sector in locational and information policy and related reform initiatives.

Despite the downturn in activity as a consequence of the GFC, the net worth of the Authority has increased from $76.2m at 1 January 2007 to $108.1m at 30 June 2011, and was $119.6m at the end of 2011. The financial and operational performance of Landgate demonstrates the positive benefits accruing to the State of the statutory authority model over a departmental model. The Authority has proactively managed its affairs to ensure that key performance measures (revenue, equity, profitability and productivity) have improved over the last five years.

The Authority has achieved outstanding customer satisfaction levels, effectively balanced a policy development role with an innovative and business focussed service delivery approach and formed a number of foundation business associations in order to enhance product and service capabilities.

Case for Continuation as a Statutory Authority
The review took place during the period in which the State Budget for 2012/13 was being formulated. Landgate is acutely aware of the broader revenue challenges facing Government in Western Australia arising in the main from changes to GST allocations to the State.

The imperative for Landgate as it responds to this profound challenge to State finances will be to accelerate significant regulatory and productivity reforms and to maximise use of its own source revenues and the organisation’s strengthening balance sheet to ensure that essential and progressive investment to modernise land information services is achieved.
The capacity challenge across this period will be to meet the expectations of a growing economy and population base and to ensure the provision of valued and appropriately priced services and products from Landgate and its business partners.

The continuing vision for Landgate is as a responsive statutory authority – leading the modernisation of the government’s land information assets and services and generating sufficient funds to ensure financial sustainability within risk, pricing and performance parameters set by the Government.

The expectation established in the draft Strategic Development Plan for the next five years is for a first dividend to be available from the 2012/13 financial year (although this may also be available for reinvestment by Government in multi-agency Location Information Strategy Initiatives).

There is also a focus on reducing the scale of the appropriation provided to Landgate to meet its role in servicing government’s land information requirements. To achieve this outcome the business will focus on improving financial sustainability through increased productivity, cost reductions, alternative sourcing strategies and the adoption of more contemporary pricing models. Modernising pricing frameworks is central to positioning Landgate as an organisation solely self-funded from its business activities over time.

The review considers the proposed financial and business reform benefits for the State articulated in the draft 2012/13 SDP are best achieved by Landgate remaining structured as a statutory authority.

Landgate’s leadership now faces significant performance challenges above those anticipated at the foundation of the organisation. These include:

- anticipating and responding to volatilities in fluctuating market demand for Landgate’s regulated and unregulated services;
- positioning the business to meet the requirements of government, business and the community in the context of rapid population growth and related growth in demand for land information services and capability;
- critical investment decisions in respect of the future technology and capability to support the integrity and provision of Land Information;
- delivery of outcomes signalled in Government’s 2011 Location Information Strategy, including leveraging investment and cooperation across the WALIS community to best effect;
- prosecuting the best outcomes for WA in national reforms (e.g. electronic conveyancing); and
- confirming business, commercial and sourcing strategies to ensure the organisation maximises its use of private sector partners in the development and delivery of land information services.
Initiatives to improve governance, transparency and the execution of strategy within this framework are recommended later in this section of the review.

| 1 | Landgate continue operations as a statutory authority with functions as currently defined in the Land Information Authority Act 2006. |

**Governance and Statutory Offices**

The *Land Information Authority Act 2006* enabled the establishment of Landgate and provided for some alignment with various, long standing subordinate statutes.

A number of Statutory Offices (Registrar of Titles, Commissioner of Titles, Valuer General, Surveyor-General) are embedded within the Authority. These personnel play various supervisory and management roles in the business while conducting defined statutory roles.

The review notes that the practical role of Statutory Offices continues to evolve. There are various opportunities to modernise these roles and to assure required and contemporary statutory functions are not compromised by the business imperatives of Landgate’s day to day operations.

While the existing arrangements appear to be working satisfactorily, in some other jurisdictions these positions have been incorporated in a regulatory function of government to ensure their independence.

A recommendation made later in this section regarding the progressive review of the range of subordinate legislation administered by Landgate presents an opportunity to assess the appropriate future role (and organisational location) for each of the current statutory offices.

This review process can also serve to harmonise subordinate legislation so that it is aligned with and supports the objectives of the LIA Act and Authority.

