



Creating tomorrow's communities.

| Annual and Sustainability Report 2017-18



This report has been prepared in accordance with the GRI Standards: Core option.



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Introduction and welcome

01

Cockburn Central West



LandCorp is a Government trading entity established under the *Western Australian Land Authority Act 1992*.



Koombana North foreshore and Bunbury Waterfront vista

1.0 Welcome

We pay our sincerest respects to Elders, past and present, and commit to working respectfully together so we can move to a place of equity, justice and partnership.

We are committed to fostering a long-term relationship with Traditional Land Owners as we create new places across Western Australia.

1.1 Who we are

The Western Australian Land Authority, trading as LandCorp, is a publicly owned State Government Trading Enterprise (GTE) established under the *Western Australian Land Authority Act 1992* (the Act). Governance is managed via an independent Board of Directors and reporting to Parliament through the Minister for Transport; Planning; Lands who is responsible for the Act.

We are the principal agency of the State authorised by the Western Australian Parliament to deliver Government policy objectives with regard to land development. Our Act requires we provide or promote the provision of land, infrastructure, facilities and services for the social, economic and environmental needs of the State. We work to realise the potential of land and infrastructure by developing land for housing, business and industry to build social and economic prosperity for all Western Australians.

1.2 About this report

This Report presents our performance for the financial year 1 July 2017 to 30 June 2018, and adheres to the requirements set out in the *Western Australian Land Authority Act 1992*.

Separate sustainability reports have been produced since 2013-14. This is our first combined Annual and Sustainability Report and reflects a commitment to integrate sustainability within the business.

This report has been prepared in accordance with the **GRI Standards**: Core option. Guidance provided in the Government of Western Australia Public Sector Commission Annual Reporting Framework has also been used.

In line with the WALA Act, we take account of and balance social, economic and environmental outcomes. Using the GRI Standards as part of our annual reporting ensures we assess our performance against globally accepted sustainability reporting principles and measures.



The Quarter, Karratha

1.3 Report structure

Message from the chairman

Message from the chief executive

Performance at a glance

Purpose

Vision
Values
Projects
Future direction

Defining the content of this report

Approach
Value chain

Performance

Integrated project outcomes
Relationships and partnerships
Market leadership and innovation
Organisational and corporate sustainability

Corporate governance

Financial statements

GRI content index

Looking at the full spectrum of land planning and delivery required in the coming years, the scale of Western Australia's future development agenda cannot be understated.

From the chairman

2017-18 was a year of great significance for LandCorp.

It is now 25 years since the agency was formed and began to play its crucial role in contributing to Western Australia's social and economic prosperity. This year also marked the beginning of a profound change which will see the creation of a new land planning and delivery agency for our State.

In November, Minister for Lands the Hon. Rita Saffioti MLA announced the operations of LandCorp and the Metropolitan Redevelopment Authority would merge to form a single agency for government land development across metropolitan and regional Western Australia. Board memberships common to both organisations took effect from January 1, 2018.

The challenge to the new Directors is to superintend the process to create a new organisation that can facilitate and deliver a range of transformative outcomes associated with Metronet – and to meet the continuing challenges of a changing city and a large state. Inside that vision the provision of land for jobs, planning outcomes for communities and places for people is a central tenet.

Our focus is to ensure a streamlined, consistent and efficient approach to delivering key Government priorities such as METRONET, and to continue with transformational projects such as the Bunbury Waterfront, Ocean Reef

Marina and a range of infill, industrial and innovative projects in sites across the Western Australian community.

Establishment (in June) of the Industrial Land Authority within LandCorp completed a key electoral undertaking of Government.

The ILA has a simple mandate of land for jobs.

The intent is to work closely with government partners and industry to deliver appropriately configured land for new projects, industries and capabilities required to support our State's growth.

Looking at the full spectrum of land planning and delivery required in the coming years, the scale of Western Australia's future development agenda cannot be understated.

There are exciting times ahead for Western Australia, with significant new projects on the horizon which can optimise our state's natural advantages, infrastructure, transport and freight networks to best effect.

It is appropriate to thank and acknowledge the former Chairman, Monty House and outgoing members of the Board – Peter Cooke, Peter Gibbons and Sue Middleton. They can be proud of their achievements during their time with LandCorp and I thank them for their significant contribution to the State. I also wish to acknowledge the contribution of Paul Lakey who served on the new Board during the commencement



period of the land agency reform process.

I am particularly grateful to the new Directors of the Western Australian Land Authority for their focus and diligence in respect of the opportunities presented by the land agency reform process now underway.

The balance of this Annual Report provides a very complete account of the achievements and efforts of the management team and the men and women who comprise the LandCorp workforce. It also records the important contributions of a range of government and business partners who have contributed to the LandCorp story for 2017-18. Thank you to all for the role you have played.

Finally, I wish to acknowledge the leadership and engagement of the Minister for Lands, the Hon. Rita Saffioti MLA for her support for the agency and its purposes.

George McCullagh

From the chief executive

With a number of significant milestones attained, reflecting on 2017-18 has proved a satisfying and enjoyable exercise. However, the process to single out highlights from the volume of impressive work undertaken by the various teams that brought them to life has been a challenge.

According to property pundits, the past financial year saw the property market bottom out. However, despite an industry-wide slump in sales, there were some bright lights across our residential, commercial and industrial areas, thanks to a delivery program designed to withstand market fluctuations.

Across our State, significant, local, national and international investment is visibly changing the development landscape and we're moving to meet new challenges and opportunities. Innovation-led planning and design over the past 12 months has resulted in confirmation of WA's first medi-hotel, at the Murdoch Health and Knowledge Precinct, being delivered by the Fini Group and best-practice multi-generational living, at Claremont on the Park.

