



AUSTRALIAN MARINE COMPLEX, HENDERSON

STATEMENT OF CORPORATE INTENT

2022-23

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About DevelopmentWA

DevelopmentWA was launched in September 2019 through a merger of the former agencies LandCorp and the Metropolitan Redevelopment Authority (MRA).

The Western Australian Land Authority (WALA – formerly trading as LandCorp), is a publicly owned State Government Trading Enterprise (GTE) established under the *Western Australian Land Authority Act 1992*. The Metropolitan Redevelopment Authority (MRA) was established pursuant to the *Metropolitan Redevelopment Authority Act 2011* in January 2012 as an amalgamation of four existing redevelopment authorities across metropolitan Perth.

As part of the merger, the Government determined that WALA would provide activities and services for DevelopmentWA, including servicing the MRA functions. Both sets of legislation (WALA Act and MRA Act) are currently still applicable, and this has required a flexible and responsive approach to developing plans for the future to set the new entity up for success.

The WALA Act also requires WALA to provide or promote the provision of land, infrastructure, facilities and services for the social, economic and environmental needs of the State. The provision of project ready land enables the private sector to invest confidently and undertake major investments in built form, including industrial, commercial, tourism, and residential. The WALA Act objects and functions enables DevelopmentWA to work with both Government and private sector to give effect to Government policy state-wide.

A key requirement of the WALA legislation is to act in accordance with commercial principles: which requires being cost efficient, endeavouring to achieve or surpass financial targets and ensuring that no project undertaken is expected to achieve less than the hurdle rate of return.

The MRA was created with the purpose of delivering redevelopment projects of strategic significance in the Perth metropolitan area. A key requirement of the MRA legislation is to plan, undertake, promote and coordinate the development of land in redevelopment areas in the metropolitan region. The MRA Act specifies redevelopment area objectives, being: to build a sense of place; to promote economic wellbeing; to promote urban efficiency; to enhance connectivity; to promote social inclusion; and to enhance environmental integrity.

During the first half of 2021 a number of commercial land development projects and commercial built form assets were transferred to DevelopmentWA from the Department of Communities as a result of the Machinery of Government reforms announced by the Premier in November 2019. The metropolitan and regional asset transfer has significantly increased the number of land development projects being undertaken with private sector partners and the forecast for residential lot sales. DevelopmentWA is actively working with the Department of Communities (Communities), Treasury, Department of Premier and Cabinet and the Department of Planning, Lands and Heritage in an interagency working group to resolve social housing land and built form requirements and plan a range of delivery responses.

DevelopmentWA has a strong focus on developing land for high quality major projects, transport oriented development, urban regeneration projects, rail station precincts and land for new communities. DevelopmentWA also incorporates the Industrial Lands Authority (ILA), which is working to ensure that land delivered across WA meets industry requirements.

About this Document

Consistent with the requirement of Regulation 4, Part 3 of the WALA regulations, and with Regulation 27, Part 5 of the MRA regulations, this document includes details of DevelopmentWA's strategic objectives, priorities, operating revenue and expenditure, dividend policy, capital expenditure and borrowing requirements, proposed pricing arrangements, performance targets, accounting policies that apply and details of the type of information provided to the Minister.

1.0 Introduction

DevelopmentWA is the State Government's land development agency, operating across Western Australia with a diverse portfolio of industrial, commercial and residential land projects. DevelopmentWA is committed to shaping our State's future by developing vibrant and **sustainable communities**, unlocking land for **prosperous industry** and supporting economic development and job creation for **resilient regions**.

Our comprehensive land development portfolio ensures WA is firmly positioned for growth as we create the best places for people to live, work, visit and do business. Numerous substantial projects are currently under consideration, in planning, or being delivered for our State. These projects are essential to support the jobs and communities of tomorrow and we are committed to the efficient, innovative and timely delivery of land to ensure their success.