**Governance and Policy**

To date, the Authority has successfully balanced prosecution of a policy reform agenda against a maturing business and commercial focus for service delivery. However with the growing complexity of operations and the need for greater financial returns to be delivered over the next five years, maintaining an appropriate balance between policy and delivery roles will become more challenging.
In considering these matters, the review has formed the opinion that it is premature to assign the policy role of Landgate, and statutory office holders to a Department of State at this time, until a proposed program of modernisation of subsidiary legislation under the LIA Act is completed. It is anticipated that these reviews will better define the contemporary role of the various Statutory Offices and that appropriate organisational hosting arrangements can then be determined in the light of any change made to role and function.

In respect of the policy role of Landgate the review found no significant evidence that the role of Landgate in providing policy advice to government was compromised by the commercial nature of the organisation – although as is the case in any Department of State, implementation matters considered in the policy development process are shaped by consideration of risk, benefit and cost. The review notes however that there may be some value in the establishment of an Office of Land Information Policy within Landgate (hosting the Authority’s policy capability, a servicing role to the current Statutory Offices and the WALIS secretariat). The concept would be for this policy function to be transparently funded from within Landgate.

**Governance and Regulatory Transparency**

There is also a perception in some parts of government and industry that Landgate is cross subsidising its commercial activities from its regulated revenue stream (notwithstanding the scrutiny applied to this aspect of the organisation by the Auditor General and periodic consideration of cost recovery and regulated fees by the Joint Standing Committee on Delegated Legislation and the Public Accounts Committee).

There is a case for greater transparency of pricing practice for both regulated and non – regulated products and services. The objective should be to ensure that in regulated activities the pricing is efficient, appropriate, modern and transparent and in the unregulated domain that Landgate’s pricing behaviour is not anti-competitive.

Elsewhere, an overhaul of the fee structure able to be applied by Landgate is proposed to enable more appropriate and modern pricing, incentives and discounts to be applied.
This proposed technical review also presents an opportunity to consider the role that an independent regulatory body, such as the Economic Regulation Authority could play in Landgate’s future to assess and make periodic determinations on whether the authority’s prices are efficient, competitive and fair.\textsuperscript{18}

2 Landgate review and modernise its subordinate legislation to ensure alignment with the LIA Act and to appropriately define and position statutory offices, and related regulatory and policy roles for the future.

**Pricing Framework Reform**

Pricing of the Authority’s products and services was perhaps the most significant issue identified by the review.

Through its statutory objectives, functions and powers, Landgate is able to raise charges and set prices. Section 16 of the Act establishes principles as to how this is to be done. In turn, the Minister and Treasurer oversee the Authority’s pricing framework through approval processes associated with the SDP and SCI provided for in Part 5 of the Act.

The current pricing framework for Landgate\textsuperscript{19} is very prescriptive and gives rise to a number of issues impacting performance, financial sustainability and organisational efficiency:

- The cost baseline used to formulate the initial pricing structure for Landgate was derived from the operating structure of the former Department of Land Information. A number of legacy or historical internal cost allocation practices may now no longer be appropriate to the changing business model of Landgate.\textsuperscript{20}
- The method of determining regulated fees can create disincentives for Landgate as regulated fees must recover the cost of operations. An unproductive and inefficient organisation could satisfy all legislative requirements for pricing but would result in a greater charge for the customer.
- Prices for services fluctuate annually as they are necessarily based upon annual estimates of property market activity and volumes. Short term volatility and market conditions can vary within a twelve month period – the absence of some form of rolling average for transaction forecasting invariably results in short term pricing “spikes”.

\textsuperscript{18} This regulatory measure would also be a prerequisite at a future stage if Landgate were to progress to full GTE status.

\textsuperscript{19} See Appendix C for details.

\textsuperscript{20} The agency has commenced work on a substantial recasting of its cost model to more appropriately reflect its role as a Statutory Authority.
In addition, short term reduction of fixed and variable costs is difficult in the operating context of the Statutory Authority when anticipated levels of transaction activity decline dramatically (within a financial year) against trends, leading to under recovery of costs or recourse to a net appropriation.