Waterfront redevelopment at Ocean Reef, Bunbury and Albany will make the most of our celebrated coast and create world-class destinations for the future.

Montario Quarter, on the site of the former Shenton Park Rehabilitation Hospital, will become a connected, vibrant, urban retail and residential village.

The successful launch of Alkimos Vista has delivered significant sales and builder endorsement, and both stages 1 and 2 at Parkside Walk Jolimont achieved outstanding sales. At Blackmore Park Estate, Girrawheen, all lots released are now under contract.

Civil works commenced at Middleton Beach in Albany, where we are working to deliver a much-anticipated mixed-use hotel, retail and residential accommodation precinct.

Despite challenging climatic conditions, the Smart Sun Pilot, a collaboration with Horizon Power at Warranyjarri Estate in Broome North, is underway. Results for the Cool Earth geothermal energy trial in Craigie have been positive. Over a nine-month period, the geo-exchange system has delivered remarkable energy saving achieving up to 75 per cent greater efficiency when cooling the home in summer and 35 per cent improved efficiency when heating the home in winter. These results equate to a saving of up to \$900 per year in electricity costs.

I am proud to say that we were a signatory to the Kariyarra ILUA Signing Ceremony, an important event marking the State's commitment to the Kariyarra people and their claim to country.

Strategic EOI processes for land in Karratha's Tambrey Shopping Precinct and City Centre attracted keen interest from local and national investors and developers, with negotiations progressing.

At Kwinana Strategic Industrial Area, a significant parcel of land sold to



the Water Corporation and Tianqi formalised a request to expand the lease area for its lithium plant, which is already under construction and we entered options to lease for two further lithium plants at Kwinana and Kemerton.

Future challenges and opportunities include delivering the next generation of economic and employment land through the ILA. During 2018-19, we will consolidate our operations with the Metropolitan Redevelopment Authority under a unified operating model and progress Government priorities.

Throughout this process, our focus will remain firmly on project delivery and continued support for communities across Western Australia.

In closing, I would like to acknowledge the LandCorp Board, my Executive, their teams and the many Government and private sector stakeholders who work with us to deliver the best outcomes for the State and for all Western Australians. Without their support, none of what we have achieved would be possible.

Thank you all.

Frank Marra

Across our State, significant, local, national and international investment is visibly changing the development landscape and we're moving to meet new challenges and opportunities.

Performance at a glance



Newman Town Centre



4.1 Integrated project outcomes



4.2 Relationships and partnerships



4.3 Organisational and commercial sustainability



4.4 Market leadership and innovation



Purpose

05



5.1 Vision

To realise the potential of land and property across Western Australia by delivering excellence in new and revitalised residential and economic centres.

We operate to realise the potential of land, Government assets and infrastructure by providing balanced environmental, social and economic outcomes for the benefit of all Western Australians. With projects spanning metropolitan, regional, industrial, tourism and commercial developments, we create large and small developments, adopt an integrated approach and act commercially, providing a return to Government for reinvestment.

5.2 Values

Values underpin the way we work and guide our relationships with each other and with our partners, stakeholders and customers. Our values are colloquially known as 'CARA':

Collaborate	Be supportive and responsive to others.
Achieve	Adopt a positive attitude and encourage effective outcomes.
Respect	Act with integrity and listen.
Adapt	Be innovative and open to change.



Disrupt '17

5.3 Key result areas

Corporate strategy is focussed on four key result areas to drive priorities and actions.

- **Integrated project outcomes:** Be agile and responsive. Adopt an integrated view across the whole State, a region, a town or market segment. Deliver excellent projects and outcomes consistent with Government commitments and policy. Meet customer and communities' needs. Maximise internal efficiencies.
- **Relationships and partnerships:** Create value for Government by building on our track record of delivering social and economic outcomes aligned to Government policy, and solving problems for Government. Continue to build on strong relationships and partnerships with other Government departments and agencies, private sector suppliers, communities and stakeholders.
- **Promote and provide our property and project management expertise to achieve outcomes on Government priorities.**
- **Market leadership and innovation:** Commit to sustainable development and leading industry initiatives by Innovation through Demonstration to accelerate the adoption of new concepts in urban, regional and industrial development sectors.
- **Organisational and commercial sustainability:** Build a highly skilled, engaged and values driven workforce and robust systems to support our efforts to deliver balanced triple bottom line outcomes. Focus on being market responsive, self-funded, investing capital for the future, delivering significant value projects and delivering targeted financial returns to the State Government.

5.4 Projects

This map highlights LandCorp's key projects across Western Australia

● Residential

● Industrial

LIA: Light Industrial Area

SIA: Strategic Industrial Area

- Mixed Use

★ Head Office

■ Regional Office

Gascoyne

- Carnarvon NorthWater
- Carnarvon Cornish Street Light Industrial
- Exmouth Marina Village
- Exmouth Nimitz Estate

Perth and Peel

- Karnup
- Parkside Walk, Jolimont
- WGV at White Gum Valley
- Montario Quarter, Shenton Park
- Allara, Eglinton
- Alkimos Central
- Cockburn Central West
- Cockburn Central
- Alkimos Beach
- Alkimos Vista
- Claremont on the Park
- Rockingham City Centre
- Western Trade Coast, including:
 - Australian Marine Complex
 - Latitude 32-Industry Zone
 - Latitude 32-Flinders Precinct
 - Rockingham Industry Zone
- Kwinana SIA
- Forrestdale Business Park - Crossroads Industrial
- Shoreline, North Coogee
- Cockburn Commercial Park
- Knutsford Precinct
- Meridian Park, Neerabup
- Mandurah Junction
- Mandurah Ocean Marina
- Peel Business Park, Nambeelup
- Pinjarra Industrial Estate
- Forrestfield Airport Link
- Murdoch Health and Knowledge Precinct
- Ocean Reef Marina
- Subi East
- Kensington Knowledge Precinct
- Kwinana Education Precinct