On 25 November 2019, the Premier announced Machinery of Government reforms which included separating part of the Housing Authority (within the Department of Communities), with its land development and related commercial functions to be transferred to DevelopmentWA. Subsequently, during 2021, \$547 million of land assets (unaudited balance sheet value as at 1 July 2021) were approved to be transferred. These land assets will enable DevelopmentWA to better respond to support Government's focus on the supply of affordable and social housing. It will be vital to build a strong reciprocal relationship with the Department of Communities to understand their requirements in order to effectively contribute to future social housing supply.

As part of the State's comprehensive response to COVID-19, DevelopmentWA is delivering almost \$300 million in additional projects and incentives to help drive economic recovery and support a pipeline of new jobs.

Some of the key metropolitan land development projects we are pursuing include Subi East, East Perth Power Station, Ocean Reef Marina, Perth City Link / Yagan, Edith Cowan University (Mount Lawley), Alkimos Central, Hamilton Hill (as a net zero demonstration project), Murdoch Health and Knowledge Precinct, and METRONET East.

In the regions, land development priorities include Albany Middleton Beach Activity Centre, Albany Oyster Harbour, Albany Clydesdale, Broome Yawuru, Broome North (Waranyjarri Estate), Greenview at Karlkurla (Kalgoorlie), and Madigan at Baynton West.

A key priority for the Industrial Lands Authority is working with the Department of Jobs, Tourism, Science and Innovation (JTSI) to deliver project ready Strategic Industrial land across the State, including in Ashburton North, Boodarie, Burrup, Kwinana, Rockingham, Oakajee, Kemerton and Kalgoorlie. Priority general and special industrial land development projects include the Australian Marine Complex (AMC), Bentley Technology Park, Forrestdale Business Park, Orion Industrial estate, and the Australian Automation and Robotics Precinct.

Our people are the key to our success and we are committed to building a **highly capable, innovative organisation** – through ensuring solid commercial and financial disciplines, an excellent workforce, robust systems and strong stakeholder and community support.

The challenges of 2021 included cost pressures, absorbing significant assets, land supply pressures, and working through complex commercial terms on key projects. Some of these issues will continue into the future and new challenges will emerge. DevelopmentWA is well placed to build on current momentum and continue to significantly contribute to the State.

Darren Cooper
CHAIRPERSON

Frank Marra
CHIEF EXECUTIVE OFFICER

2.0 Our Vision and Values

2.1 Our Vision

DevelopmentWA is “Shaping our State’s Future”.

Operating throughout Western Australia, DevelopmentWA has a unique capacity to shape and create sustainable communities and deliver projects for tomorrow.

As the WA Government’s land development agency, we are focused on working closely with industry and the community to deliver outcomes on Government priorities.

We partner with the private sector, ensuring our State is positioned for growth by creating great places for people to live, work, visit and do business.

Our people are at the heart of everything we do. Their skill and expertise ensure DevelopmentWA remains a highly capable, innovative and solutions-focused organisation.

2.2 Our Values

Values are central to our culture underpinning the way we work and guiding our relationships with each other and with our partners, stakeholders and customers. Our current values are:

BRILLIANCE

Always Striving. Never Settling.

We relentlessly pursue brilliance in all aspects of our work. Our agility drives a solutions-focused, can-do approach to challenges.

ALLIANCE

Stronger Together.

Our strength comes from our diversity. We engage, listen and learn from each other, the community, our stakeholders, suppliers and partners. We are strongest when we work together.

COURAGE

Backing Ourselves & Each Other.

We lead through our collective commitment to innovation and action. We bring a can-do attitude and dedication to our work, our goals and our culture. Always seeking new perspectives and exploring new ways of thinking.

INTEGRITY

Integrity at our Core.

Integrity is reflected in everything we do. Each and every day. We are unwavering in our commitment to transparency, openness and professionalism.