- Landgate has not been able to apply alternative pricing techniques such as premium pricing, channel use incentives, discounts for bulk or scheduled processing as would drive more efficient behaviour within the organisation and offer service users a greater range of pricing signals in respect of their purchases from Landgate;

- The use of concessional discounts by the Authority lacks consistency as some aspects of Section 16 of the LIA Act and its supporting regulations defining Fundamental Land Information have been subject to varying interpretation within the organisation, and

- Difficulty in differentiating commercial opportunities to generate a profit through value-added services, from Landgate’s non-commercial services funded through appropriations.

This review has identified an urgent need for the Authority to work with the Department of Treasury and the Department of Finance to identify and implement opportunities for reform of the pricing model under which Landgate’s services operate.

Terms of Reference for a review of the pricing framework have been included at Appendix D. The intent is that options should be considered in 2012/13 for implementation commencing in the 2013/14 financial year. The objective is to enable more contemporary pricing structures to be applied as well as mechanisms to address increasing variability in transaction levels in areas covered by regulated fees.

The focus of the proposed review will be to modernise Landgate’s pricing framework and to identify remedies that may be applied within the provisions of the current legislation.

It is also proposed that there may be scope to identify drafting principles as may be required if amendment to either the parent Act or to Landgate’s range of subordinate legislation is required in due course. The proposed review will have regard to the benefit of incorporating a role for the Economic Regulation Authority to ensure that in regulated activities that pricing is efficient, appropriate, modern and transparent and in the unregulated domain that Landgate’s pricing behaviour is not anti-competitive.
3 Landgate (in conjunction with the Department of Treasury and Department of Finance) conduct a review of the Landgate’s pricing framework with the objective of establishing contemporary pricing structures and ensuring the financial sustainability of the organisation.

Employment Model

Landgate has achieved excellent workplace outcomes under the current model for employment and Senior Executive Service (SES) status. Leave clearances, workplace change, a successful severance program and development of a strong customer service culture have been achieved within current Award, employer, SES and Public Sector Management frameworks for the business.

Landgate’s current employment structure is considered appropriate for the foreseeable future. The expectation is that the organisation will continue to deliver its role with a mix of:

- tenured staff;
- contracted staff; and
- purchased services (including staff).

Any consideration of progression to the employment framework of a GTE is premature and should not be considered until pricing reform is achieved and more sustainable financial outcomes are secured. The case for any change may be more appropriately considered in the course of the next Section 93 review.

4 Landgate’s employment framework remains as provided in Sections 44 and 45 of the Act and the organisation continue as an SES organisation.

The Business of Landgate

The rationale for establishing Landgate was to operate commercially to generate the capital required to upgrade the State’s land information systems and earn a fair return for the State as shareholder.

During its first five years of operation Landgate has adopted a range of business strategies to achieve its objectives and deliver on its undertaking to Government. A wide range of outcomes and business strategies have been pursued by the Authority within the legislative remit provided by the Act.
These have included:

- creating value from the intellectual property implicit in land information held by Landgate through:
  - development of new products and services;
  - improving ICT infrastructure and associated applications; and
  - data quality initiatives;
- commercialising access to Landgate data through licensed commercial resellers;
- capacity building with local industry (notably through funding assistance and support to partners in the tertiary sector and in support of national research initiatives through the Cooperative Research Centre for Spatial Information);
- generating sufficient revenue to fund future capital investment;
- positioning as a wholesaler and retailer of products and services;
- providing greater access by the public to information free and for a charge;
- pursuing business opportunities (with other jurisdictional partners) to support national reforms; and
- participation in commercial ventures in respect of the capture of land information data.

This broad range of commercial activity has demonstrated the scope of Landgate’s charter but has (at times) led to some confusion, both externally and internally, on what is Landgate’s business strategy. This confusion has been compounded by the interdependent relationship between the intended use of location information (for commercial and government purposes) and pricing signals to the organisation from the current approach to regulated and unregulated products and service activity.

The review considers that some restatement of the Landgate business model within its Statutory Authority framework is timely.

The enduring, ‘big idea’ of Landgate is that it is to:

- support the future growth of the state by modernising the way land information functions are discharged; and to
- progressively fund, renew and strengthen government’s land information capabilities and infrastructure.