South West

- Shotts SIA
- Buckingham Way
- Bunbury Koombana North
- Bunbury Waterfront
- Collie LIA
- Kemerton SIA
- McLarty site (South West)
- Picton Enterprise Park

Port Hedland

Karratha

Pilbara

- Gap Ridge Industrial Estate
- Gap Ridge Homemaker Centre
- Hedland Junction
- Wedgefield Industrial Estate
- Newman LIA
- Ashburton North SIA
- Anketell SIA

- Karratha City Centre
- Baynton West
- Madigan at Baynton West
- Newman Town Centre
- Newman Horizons
- Former Port Hedland Hospital site

- South Hedland Town Centre
- Boodarie SIA
- Burrup SIA

Mid West

- Geraldton, Batavia Coast Marina
- Oakajee SIA
- Narngulu Industrial Estate
- Various RDAP projects, including:
 - Green Head
 - Leeman
 - Kalbarri
 - Mt Magnet LIA
 - Mabawa
 - Morawa
 - Cue

Goldfields-Esperance

- GreenView at Karlkurla
- Karlkurla Rise
- Anzac Drive Industrial Estate
- Anzac Drive West

Wheatbelt

- Avon Industrial Park
- Various RDAP projects, including:
 - Cervantes
 - Dalwallinu
 - Darkan
 - Dowerin
 - Hyden
 - Moora
 - Narrogin
 - Williams LIA
 - Beverley LIA
 - Kellerberrin

PERTH

Bunbury

Great Southern

- Albany Waterfront
- Albany Middleton Beach
- Emu Point
- Katanning
- Denmark LIA
- Mount Barker
- Mirambeena Industrial Estate

- Yerrimilup Industrial Area
- Various RDAP projects, including:
 - Gnowangerup
 - Woodanilling
 - Wagin

5.5 Future direction – Land agency reform

After acknowledging our 25-year anniversary in July 2017, the second half of the 2017-18 year focused on enacting land agency reform changes and planning to merge the operations of LandCorp and the Metropolitan Redevelopment Authority under a single operating model.

A common chairman and directors, led by former Deputy Chair, George McCullagh, oversee the land agency reform process.

Part of this reform process resulted in the creation of the Industrial Lands Authority (ILA), a dedicated body that will initially sit within the LandCorp business.

The ILA will take responsibility for existing general industrial projects and strategic industrial areas across WA, including, among others, the Western Trade Coast, Gap Ridge in Karratha, Kemerton in Bunbury and Peel Business Park in Nambearup.

Over the course of our 25-year history, the delivery of long-term sustainable industrial estates has represented a significant part of our business and has enabled the creation of 3,000 businesses employing 50,000 people. Current and future estates will provide a home for 2,500 businesses, employ a further 42,000 people and deliver an annual economic impact of \$14.7 billion.

The ILA is supported by a new Industrial Land Steering Committee that includes the directors general and chief executives of the departments of Jobs, Science, Technology and Innovation; Planning, Lands and Heritage; Transport; Primary Industries and Regional Development and LandCorp. This new, whole-of-government, statewide approach to industrial land development provides a focus on:

- A single point of contact to promote investment opportunities in existing and new technology parks.
- Delivering new industrial land for emerging sectors of our economy such as agribusiness and renewables such as wind or solar power.
- Streamlining approval processes to stimulate further private sector investment. For example, exploring with the Department of Planning, Lands and Heritage the possibility of an Industrial Development Assessment Panel. The aim for the panel would be for more consistent and faster decision making on industrial applications.
- Attracting new and innovative industries such as data centres, robotics and automation.

Part of a commitment to deliver upon Government priority projects, LandCorp will assume a greater role in supporting the delivery of METRONET through land use planning, land amalgamation and sales activity. Consolidating and maximising land use in and around METRONET station precincts will ensure a good return on investment and establish high levels of amenity and activity to support existing businesses within the METRONET roll-out.

The development of Ocean Reef Marina has progressed in the past year with the appointment of a core team to deliver the project. The Memorandum of Understanding between LandCorp, the State Government and the City of Joondalup was signed in March 2018. This sets out the collaborative working relationship, roles and responsibilities between the parties to guide the delivery of a world-class waterfront precinct in Perth's northern suburbs and deliver more than 500 boat pens, land for tourism and 1,000 new homes in a diverse coastal village.

LandCorp's \$250 million investment over the life of the Ocean Reef Marina project in public and local infrastructure will allow for forward works and open the door for future private sector investment expected to be worth more than \$500 million and result in the creation of approximately 900 jobs.

Significant investment is also well-advanced with regard to the transformation of Bunbury's iconic waterfront precinct to prepare the Greater Bunbury Region for its inevitable generational and economic growth as WA's 'second city'. Overseen by the recently formed Bunbury Development Committee, the rejuvenation and delivery of this iconic area is a collaboration with the City of Bunbury, South West Development Commission and Department of Transport to drive investment and sustain the south west of our State.