3.0 Strategic Approach

3.1 Operating Environment

Western Australia’s economy has rebounded strongly from the initial impacts of COVID-19, with the level of economic activity exceeding pre-COVID levels. Gross State Product (GSP) grew strongly in 2020-21, and is forecast to grow by a further 3.75% in 2021-22 and by 2% in 2022-23. The housing market recovered strongly over 2020-21 with sales in the established market exceeding levels at the height of the most recent property cycle in 2013. The rental market has also been tight, with an easing in the vacancy rate expected when the current high level of dwellings under construction (as supported by the Commonwealth’s and the Government’s building construction grants) translate into additional housing supply (including rental stock). The industrial market continues to outperform other commercial property markets. Future demand for industrial space will continue to be supported by the transport, postal and logistics industry expanding operations to handle the increased demand.

Machinery of Government Reforms

Work on the Housing Authority Machinery of Government reforms continued in 2021 with a focus on the transfer of the Department of Communities’ commercial land development projects, assets and staff to DevelopmentWA.

The reforms significantly increase DevelopmentWA’s asset base, the number of land development projects being undertaken with private sector partners and the volume of residential lot sales. Forecast revenue and expenditure have increased over the forward estimates period as a result of the transfers.

Some of the benefits realised from the Machinery of Government reforms to date include:

- The separation of policy and provision of social rental housing (remains with DoC) from commercial land activities, with a focus on land supply (transferred to DevelopmentWA),
- Improved transparency and stronger governance in the management of commercial land development.
- Removal of duplication in the State's commercial land development function.
- Improved efficiencies in the management of the State's land development activities.
- Greater consistency for land development stakeholders and customers.
- Consolidation of land holdings enabling more strategic development to meet the State's needs.

Some of the challenges of the Machinery of Government reforms include:

- Achieving the assignment or novation of all agreements with private sector development partners.
- Redefining our role in the delivery of land for social and affordable housing.
- Developing new inter-agency arrangements to coordinate the delivery of land for social and affordable housing.

3.2 Government Expectations

DevelopmentWA works closely with Government and its agencies in delivering State priorities. Considered planning is required to ensure the developments undertaken align with the State Government's goals.

Minister Expectations

DevelopmentWA's key land development projects and activities which support the Minister's expectations include:

- Delivery of a range of residential, commercial, industrial and tourism developments across WA, including highest priority projects: East Perth Power Station; Ocean Reef Marina, Subi East, METRONET precincts, Australian Marine Complex (AMC).
- Work with the Department of Communities, private sector built form developers and not for profit community housing providers to implement Social Housing Outcomes.
- Expediting projects for social housing delivery, including projects at Kelmscott, Cannington and High Wycombe.
- Supporting the WA Recovery Plan.
- Maintaining a sufficient land supply pipeline, including project ready Strategic Industrial land and land for regional communities.
- Industry leadership role in policy demonstration and implementation.
- Sustainable land development outcomes.

Government Priorities and Policy

DevelopmentWA's activities are aligned to many of Government's areas of strategic importance. Key WA Government policies and strategies which inform our approach include:

COVID-19 Response	Social Housing Outcomes (WA Government target to deliver 3300 new social homes over the next 4 years).
Diversify WA – Strong Economy, Creating Jobs, Diverse Industry	Waste Avoidance and Resource Recovery Strategy
Energy Transformation Strategy	Future Battery Industry Strategy
State Planning Strategy 2050	Ageing with Choice: Seniors Housing
State Climate Policy	State Electric Vehicle Strategy
Distributed Energy Resources Roadmap	Waterwise Perth Action Plan
Aboriginal Empowerment Strategy	

In addition to the above policies and strategies of Government, where DevelopmentWA's project activities directly and/or indirectly contribute to outcomes, DevelopmentWA also makes a broader contribution to other Government priorities and initiatives including;