Clarifying the business model will sharpen focus on the results and outcomes the business is to achieve. The review observes that the business has strengthened (over time) the rigour with which it prioritises activity and investment but that in future the challenges of modernisation and financial sustainability will increasingly define and inform the business model for Landgate.
Clarifying the business model will also confirm Landgate’s appropriate role with industry partners including:

- positioning for partnership rather than direct competition with business;
- improving collaboration across and between sectors, sharing infrastructure, development and the benefits (financial and non-financial); and
- innovating to modernise the way Landgate’s business is done (systems, processes, products, services).

Landgate’s Board continue to review and sharpen the business model for the organisation to reflect the performance expectations signalled in the draft SDP for 2012/13 to 2016/17.

**Simplifying Linkages between Planning and Implementation**

The Authority's SDP establishes an endorsed Government direction for Landgate on a rolling, five year basis. Less clear is the detail on how the plan will be achieved.

The challenge of trying to do too much with the available resources was identified as a risk by the review and will necessitate a sharper organisational focus in allocating resources to ensure the SDP is successfully delivered.

The review identifies the need for development of a detailed implementation plan that articulates the intent of the SDP. The non-alignment of the current IT plan with the SDP for such a technology based organisation was identified as a significant risk to the business and should also be addressed in the context of future implementation planning.

Landgate’s next Statement of Corporate Intent include (in schedule form) greater emphasis on implementation strategies, actions, resources and timelines.

**Commercial Practice**

Clause 16(3) of the Act requires Landgate to charge to make an overall profit when providing goods or services for use for any purpose that involves any commercial benefit being derived. This would include use for commercial purposes by any person, including the commercial operations of State government entities. The subclause also requires that the Authority acts in a competitively neutral manner consistent with the Authority’s objective of earning a fair commercial return for the State.
In addition to arrangements for licensed resellers of Landgate data and accreditation arrangements for SLIP developers, Landgate has utilised its commercial powers to enter equity arrangements in three different situations, including:

- participation with other states and major banks in the company developing the national electronic conveyancing platform;
- shareholding in PSMA Australia Ltd, a company owned jointly by the Commonwealth, states and territories of Australia for producing national location information data sets; and
- shareholding in earthmine Australia Ltd, a technology company with rights to acquire and process street level imagery for Australia and New Zealand.

The agency has also entered non-equity partnerships with local companies as part of the SLIP developers program.

These examples are consistent with the powers and intent of the LIA Act. All have required detailed diligence, consideration against the investment criteria established by the Board and specific approval by the Minister and the Treasurer. Performance is reported in Landgate’s Annual Report to the Parliament.

In Chapter Three the review observed industry interest concerning the progress of legal proceedings (commenced in July 2009 in the Federal Court) by RP Data Ltd against Landgate. RP Data Ltd claimed among other things that Landgate had operated in contravention of section 46 of the Trade Practices Act 1974 in respect of a contract between the parties. By consent orders made shortly before the scheduled trial of the matter in March 2012 the parties consented to the Federal Court making orders to dismiss the proceedings and for RP Data Ltd to pay Landgate’s costs fixed at a specified amount.

The review notes the more general concern from the geospatial industry is that Landgate needs to more clearly articulate and communicate its business strategy and model and its rationale and approach to commercialisation. Landgate should ensure that it does not inappropriately compete in markets, that its continuing role does not involve misuse of market power and that it complies with competition principles and consumer law.

Elsewhere this review canvasses the role the Office of the Economic Regulator may play in future in respect of both regulated and unregulated pricing by the Authority.

The review also identifies the inherent risk of participation by a government entity in an equity based business undertaking and considers that Landgate should fully explore all commercial structures and alternatives in considering its role in future partnership arrangements.
This is particularly the case where competition between businesses and the entity in which Landgate has taken an interest may arise, or where a minority shareholding may expose Landgate to risk associated with commercial failure, underperformance or direction of the entity.