Defining the content of this report

06

Highland Range, Jane Brook



6.1 Approach

Content for this report is directed by the GRI Standard's materiality process which identified the most significant and important issues to develop strategies, work towards and report performance against. Material issues reflect significant economic, environmental and social impacts. They are important to our business and stakeholders and help prioritise the report content and communicate to stakeholders in a meaningful way.

The following section outlines our approach to refresh our existing materiality and respond to the four principles for defining report content within the GRI Standards. This involves considering our organisational activities, impacts, and the expectations and interests of our stakeholders.

Principle one: **Stakeholder inclusiveness**

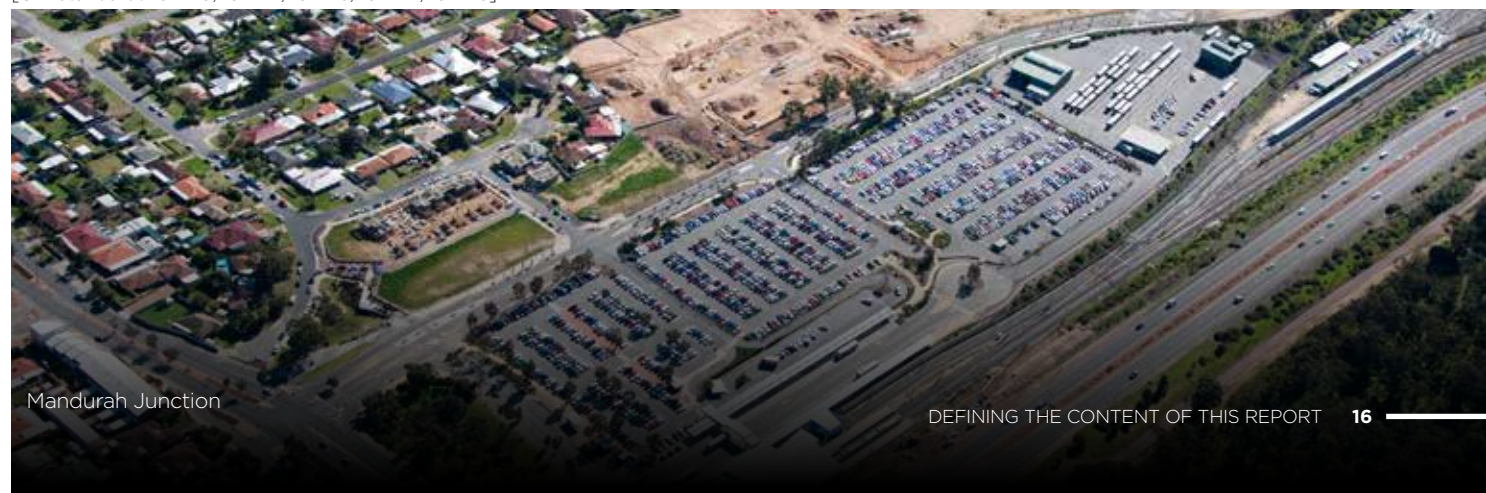
This principle involves responding to the reasonable expectations and interests of our stakeholders. We identify stakeholders by using a variety of methods and tools that include analysis of power, interest and risk.

We engage regularly with six key stakeholder groups:

- **Government (Federal, State and local government):** we are accountable to the Minister for Transport; Planning; Lands. We engage frequently with all levels of Government, formally through various committees, taskforces, Memorandums of Understanding or partnership agreements and informally, through strategic and project oriented meetings and events. The State Government and Metropolitan and Regional Local Government Stakeholder Engagement Schedules are reviewed every six months and updated as required.
- **Customers:** we engage with potential customers through community engagement and customers through the purchasing process. We survey residential customers to monitor performance during the purchase process.
- **Private sector (development industry, builders, peak bodies and the mining and resource sector):** we review private sector stakeholder engagement schedules every six months and engage with the private sector frequently, formally through initiatives such as EOIs and tenders and joint venture partnerships for the delivery of specific projects and informally through strategic and project oriented meetings and industry forums. We also hold memberships with key industry and business associations, with staff represented on several industry committees.
- **Suppliers (consultants, contractors, architects and selling agents):** we engage with our suppliers formally through our procurement and contract management processes and informally through meetings and industry forums.
- **Universities and research institutes:** we engage with universities and research institutions formally to work together on research, pilots, trials and initiatives to address common industry and community challenges.
- **Employees:** we have quarterly briefings for all staff to share knowledge and organisational milestones. There is also a program of '101 knowledge sharing sessions' by staff for staff, a culture group of staff representatives who seek to improve workplace culture, and a regular update and online opportunity for conversations with the CEO. We regularly undertake internal surveys to understand staff views.

We have more than 140 active land development projects. Our Customer Relationship Management system helps monitor, manage and capture stakeholder and relationship interactions, interest areas and public feedback. The following table outlines our seven key stakeholder groups and key topics and concerns raised by them throughout our regular engagement processes. We have not undertaken specific stakeholder research for the preparation of this report. Stakeholder interests and concerns informed the identification of material issues for this report.

[GRI Standards 102-40; 102-42; 102-43; 102-44; 102-46]



Mandurah Junction

Table 1: Stakeholder interests and concerns by stakeholder group**Government (Federal, State and Local Government)**

- Land agency reform changes to deliver a single operating model by 2019.
- The development and supply of land and infrastructure for jobs and housing.
- Economic development – jobs, infrastructure, industry investment and expansion.
- Collaboration to achieve land, planning, infrastructure and transport outcomes.
- Good governance and transparency, efficient commercial and operational management.
- Land for jobs through the Industrial Lands Authority (ILA) which sits within LandCorp.
- Integrated land and transport planning creating hubs of activity, and specifically supporting the Government of Western Australia's METRONET plan to deliver rail projects, connect suburbs, reduce road congestion and meet Perth's future planning needs.
- Management of social, economic and environmental impacts, delivering outcomes acceptable to the community of Western Australia and demonstrating innovation.
- Payments to Government.