- **Supporting a Strong Economy**
 - DevelopmentWA will maintain excellent employee and industrial relations policies and practices to support local jobs and implement the highest standards of occupational health and safety to ensure the wellbeing of staff and contractors.
 - DevelopmentWA will manage its operations efficiently and prudently, having regard to community expectations of Government organisations in abiding to ethical, environmental and social considerations.
- **Aboriginal and Torres Strait Islander Engagement:** DevelopmentWA will continue to implement its merged reconciliation action plan, promote employment opportunities for Aboriginal people, including promoting Aboriginal employment and training opportunities where possible, and aligning with Government's Aboriginal Procurement Policy.
- **Liveable Environment:** DevelopmentWA will implement strategies to minimise and adapt to the impacts of climate change, specifically through its project delivery.
- **Engagement with Government:** DevelopmentWA will provide timely and accurate responses to requests for information and proactively manage and provide industry advice and awareness of matters inside the industry or material for whole of Government policy. Key Government relationships will be built and maintained with the Minister and Minister's Office, the Treasurer and Treasurer's Office, and the agencies supporting the Minister and Treasurer – in particular the Department of Planning, Lands and Heritage (DPLH) and Department of Treasury.
- **Reform:** DevelopmentWA will continue to engage actively and collaboratively with whole of Government reform programs.
- **COVID-19:** DevelopmentWA will continue to follow and implement Government's Health Advice and directions in relation to COVID-19. DevelopmentWA remains committed to delivering projects across WA in a manner that promotes the health and safety of Western Australians.

3.3 Our Strategic Objectives and Priority Outcomes

Our strategic objectives focus on **Sustainable Communities**, **Prosperous Industry**, **Resilient Regions**, and are enabled through a focus on developing **A Highly Capable, Innovative Organisation**. These objectives drive land delivery operational priorities and actions in the short to medium term, to build on our responsibility to Western Australians:

Strategic Objective 1 – Sustainable Communities

- *Developing high quality major projects, transport oriented development, urban regeneration projects, rail station precincts and land for new communities.*

Priority Outcomes	
1.1	Design and delivery of sustainable, transformational projects in the Perth Metropolitan area consistent with Government priorities.
1.2	Plan, facilitate and deliver on Government land supply, liveability and infill targets around transport nodes, Activity Centres and METRONET stations to create efficient, connected, sustainable urban places.
1.3	Collaborate with the Residential Lands and Housing Delivery Steering Committee (RLHDSC) agencies to support a co-ordinated approach by Government to the provision of housing to support affordable communities, including affordable and social housing targets.
1.4	Engage with industry, local government, universities and other stakeholders to maximise the outcomes achieved through our projects.

Strategic Objective 2 – Prosperous Industry

- *Facilitating economic diversification and jobs growth in industrial areas throughout Western Australia.*

Priority Outcomes	
2.1	Planning and delivery of General and Special industrial estates, precincts and parks throughout Western Australia to meet market demand.
2.2	Work with Department of Jobs, Tourism, Science and Innovation (JTSI) to make strategic industrial land development ready, and continue to support proponents who locate in our Strategic Industrial Areas (SIAs).
2.3	Collaborate with the Industrial Lands Steering Committee (ILSC) agencies to ensure sufficient supply of industrial land and supporting infrastructure across the state.
2.4	Engage with industry, all levels of government and other stakeholders to maximise the outcomes achieved through ILA projects.

Strategic Objective 3 – Resilient Regions

- *Working with stakeholders across the State to deliver land and infrastructure in regional communities which support regional housing delivery, economic development and job creation.*

Priority Outcomes	
3.1	Design and delivery of land, infrastructure and enabling developments in regional cities consistent with Government directions.
3.2	Deliver residential and light industrial land supply in targeted regional areas, especially identified hot spots, to support private investment in housing, business attraction and regional employment.
3.3	Collaborate with Department of Jobs, Tourism, Science and Innovation (JTSI), Department of Communities, Department of Primary Industries and Regional Development (DPIRD) and Regional Development Commissions (RDCs) to support regional economies diversification.
3.4	Maintain a level of service to regional stakeholders to assist with regional capacity building and the diversification of regional economies.