A number of non-equity structures are available to Landgate to enable it to work with, outsource or otherwise partner with businesses in the land information and geo-spatial marketplace. These include, but are not limited to:

- provider accreditation (similar to current arrangements for SLIP developers);
- brokers of Landgate title products (e.g. Certificates of Title, caveats, mortgages);
- value-added resellers of Landgate land information (e.g. property sales information);
- purchased supply of goods and services to Landgate (including ICT development, maintenance and operation);
- purchased provision of Landgate services (including arrangements for gain sharing) but where no equity arrangement exists between Landgate and the selected business partner);
- commercialisation of intellectual property, patents etc; and
- support for research and capability initiatives across the tertiary sector.

Use of procurement or expression of interest processes will assist in ensuring that businesses seeking to work with Landgate are engaged on a transparent and competitive basis.

Landgate review its commercial investment policy, risk assessment tools and related due diligence processes to ensure all assessments of future business associations reflect appropriate transparency and contestability measures, including market testing.

Leadership and Location Information Strategy
The review considers that Landgate has a valued and continuing role to play in the modernisation of the land information capability of its WALIS partners across government.

The review identified that further opportunities exist to strengthen partnerships with agencies and business to co-develop systems, products and services, sharing knowledge, information and infrastructure, reducing duplication and costs and improving business efficiencies and utility of information.

41
A critical challenge for Government is finding the capital necessary for updating of legacy systems in both Landgate and other agencies that underpin the State’s economic and social development. There was significant interest across the public sector for Landgate to better leverage necessary investment in its base infrastructure and by providing Geographic Information Services (GIS) for agencies where this is not their core business.

The review notes that the organisation is also considering the concept of a centre of excellence for location information as a component of the industry engagement program in the Location Information Strategy.

8 Landgate continue to provide leadership in implementation of the Location Information Strategy across government and explore bi-lateral opportunities for replacement technologies, provision of GIS capability and related solutions with government and industry partners.

The review concluded that the successful establishment of Landgate as a statutory authority was built upon a clear change management strategy, effective stakeholder engagement and a foundation of cultural change.

The 2012/13 – 2016/17 SDP outlines a significant and continuing transformational agenda for Landgate as the organisation moves into mature operation.

For this to be successfully achieved, staff needs to be fully engaged and have a clear understanding of where the Authority is going and their part to play in that journey. Whilst it is clear that the need for cultural change is well understood within the Authority, the review could not readily identify a clearly articulated strategy to facilitate the next iteration of organisational change. A renewed change management strategy needs to be formulated for the next phase of development.

The review considers this a significant risk and anticipates that Landgate will address this matter during 2012/13.

9 Landgate develop an appropriate change management strategy to support the achievement of priorities and initiatives confirmed with government through the 2012/13 – 2016/17 Strategic Development Plan.
5. SUMMARY OF RECOMMENDATIONS

Strategic Recommendations

Four recommendations are made for consideration by government. Two of these (1 and 4) recommend that the current legislative and employment model for Landgate continue. The others (2 and 3) may require subsequent amendment to legislation, adjustment to policy settings for pricing and the commencement of a rolling program of review and overhaul of the suite of subordinate legislation overseen by Landgate.

<table>
<thead>
<tr>
<th></th>
<th>Landgate continue operations as a statutory authority with functions as currently defined in the Land Information Authority Act 2006.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Landgate review and modernise its subordinate legislation to ensure alignment with the LIA Act and to appropriately define and position statutory offices, and related regulatory and policy roles for the future.</td>
</tr>
<tr>
<td>3</td>
<td>Landgate (in conjunction with the Department of Treasury and Department of Finance) conduct a review of the Landgate’s pricing framework with the objective of establishing contemporary pricing structures and ensuring the financial sustainability of the organisation.</td>
</tr>
<tr>
<td>4</td>
<td>Landgate’s employment framework remains as provided in Sections 44 and 45 of the Act and the organisation continue as an SES organisation.</td>
</tr>
</tbody>
</table>

Operational Recommendations

The review also makes five recommendations for action by the Landgate Board and management team in the coming months.

All arise from the findings and observations designed to strengthen the performance and focus of the organisation within the framework provided by the current legislation and priorities signalled by government through the SDP process.