Private sector (development industry, builders, peak bodies and the mining and resource sector)

- The development and supply of land and infrastructure that de-risks and addresses market failure for commerce, industry, employment and housing across Western Australia.
- Changes as a result of the State Government's Land Agency Reform.
- Working together on project delivery with common goals including safety, financial return, efficiency and flexibility in optimising benefits, risk management and transparency.
- Demonstration of leadership in innovation that de-risks ideas and technology to encourage and facilitate replication.

Suppliers (consultants, contractors, architects and selling agents)

- Working together on joint projects and programs with common goals.
- Transparent processes and effective communication through the procurement process.
- Transparency and good governance.
- Changes as a result of the State Government's Land Agency Reform.



Alkimos Beach

Table 1: Stakeholder interests and concerns by stakeholder group cont.**Communities**

- Economic, environmental and social impacts and outcomes from land and infrastructure development.
- Transparency and good governance.
- Community engagement processes that demonstrate listening and balancing competing interests fairly to achieve positive outcomes.
- Key themes from community consultation include environmental impacts, design quality, access and connection to amenities, public transport, traffic and parking impacts, and construction impacts such as dust and noise.

Customers

- Land for housing and business opportunities.
- Well located land for industry and business that is close to markets, suppliers and labour with excellent transport and service infrastructure.
- Excellent community infrastructure and outcomes including: affordability; nearby schools; attractive parks and playgrounds; a choice of lot sizes; well-maintained footpaths and cycle ways; and effective design guidelines.
- A smooth and simple purchase process.

Universities and research institutes

- Working together on research, pilots, trials, and initiatives to address common industry and community challenges.
- Innovative economic, environmental and social outcomes in land development projects.

Employees

- Working on interesting and challenging projects that achieve positive outcomes.
- Leading by example in sustainable development and innovation.
- Providing a safe, fair and productive environment with a supportive culture.
- Adopting changes as a result of the State Government's Land Agency Reform process.
- Providing opportunities for learning, development and career progression.

For the development of our next report, we will undertake stakeholder engagement as part of the materiality process to direct the content of our report, and to understand any changes in the views, expectations and information requirements of our key stakeholders.



Sustainable Development Goals seek to end poverty, protect the planet and ensure prosperity for all.

Principle two: Sustainability context

This principle requires that we consider reporting performance in the wider context of sustainability. The most widely accepted definition for sustainable development is from Our Common Future (1987), by Harlem Brundtland who defined sustainable development as development that meets the needs of the present, without

compromising the ability of future generations to meet their own needs.

The [United Nations Sustainable Development Goals](#) are a universal and international consensus on sustainable development. The Australian Government became a signatory to the United Nations

17 Sustainable Development Goals (SDGs) in September 2015. The SDGs seek to end poverty, protect the planet and ensure prosperity for all. Each goal has a series of actions and targets to achieve over the next 15 years. For the first time the United Nations set an urban goal 'sustainable cities and communities' as part of the SDGs.



A number of industry frameworks define, promote and assess sustainability performance across various focus areas. The Green Building Council of Australia's (GBCA) Green Star Communities rating tool, a precinct scale tool covers six categories: Environment, Economic Prosperity, Liveability, Design, Governance and Innovation.

The Urban Development Institute of Australia's (UDIA) EnviroDevelopment national compliance based rating tool, consists of six elements or 'leaves': Ecosystem, Waste, Energy, Materials, Water and Community. Bioregional's One Planet Living (OPL) Sustainability Framework encourages communities to live within the limits of our planet's natural resources. It is based on the premise that if everyone continued

to live like the average Australian, we would need more than four planets to support the current world population. It includes the following 10 principles or aims: Zero Carbon, Zero Waste, Sustainable Water, Sustainable Materials, Sustainable Transport, Local and Sustainable Food, Land Use and Wildlife, Equity and Local Economy, Health and Happiness, and Culture and Community.

Since 2008, we have defined 'sustainable development' through four Sustainability Elements: Environmental Responsibility, Community Wellbeing, Design

Excellence, and Economic Health. These elements provide a framework for thinking, planning and designing to manage land and infrastructure development impacts

and make the most of opportunities for positive impact. Our framework is robust as it aligns closely with the focus areas in the United Nations SDGs and industry frameworks.

Community wellbeing	Environmental responsibility	Design excellence	Economic health
Creating communities that are safe, healthy and enjoyable places to live and work, with access to appropriate and affordable housing and creating opportunities to foster active local communities.	Protecting and managing natural systems, habitat and biodiversity, and efficiently and innovatively managing energy, water, resources and materials.	Developing a built environment that ensures attractive, accessible and adaptable places that contribute to a distinctive identity and sense of place.	Maximising economic development opportunity, while optimising the environmental, social and economic benefits in accordance with State Government strategies.

Principle three: Materiality

This principle requires that we report on significant economic, environmental and social impacts and on topics that substantially influence the assessment and decisions of stakeholders. We undertook a process to identify, prioritise and validate a list of reportable topics for inclusion in this report.