Strategic Objective 4 – A Highly Capable, Innovative Organisation

- *High capability and capacity through solid commercial and financial disciplines, an excellent workforce, and robust systems.*
- *Successful development outcomes through high performing partnerships and strong stakeholder, community, supplier and customer relationships.*
- *Demonstrating innovative, sustainable outcomes in our developments that provide leadership in overcoming industry challenges and pursuing new opportunities.*

Priority Outcomes	
Capability and Capacity	
4.1	A strong financial position is maintained by securing a project pipeline for the future, optimising the financial delivery of projects and ensuring sound financial management.
4.2	Employ and retain excellent, engaged, values aligned staff and support learning opportunities to enable continuous improvement.
4.3	Ensure strong governance, systems, policies and processes are applied to underpin the business.
Partnerships and Relationships	
4.4	Attract private sector partners and engage effectively with suppliers and customers to achieve mutually beneficial development outcomes.
4.5	Engage stakeholders and communities to achieve broad community support for our developments.
Demonstrating Innovative Outcomes	
4.6	Encourage and support innovation, and lead industry by delivering innovation through demonstration projects.
4.7	Implement market leading solutions in our developments to shape better Sustainable development outcomes and implement our Net Zero Transition Plan.

4.0 Finance and Funding

4.1 Financial Statement Estimates

A summary of the projected financial outcomes for 2022-23 is outlined in the following table.

For the 2022-23 financial year DevelopmentWA will deliver earnings before interest and tax of \$66.2 million and profit after tax of \$37.5 million. The forecasts are largely underpinned by sales across metropolitan, regional and industrial lands programs as well as projects transferred to DevelopmentWA through the Housing Machinery of Government reforms. Forecasts also incorporate the ongoing operations of the Metropolitan Redevelopment Authority.

DevelopmentWA Income Statement 2022-23 \$m				
	MRA	WALA	Elimination	Total
Total Revenue	39.9	852.0	-11.6	880.3
Sales revenue (after goods and services tax)	-	487.2	-	487.2
Revenues from Government	11.6	291.3	-11.6	291.3
Other operating revenue	25.5	11.1	-	36.6
Property management revenue	2.8	62.4	-	65.2
Less: cost of land sold	-	(328.1)	-	(328.1)
Less: estate costs	-	(87.1)	-	(87.1)
Less: operating costs (Including property management and operating subsidies project expenditure)	(67.7)	(342.9)	11.6	(398.9)
Earnings before interest and tax	(27.8)	94.0	-	66.2
Less: Net Interest Expense	0.6	(5.5)	-	(4.9)
Less: Income Tax Expense	-	(23.8)	-	(23.8)
Profit after Income Tax	(27.2)	64.7	-	37.5

Elimination column refers to the intercompany loan and grant expense between MRA and WALA eliminated on consolidation . All amounts in the financial reports are rounded to the nearest million dollars.

DevelopmentWA Statement of Financial Position 2022-23 \$m			
	MRA	WALA	Total
Assets			
Current Assets			
Cash assets	6.4	132.8	139.2
Receivables	1.8	108.4	110.2
Inventory	11.1	538.5	549.6
Other	0.1	101.5	101.6
Total Current assets	19.4	881.2	900.6
Non - Current assets			
Property Plant and Equipment	192.7	280.1	472.8
Receivables	8.9	6.0	14.9
Inventory	-	585.0	585.0
Cash investments	45.7	-	45.7
Other	15.6	75.2	90.8
Total Non-current assets	262.9	946.3	1,209.2
Total Assets	282.3	1,827.5	2,109.8
Liabilities			
Current liabilities			
Employee provisions	0.9	8.1	9.0
Payables	0.1	24.9	25.0
Borrowings and leases	0.7	51.7	52.4
Other	13.1	66.3	79.4
Total Current liabilities	14.8	151.0	165.8
Non-current liabilities			
Employee provisions	2.1	1.5	3.6
Borrowings and leases	6.6	204.9	211.5
Other	1.0	78.7	79.7
Total non-current liabilities	9.7	285.1	294.8
Total Liabilities	24.5	436.1	460.6
Net Assets	257.8	1,391.4	1,649.2
Equity			
Contributed Equity	662.0	935.2	1,597.2
Accumulated surplus/(deficit)	(404.2)	456.2	52.0
Total Equity	257.8	1,391.4	1,649.2