The recommendations are:

<table>
<thead>
<tr>
<th></th>
<th>Landgate’s Board continue to review and sharpen the business model for the organisation to reflect the performance expectations signalled in the draft SDP for 2012/13 to 2016/17.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Landgate’s next Statement of Corporate Intent include (in schedule form) greater emphasis on implementation strategies, actions, resources and timelines.</td>
</tr>
<tr>
<td>7</td>
<td>Landgate review its commercial investment policy, risk assessment tools and related due diligence processes to ensure all assessments of future business associations reflect appropriate transparency and contestability measures, including market testing.</td>
</tr>
<tr>
<td>8</td>
<td>Landgate continue to provide leadership in implementation of the Location</td>
</tr>
<tr>
<td></td>
<td>Information Strategy across government and explore bi-lateral opportunities for replacement technologies, provision of GIS capability and related solutions with government and industry partners.</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9</td>
<td>Landgate develop an appropriate change management strategy to support the achievement of priorities and initiatives confirmed with government through the 2012/13 – 2016/17 Strategic Development Plan.</td>
</tr>
</tbody>
</table>
Appendix A

Review Methodology

The review was conducted under the direction of a Steering Committee comprising an Independent Chair, Mr George McCullagh, the Principal of Cressida Consulting, Mr Geoffrey Hick, the Chair of the Landgate Board, Mr Mike Bradford, Chief Executive of Landgate and Mr Ian Hyde, General Manager of Strategy and Reform at Landgate. Ms Lara Bandarian, Director, Policy and Legislative Reform acted as the Executive Officer for the review and coordinated various Landgate inputs to the review.

This inaugural review of the Act was conducted in the first half of 2012 and involved assessment of the Authority’s performance over the five year period to 31 December 2011 using a substantial range of quantitative and qualitative data.

A program of industry and external stakeholder consultation was conducted during February/April 2012. An extensive range of industry peak bodies and Landgate partners within the WA Public Sector were approached with an invitation to contribute to an assessment of Landgate’s performance and effectiveness as a statutory authority, its legislative framework and the need for the continuation of its functions.

The consultation provided an opportunity for peer and stakeholder reflection on how Landgate could best position itself to achieve its future strategic objectives for the benefit of the Western Australian Community. Key themes are reported in Chapter Three.

Various industry and professional associations representing conveyancing, valuation, surveying, land development and geospatial sectors interacting with Landgate contributed to review processes. A range of office bearers and senior staff provided valued insights into Landgate’s strategic positioning and operational performance.

Within government, interviews were conducted at leadership level with direct participation from a range of Directors’ General – drawn from across the WALIS community. In some circumstances meetings were arranged with line staff with senior operational exposure to Landgate through service, geospatial, technology SLIP or WALIS related matters.

The review was able to meet with officers from the four key central agencies (the Public Service Commission, the Department of Treasury, the Department of Finance and the Department of the Premier and Cabinet), along with the Auditor General and the Office of the Economic Regulator.

Some inter-jurisdictional inputs were provided by national and New Zealand perspectives along with welcome contributions from Landgate’s partners in the
tertiary sector and from the Cooperative Research Centre for Spatial Information (CRCSI).

The Review Chairman was able to attend a meeting of Landgate’s Customer Service Council and met with a number of industry participants at the launch of the earthmine project. An online survey was conducted with a small sample of the Authority’s top customers from different industries and sectors.

While the review did not seek formal written submissions, a number of organisations provided supplementary comments beyond the information and perspectives provided in face to face interviews with the Review Chairman.

Within Landgate, a program of internal stakeholder consultation commenced in October 2011 and consisted of a series of interviews with the executive team and senior management. Four working groups were established in February 2012. These examined issues associated with functions and governance; employment flexibility; financial sustainability; and technology futures.

The Review Chairman consulted with members of the Board of Management and met periodically with Landgate’s Executive leadership team and the four reference groups established by the review and other staff, as appropriate.

At the completion of the consultation phase, the Review Committee synthesised the information gathered during the course of the review and reported its findings and recommendations in Chapters Four and Five.