Identification

We undertook a desktop analysis including the following to identify a list of material topics:

- previous materiality assessments;
- social, economic and environmental impacts;
- government regulation, policy and priorities;
- LandCorp policy, procedures, risks, strategy and past material topics and issues;
- material topics and issues of peers;
- sustainability context including sustainability topics covered in the United Nations SDGs and accreditation tools adopted by the development industry;

- sustainability context, future challenges, opportunities and trends;
- media and press;
- relevant topics and issues within the GRI Standards; and
- our understanding of stakeholder expectations and interests raised through our normal engagement activities.

Prioritisation

The list of material topics were assessed to determine relative priority. The assessment involved scoring the topics against the two materiality principle parameters: significance of economic, environmental, and social impact; and influence on stakeholder assessment and decisions.

Each parameter had four equally weighted criteria. Higher scores represented higher significance and importance. While scoring involved a level of subjectivity the scoring criteria were designed to ensure consistency. This scoring resulted in a materiality matrix.

The criteria for 'significance of economic, environmental and social impact' were:

- degree of existing active management through policies and processes;
- reasonable estimates of financial and other risk;
- reasonable estimates of the extent of economic, environmental and social impact; and
- potential opportunity for positive impact, including innovation.

The criteria for 'influence on stakeholder assessment and decisions' were:

- level of peer response;
- level of internal stakeholder interests and expectations;
- level of external stakeholder interest and expectation; and
- level of media and advocacy group interest.

Validation

The prioritised materiality matrix was presented to our Strategy and Innovation team who sense checked and validated the scoring

and matrix for inclusion in this report. The resulting materiality matrix is shown in Figure 1. Not all material issues and topics are of

equal importance – the content of this report attempts to reflect the relative priority outlined in this materiality matrix.

Figure 1: Materiality matrix



Key

Integrated project outcomes

1. Economic development
2. Waste
3. Culture and heritage
4. Energy
5. Equity and inclusion
6. Water
7. Biodiversity
8. Engaging and building local communities
9. Land for jobs
10. Land for housing and community
11. Design quality

Organisational and commercial sustainability

1. Staff diversity and wellbeing
2. OSH
3. Anti-corruption
4. Financial resilience

Market leadership and innovation

1. Innovation through Demonstration

Relationships and partnerships

1. Supply chain
2. Stakeholder and customer satisfaction
3. Property services

Principle four: Completeness

This principle requires we sufficiently cover significant economic, environmental and social impacts. The material issues identified

above reflect significant economic, environmental and or social impacts, and will enable stakeholders to assess performance.

The table below outlines the alignment between LandCorp's material issues and the United Nations SDGs.

	1. No poverty <ul style="list-style-type: none"> Equity and inclusion 		2. Zero hunger <ul style="list-style-type: none"> Equity and inclusion 		3. Good health and well-being <ul style="list-style-type: none"> Equity and inclusion Engaging and building local communities Staff diversity and wellbeing Occupational Safety and Health
	4. Quality education <ul style="list-style-type: none"> Engaging and building local communities Culture and heritage 		5. Gender equality <ul style="list-style-type: none"> Staff diversity and wellbeing 		6. Clean water and sanitation <ul style="list-style-type: none"> Water Land for jobs Land for housing and community
	7. Affordable and clean energy <ul style="list-style-type: none"> Energy Equity and inclusion 		8. Decent work and economic growth <ul style="list-style-type: none"> Land for jobs Economic development 		9. Industry, innovation and infrastructure <ul style="list-style-type: none"> Land for jobs Economic development
	10. Reduced inequalities <ul style="list-style-type: none"> Equity and inclusion Staff diversity and wellbeing 		11. Sustainable cities and communities <ul style="list-style-type: none"> Land for jobs Land for housing and community Design quality Culture and heritage 	<ul style="list-style-type: none"> Engaging and building local communities Equity and inclusion Biodiversity Energy 	<ul style="list-style-type: none"> Waste Water Economic development Innovation through demonstration
	12. Responsible consumption and production <ul style="list-style-type: none"> Supply chain Waste 		13. Climate action <ul style="list-style-type: none"> Energy Water Biodiversity Waste 		14. Life below water <ul style="list-style-type: none"> Water Biodiversity
	15. Life on land <ul style="list-style-type: none"> Water Biodiversity 		16. Peace, justice and strong institutions <ul style="list-style-type: none"> Anti-corruption 		17. Partnerships for the goals <ul style="list-style-type: none"> Engaging and building local communities Stakeholder and customer satisfaction

Topic boundaries for each material issue are outlined in the performance section of this report.

A topic boundary is a description of where the impacts occur and our involvement with those impacts.

As part of our commitment to the GRI Standards we disclose our management approach for material issues which can be found [online](#).

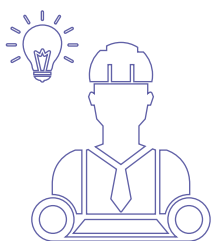


6.2 Value chain

We are involved in each stage of a land and infrastructure project, from initial identification of land needs through to detailed planning, construction and sales. Depending

on the lifecycle stage and specific project needs, we tailor our approach and apply our diverse skill sets to deliver a wide-range of small and large development projects to add value to Government and the Western Australian community.

Our value chain, illustrates how we add value to realise the potential of land, identifies our key impacts, competencies and how our supply chain assists throughout the lifecycle of a project.



01 Project start up

Ideas, opportunity and initiation.

How we add value to realise the potential of land

We consider opportunities for strategic land supply in consultation with Government stakeholders, and in line with Government policy. We decide which projects to undertake and we look for opportunities to work together with other parts of Government and the private sector.

Our impacts – the effect we have on the economy, environment and society

We undertake due diligence and analysis to understand any potential positive and negative social, environmental and economic impacts with a potential project. Based on this understanding we identify the high-level aspiration, objectives and approach, appropriate for each project.