All amounts in the financial reports are rounded to the nearest million dollars.

DevelopmentWA Statement of Cashflows 2022-23 \$m				
	MRA	WALA	Elimination	Total
Cashflows from Operating Activities				
Receipts				
Sales of goods	1.6	481.8		483.4
GST receipts	-	75.5		75.5
other	27.9	105.9		133.8
Payments				
Employee benefits	(5.2)	(35.1)		(40.3)
Supplies and services	(10.5)	(17.2)		(27.7)
Accommodation	(5.2)	(3.5)		(8.7)
GST payments	-	(71.8)		(71.8)
Finance and interest costs	(0.3)	(5.4)		(5.7)
Payment for the purchase of inventories	-	(470.3)		(470.3)
Other payments	(39.3)	(262.5)	11.6	(290.2)
Net cash from operating activities	(31.0)	(202.7)	11.6	(222.)
Cashflows from investing Activities				
Proceeds from sale of non- current assets	-	-		-
Purchase of non-current assets	(0.4)	(0.3)		(0.7)
Net cash from Investing activities	(0.4)	(0.3)		(0.7)
Cashflows from Financing Activities				
Proceeds from Borrowings	-	135.7		135.7
Repayment of borrowings and leases	(0.6)	(165.1)		(165.7)
Other payments	-	(52.4)		(52.4)
Net cash from financing activities	(0.6)	(81.8)		(82.4)
Cashflows from Government				
Capital grants	-	7.0		7.0
Operating subsidies	-	269.9		269.9
Royalties for Regions	-	7.8		7.8
Equity Contributions	2.4	30.0		32.4
Recurrent grants	-	6.5		6.5
Direct Grants	11.6		(11.6)	-
Dividends to government	-	(54.2)		(54.2)
National Tax Equivalent - Income tax	-	(24.3)		(24.3)
Local Government Tax equivalent		(8.4)		(8.4)
Receipts paid to the consolidated account	(14.0)	-		(14.0)
Net cash provided to Government	-	234.3	(11.6)	222.7
Net Increase/(Decrease) in cash held	(31.8)	(50.6)	-	(82.4)
Cash at the beginning of the reporting period	83.9	183.5		267.4
Cash at the end of the reporting period	52.1	132.9	-	185.0

Elimination column refers to the intercompany loan and grant expense between MRA and WALA eliminated on consolidation . All amounts in the financial reports are rounded to the nearest million dollars.

4.2 Payments to Government and dividend policy

DevelopmentWA expects to deliver payments to Government of \$169.9 million for the year which incorporates income tax equivalents, stamp duty on acquisitions, land tax and Local

Government rate equivalents. These payments also include a dividend payment consistent with requirements under the *Western Australian Land Authority Act 1992*.

4.3 Capital expenditure and borrowing requirements

As a Government owned trading enterprise DevelopmentWA's capital and borrowing program is framed within the State Government budget parameters. Capital expenditure and strategic acquisitions represent our largest use of cash which is funded through a mix of internally generated cash flows, Government funding and borrowings.

CAPITAL EXPENDITURE (ASSET INVESTMENT PROGRAM)

Unlike other State Government agencies, DevelopmentWA's land development expenditure is generally not classified as capital expenditure for accounting purposes (as it predominantly relates to the development of trading stock). However, it is reflected in the State Asset Investment Program for State Budget purposes. DevelopmentWA will focus on the delivery of strategically important projects, including State Recovery initiatives, consistent with Government policy whilst optimising targeted investments to ensure future sales revenue and profitability are maintained.