**Industry Stakeholders Consulted**

- Australian Institute of Conveyancers
- Australian Property Council
- Australian Property Institute
- Conveyancing Industry Liaison Committee
- Real Estate Institute of WA
- Spatial Industries Business Association
- Surveying and Spatial Sciences Institute

**Government Stakeholders Consulted**

- Auditor General
- Department of Agriculture and Food
- Department of Commerce
- Department of Environment and Conservation
- Department of Finance
- Department of Premier and the Cabinet
- Department of Mines and Petroleum
- Department of Planning
- Department of Regional Development and Lands
- Department of State Development
Department of Treasury
Department of Water
Economic Regulation Authority
Public Sector Commission
Water Corporation

**Other Organisations and Individuals Consulted**
Hon. Dr Sally Talbot MLC, Member for South West Region and Shadow Minister for Lands
Hon. Michelle Roberts MLA, Member for Midland and former Minister with responsibility for Landgate
Mr Grahame Searle – Director General of the Department of Housing and foundation Chief Executive Officer of Landgate
Mr Michael Ridout, Communications Director, Cooperative Research Centre for Spatial Information (CRCSI 2)
Professor Bert Veenendaal - Head of Department and GIScience Course Coordinator, Curtin University
Dr Chris Pigram, Chief Executive Officer, Geoscience Australia
Mr Colin MacDonald, Chief Executive Officer, Land Information New Zealand (LINZ)
Mr Paul Farrell, Managing Director, NGIS Pty Ltd and former National Chairman of Spatial Industries Business Association

**Acknowledgements**
A range of State Government and industry stakeholders gave generously of their time with insights and observations on the operations of Landgate along with numerous staff and management at Landgate.

These contributions to the review process were greatly appreciated and have helped inform an in-depth assessment of the effectiveness of the *Land Information Authority Act 2006*, the Authority and its focus for the future.
Appendix B

Statutes Administered by Landgate

These statutes make various references to the nature, role and function of Statutory Offices within Landgate.

- **Transfer of Land Act 1893** – establishes the Torrens System of registering freehold tenure, transactions and interests over land;

- **Valuation of Land Act 1978** – provides for the valuation of land for rating and taxing purposes, the statutory office holder of Valuer-General, establishment of the valuation roll and other purposes;

- **Licensed Surveyors Act 1909** – provides for the registration, licensing and practice of land surveyors, the making of authorised surveys and establishment of the Land Surveyors Licensing Board;

- **Strata Titles Act 1985** – provides for the horizontal and vertical subdivision of freehold land under the **Transfer of Land Act 1893** and for the management of strata schemes;

- **Registration of Deeds Act 1856** – establishes a system of registering conveyances, wills and other deeds affecting land other than Crown Land and land under the **Transfer of Land Act 1893**;

- **Standard Survey Marks Act 1924** – provides for the making of standard surveys and establishment of standard survey marks; and

- **Sale of Land Act 1970** – consolidates and amends the law relating to the sale of land.
Appendix C

Pricing Framework under Section 16 of the Act

Landgate’s current pricing framework provides a number of prescriptions.

- Clause 16(2) affirms that the pricing principles do not apply to fees that are fixed by written law. This would include fees for services such as the registering and searching of interests in land under the *Transfer of Land Act 1893*. Such fees are set by regulation on a cost-recovery basis. Most of Landgate’s revenue is derived from regulated fees.

- Clause 16(3) requires Landgate to charge to make an overall profit when providing goods or services for use for any purpose that involves any commercial benefit being derived. This would include use for commercial purposes by any person, including the commercial operations of state government entities. The subclause also ensures that the Authority acts in a competitively neutral manner consistent with the Authority’s objective of earning a fair commercial return for the State.

- Subclause 16(6) establishes the principle for charging in certain circumstances when Landgate provides goods and services other than fundamental land information (e.g. customised datasets) are provided. This provision applies when Landgate provides any goods and services (other than fundamental land information) to state and local government agencies for a purpose that does not involve any commercial benefit being derived. The charge is designed to cover the Authority’s total costs related to the goods or services. However, total cost does not involve the making of a profit (as provided for under subclause (3)).

- Clause 16(7) allows the Authority to charge on a basis that is different from the basis described by other provisions of this section. This can be done if the charge is in accordance with an arrangement agreed to between Landgate and the other party.
Appendix D

Review of Landgate’s Pricing Framework - Terms of Reference

1. Background
In 2012, a review of the Land Information Authority Act 2006 (LIA Act) was conducted by the Minister for Lands. One of the recommendations that emerged from the review was to Modernise Landgate’s Pricing Framework.