Our core competencies

- Project management - business development.
- Due diligence, feasibility, challenges and opportunity analysis.
- Property advisory services.
- Stakeholder engagement.
- Sustainability and innovation opportunity identification.

How our supply chain helps us

Specialist advice on due diligence topics including environmental, contamination, heritage, and engineering.

02 Definition

Detailed level business case planning.

How we add value to realise the potential of land

We define the detailed scope of projects and the opportunity projects have to influence our material issues and achieve Government policy goals. We formalise Government and private sector partnerships and investment. We create detailed plans in collaboration with local communities and stakeholders that are then lodged for planning approval.

Our impacts – the effect we have on the economy, environment and society

A planned approach which details how negative social, environmental and economic impacts will be avoided, mitigated or managed and how positive impacts will be optimised.

Private sector partnerships may result in private sector investment in development project/s.

Consultant jobs are created and we develop detailed concepts and plans and achieve planning approval.

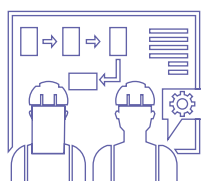
An impact resulting directly from the planning process includes the strength of stakeholder and community relationships.

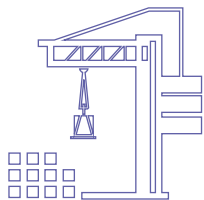
Our core competencies

- Project management – contamination remediation, and planning and approvals.
- Stakeholder and community engagement.
- Property advisory services.
- Risk and OSH management.
- Sustainability and innovation planning.

How our supply chain helps us

Specialist skills including geotechnical engineers, probity auditors, environmental auditors, and project risk facilitators. Consultants for planning and urban design, safety, surveying, sustainability, bushfire planning, stakeholder and community engagement, heritage and community development.





03 Execution

Civil works and construction.

How we add value to realise the potential of land

Value is created at this stage through the implementation of our plans and the creation of construction jobs required to deliver projects, leading to the physical establishment of social, economic and environmental infrastructure to support land delivery.

Our impacts – the effect we have on the economy, environment and society

Land delivery for housing and jobs has an impact on the pre-existing environment. Impacts may include vegetation clearing, disturbance of habitat, soil and natural hydrology. Positive impacts include land decontamination and remediation, rehabilitation, landscaping and replanting.

Indirect impacts of construction activities include emissions associated with vehicle movement and waste generation from demolition and construction. Short term

construction impacts also include noise, dust, and change to traffic and parking.

Positive impacts include construction jobs and the physical creation of developed land and infrastructure (upgrading power, water and other infrastructure, improving traffic flows and parking, beautifying streetscapes and town centres, and providing new community facilities).

Our core competencies

- Project management – implementation.
- Risk and OSH management.
- Stakeholder and community engagement.
- Marketing and communications.

How our supply chain helps us

Consultants for planning, urban design, engineering and landscape architecture. Contractors for demolition and site remediation, civil works, earth works and landscaping.

04 Creating communities

Sale of land, construction of buildings and creating places for living and jobs.

How we add value to realise the potential of land

At this stage, financial and reputational value is created through the sale of land and creation of places for living and jobs. Value is created for our customers through their purchase of land and for the local community through their access to amenities, infrastructure, public space and jobs. As a land developer we are not always involved in built form, however we add value by influencing the built form through procurement practices, design reviews and design guidelines.

Our impacts – the effect we have on the economy, environment and society

Land and infrastructure is delivered and ready for sale, facilitating housing and business. Changes facilitated through land delivery may include increases in density, affordable and social housing, heritage and culture recognition, liveability, built form quality, biodiversity and public open space.

Customer behaviour determines water and energy use, waste and transport choice. We have little direct control over these impacts, however we do seek to create the infrastructure to support reductions in water and energy use and waste, and improved transport choices.

Impacts associated with new communities include nutrient run-off, litter pollution, introduction of feral/invasive species, changes to end-user traffic/parking behaviour, and end-user energy and water use and waste generation, and ongoing maintenance for local government.

Positive impacts associated with new communities include the establishment of a new community of businesses, customers, workers and households.

Our core competencies

- Project management – sales and conveyancing.
- Risk and OSH management.
- Marketing and communications.
- Stakeholder, community and customer engagement.
- Asset management.

How our supply chain helps us

Selling agents and consultants for community engagement, community development and place activation, as well as architects and building designers if we are involved in delivering built form.



Performance



Gap Ridge Industrial, Karratha



Performance for 2017-18 is organised by our four key result areas.

7.1 Integrated project outcomes

Objective

We will be agile and responsive, adopting an integrated view across the whole State, a region, a town or market segment to deliver excellent projects and outcomes consistent with Government commitments and policy, which meet customer and community needs and maximise internal efficiencies.

Material issues

- Land for jobs
- Land for housing and community
- Economic development
- Biodiversity
- Water
- Energy
- Waste
- Engaging and building local communities
- Design quality
- Equity and inclusion
- Culture and heritage

Land for jobs

Topic boundary

We plan, design and deliver strategically located infrastructure and industrial land for commercial, light and heavy industrial uses across the State. By creating economic and employment land we promote and facilitate investment, trade, job opportunities and business expansion to drive economic growth.

Future challenges and opportunities include delivering the next generation of economic and employment land. This process is underway with developments like Meridian Park at Neerabup, and Peel Business Park in Nambeelup, part of the Transform Peel initiative. This will involve bringing a stronger focus on industry investment and expansion, including through technology parks, to create jobs and drive projects to support

a diversified economy with a wider range of industries including science, technology, medicine, manufacturing, tourism, agriculture, defence and others.