Land acquisition and development expenditure (Asset Investment Program) for the 2022-23 financial year is estimated to be \$471.1 million. Some of the key projects and activities across the State which will incur significant development expenditure include: Ocean Reef Marina, Nambelup, Alkimos Central, East Perth Power Station redevelopment, Perth City Link, Hope Valley Wattleup, Subi East precinct and the Forrestdale Business Park. The majority of State Recovery Plan expenditure is incurred on the AMC precinct, including construction of the new wharf and intersection upgrades.

DevelopmentWA Asset Investment Program	2022-23 (\$m)	2022-23 %
Industry and Infrastructure	139.7	30%
Metropolitan (including Government Services and Redevelopment)	133.7	28%
Regional Development	62.4	13%
Residential Land and Housing	135.3	29%
Total	471.1	

BORROWING REQUIREMENTS

DevelopmentWA will seek to optimise debt levels during 2022-23. In order to meet working capital obligations, we forecast our borrowing requirements during the 2022-23 year with a targeted year-end borrowings position of \$249.1 million. Peak borrowings of \$384.8 million have been projected during 2022-23 and net debt of \$109.9 million.

4.4 Operating subsidies

NATURE AND EXTENT OF OPERATING SUBSIDIES

Since formation in 1992, DevelopmentWA has had a responsibility through legislation to act in accordance with commercial principles. A Ministerial Review in 1997 resulted in the WALA Act being amended to clarify the commerciality principles that we must incorporate (Section 19):

- (a) perform our functions in a cost-efficient manner;
- (b) endeavour to achieve or surpass financial targets; and
- (c) ensure no project undertaken is expected to achieve less than the hurdle rate of return as specified in our Strategic Development Plan.

OPERATING SUBSIDIES FUNDING REQUIREMENTS

DevelopmentWA undertakes many land development projects which are directed and supported by Government. Some of these projects require the support of operating subsidies

to make them viable. Funding arrangements for operating subsidy projects are considered by Government and meet the commerciality criteria set out in Section 19(1) of the Act outlined above. Operating subsidies fall into the following three broad categories.

- Recovery of holding costs and running costs where DevelopmentWA holds assets on behalf of Government, including Machinery of Government transaction costs and other stimulus subsidies (operating subsidies);
- Project Grant Operating Subsidies generally are provided over a specified and finite term provided as a recurrent funding type recognised through the statement of profit or loss.
- Project Grant Capital Subsidies generally are provided over a specified and finite term provided as an equity contribution recognised through the statement of financial position.

The following table shows expected payments within these categories during 2022-23:

Government Funding	Description	2022-23 (\$m)
Holding/operating cost subsidies	<ul style="list-style-type: none"> • Holding and transaction costs • Machinery of Government transaction costs • Other 	40.1 29.8 7.2
Project subsidies	<ul style="list-style-type: none"> • Project subsidies to achieve hurdle rate • Royalty for Regions funding • Other stimulus projects 	151.2 7.8 55.2
TOTAL SUBSIDIES IN STATEMENT OF COMPREHENSIVE INCOME		291.3
Equity contributions	<ul style="list-style-type: none"> • Ocean Reef Marina 	30.0
	<ul style="list-style-type: none"> • MRA equity funding 	2.4
TOTAL SUBSIDIES IN STATEMENT OF FINANCIAL POSITION		32.4

Some of the projects DevelopmentWA is undertaking where we receive operating subsidies are those which require significant investment and later become economic stimulators. Projects in areas including the Australian Marine Complex and the Forrestdale Business Park are current recipients of operating subsidy funding. State Recovery Plan stimulus measures are also reflected in this table.