2. Purpose of the Review
The review will address this recommendation by assessing Landgate’s existing pricing framework including the pricing of its products and services (regulated and non-regulated), funding, costing and underpinning legislation and policy.

3. Review Governance
A Steering Group will be established and will comprise the Chief Executive of Landgate and nominees of the Under Treasurer and the Director General of the Department of Finance and a representative of the Landgate Board.

The Steering Group is responsible for the leadership and direction for the review, and is to report to the Minister and Treasurer on review outcomes.

4. Scope of the Review
Review Landgate’s overall pricing framework with consideration for its relevance and suitability to the Authority and its continuing operation. This will include the identification and exploration of:

- any factors existing that impede the implementation of more modern pricing practices within current legislative and Treasury guidelines;
- options for modernising components of the pricing framework including its pricing structures, regulated fee model, section 16 of the LIA Act, the concept and application of Fundamental Land Information principles and subordinate legislation containing pricing/costing provisions;
- the possible role that a regulator could undertake to improve transparency of pricing; and
- cost allocation and the development of a more robust cost model to inform Landgate’s pricing of products and services.

5. Reporting Requirements
The Steering Group will report its findings and recommendations to the Minister and Treasurer within six months of the commencement of the review.
# Appendix E

## Glossary of Terms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANZLIC</td>
<td>Australia New Zealand Land Information Council</td>
</tr>
<tr>
<td>ARNECC</td>
<td>Australian Registrars’ National Electronic Conveyancing Council</td>
</tr>
<tr>
<td>COAG</td>
<td>Council of Australian Governments</td>
</tr>
<tr>
<td>CRCSI-2</td>
<td>Cooperative Research Centre for Spatial Information-2</td>
</tr>
<tr>
<td>DLI</td>
<td>Department of Land Information</td>
</tr>
<tr>
<td>DOLA</td>
<td>Department of Land Administration</td>
</tr>
<tr>
<td>eA</td>
<td>earthmine Australia</td>
</tr>
<tr>
<td>FLI</td>
<td>Fundamental land information</td>
</tr>
<tr>
<td>FTE</td>
<td>Full time equivalent</td>
</tr>
<tr>
<td>GBE</td>
<td>Government Business Enterprise</td>
</tr>
<tr>
<td>GFC</td>
<td>Global Financial Crisis</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information Services</td>
</tr>
<tr>
<td>GTE</td>
<td>Government Trading Enterprise</td>
</tr>
<tr>
<td>LIA</td>
<td><strong>Land Information Authority Act 2006</strong></td>
</tr>
<tr>
<td>LIS</td>
<td>Location Information Strategy</td>
</tr>
<tr>
<td>LISSC</td>
<td>Land Information System Support Centre</td>
</tr>
<tr>
<td>MoG</td>
<td>Machinery of Government</td>
</tr>
<tr>
<td>NECDL</td>
<td>National Electronic Conveyancing Development Company Limited</td>
</tr>
<tr>
<td>NECS</td>
<td>National Electronic Conveyancing System</td>
</tr>
<tr>
<td>PEXA</td>
<td>Property Exchange Australia</td>
</tr>
<tr>
<td>SCI</td>
<td>Statement of Corporate Intent</td>
</tr>
<tr>
<td>SDP</td>
<td>Strategic Development Plan</td>
</tr>
<tr>
<td>SLICP</td>
<td>State Land Information Capture Program</td>
</tr>
<tr>
<td>SLIP</td>
<td>Shared Land Information Platform</td>
</tr>
<tr>
<td>SLIP enabler</td>
<td>A technical platform of infrastructure and services that enabled the delivery of SLIP</td>
</tr>
<tr>
<td>SNE</td>
<td>Seamless National Economy</td>
</tr>
<tr>
<td>SSSI</td>
<td>Surveying and Spatial Sciences Institute</td>
</tr>
<tr>
<td>The Board</td>
<td>Landgate’s Board of Management</td>
</tr>
<tr>
<td>WALIS</td>
<td>Western Australian Land Information System</td>
</tr>
</tbody>
</table>