5.0 Pricing Arrangements

5.1 Land

DevelopmentWA sets the price of its land in line with assessed market values where:

- market value is available in the respective market segments;
- there are several producers of land; and
- there is consistent demand.

Where there is no comparable sales evidence, resulting from lack of consistent demand, cost (including the agreed hurdle rate of return) is generally used as a starting point for the pricing benchmark. In the Regional Development Assistance Program, a minimum lot pricing strategy is applied to improve property economics in small towns, by gradually increasing lot prices towards the cost of production with the goal of reviving private sector investment in land development over time.

5.2 Services

Services include expert property and project management resources for Government sponsored projects. Where we do not propose to have equity interest in a project (or expect to obtain any), an hourly rate charge is generally applied. This charge is based on overhead absorption costing to accurately capture the true cost of service provision. Where we undertake a project coordination role, the pricing of resources is set at market-based rates, which may include fees based on a percentage of the project expenditure or revenue.

6.0 Accounting Policies

DevelopmentWA's financial statements are prepared on an accrual basis of accounting in accordance with the historical cost convention. The financial statements are general purpose financial reports prepared in accordance with the Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The Western Australian Land Authority adopted Australian equivalents to International Financial and Reporting Standards (IFRS) in July 2005. Descriptions of our significant accounting policies can be found in the notes accompanying the Financial Statements in our Annual Report.

7.0 Information and Reports to the Minister

DevelopmentWA currently provides the Minister with the relevant information to allow an adequate assessment of our overall performance during the year. This includes a half-yearly report that assesses our performance against planned targets for the period ending 31 December and the Annual Report.

The half-yearly report contains financial statements and comments on performance and this is also provided to the Treasurer. The Annual Report aligns to general purpose accounts and statutory information required to be disclosed including governance, performance and financial information. For MRA, information includes an Explanatory Statement of Financial Performance consistent with operational plan financial estimates within this document.

8.0 Objectives, Outcomes and Key Performance Information

Broad Government goals are supported at Government Trading Entity (GTE) level by objectives and outcomes. The following table illustrates the relationship between the GTEs objectives and outcomes and the Government goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes	Key Performance Indicators	Target
Growing our Communities <i>protecting our environment with thriving suburbs and regions</i> Safe, Strong and Fair Communities <i>developing healthy and resilient communities</i> WA Jobs Plan <i>Local manufacturing and production, creating WA jobs and training for the jobs of the future</i> Strong and Sustainable Finances <i>responsible, achievable, affordable service delivery</i>	Sustainable Communities	Developing high quality major projects, transport oriented development, urban regeneration projects, rail station precincts and land for new communities	Priority project development milestones met or exceeded	>90% of projects on track
			Redevelopment Areas: measuring delivery of redevelopment objectives	Continue to report annually against the KPI's set for redevelopment areas.
	Prosperous Industry	Facilitating economic diversification and jobs growth in industrial areas throughout Western Australia	Priority project development milestones met or exceeded	>90% of projects on track
			Sufficient developed lots available and/or next stage ready	> 5 developed lots available and/or next stage ready for development in each of our key industrial estates
	Resilient Regions	Working with stakeholders across the State to deliver land and infrastructure in regional communities which support regional housing delivery, economic development and job creation.	Priority project development milestones met or exceeded	> 90% of projects on track
	A Highly Capable, Innovative Organisation	High capability and capacity, strong partnerships and relationships, innovative outcomes.	% of revenue target achieved	>90% of target achieved
			Staff retention (%)	>90%
			Safe working environment	Reportable Lost time injury frequency rate <2
			Customer satisfaction rating	Customers satisfied with overall purchase process >90%
			Net Zero	Meet the annual targets identified in our Net Zero Transition Plan

DevelopmentWA also tracks a wide range of measures annually, consistent with our Sustainable Development Outcomes framework and identified material issues. Outcomes are reported in our annual Sustainability Report, which is in accordance with the Global Reporting Initiative (GRI) Standards.