Performance

Establishment of the Industrial Lands Authority (ILA)

In November 2017, Government approved the establishment of the Industrial Lands Authority (ILA) – an election commitment of the Government. The ILA has since been established within LandCorp and presents the opportunity to continue to drive industrial land delivery through existing projects and also to work more closely with broader Government and industry to deliver new projects and outcomes aligned to Government priorities – more jobs and business investment.

Land for industry and business delivery

20 general industrial lots were released across Western Australia during the year, including six lots at Flinders Estate, six lots at Karratha Gap Ridge and eight lots at Crossroads Industrial Estate in Forrestdale (table 2).

In addition to the lots released during 2017-18, there are currently 112 developed industrial lots available across the State. Lots are available at several estates, including Broome Road General Industrial, Crossroads at Forrestdale, Narngulu at Geraldton, Karratha Gap Ridge, Port Hedland Wedgefield, Rockingham Industrial, Pinjarra Industrial, Avon Industrial Park and Meridian Park Neerabup.

Table 2: General industrial lots created in 2017-18 (based on land released)

Target	Actual	Developed lots available (excluding lots created in 2017-18)
20 general industrial lots.	20 general industrial lots.	112 developed lots available at 30 June 2018.

Key projects

Western Trade Coast – strategic industrial area

The Western Trade Coast is a strategic cluster of WA's most important industrial areas between Woodman Point and Rockingham. Strategically clustered industrial estates within the WTC cover 3,900 hectares and currently generate 11,000 jobs.

The Australian Marine Complex (AMC) on Cockburn Sound has gained an international reputation as the nation's leading industrial facility for defence, marine, technology, resource and related industries. Home to over 150 businesses, the AMC includes four precincts for fabrication, ship building, technology and support.

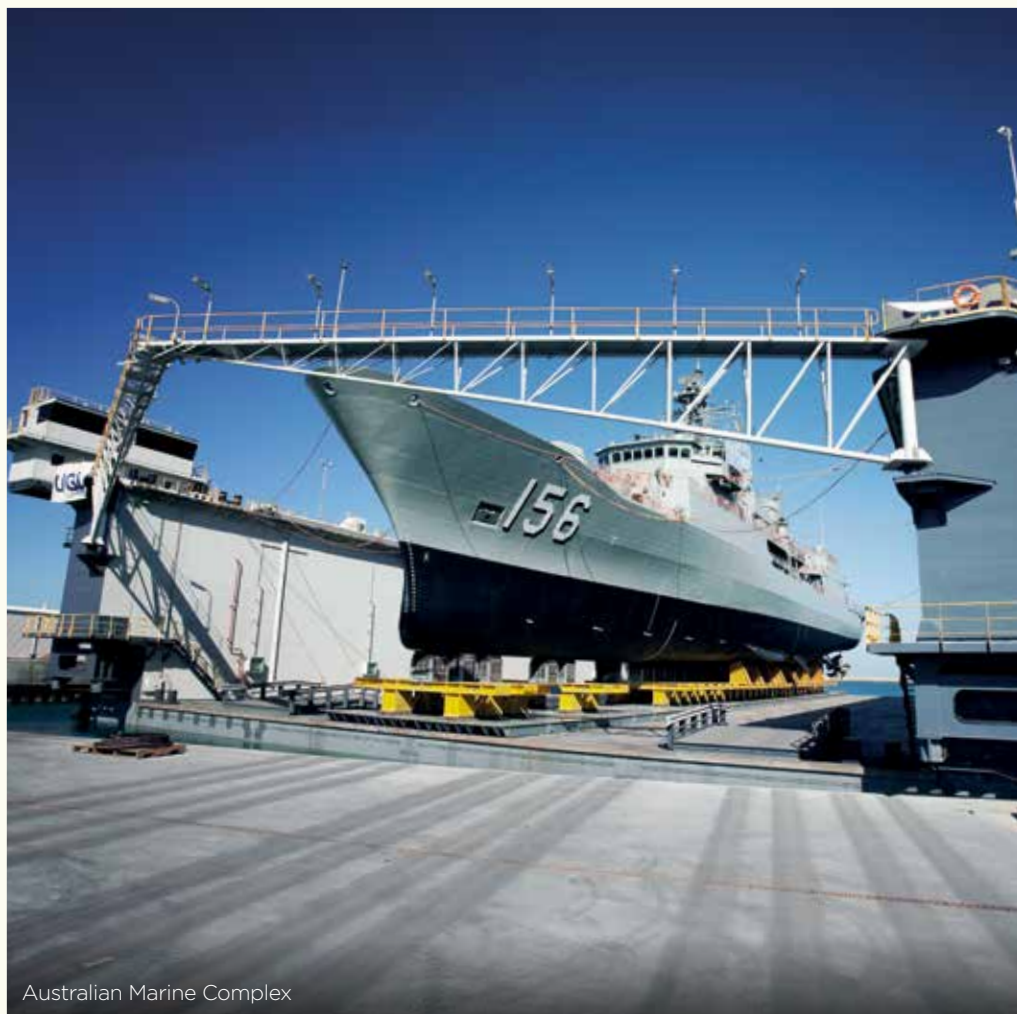
Kwinana SIA a strategic industrial precinct providing access to land in WA's premier heavy industrial zone. Key tenants include Tianqi Lithium, BP Refinery, BOC Gases, Tronox, Coogee Chemicals and CSBP Limited.

Latitude 32 Industry Zone provides for a range of general and transport industrial uses to support the continued growth of industry.

Comprising a number of industry precincts designed to provide synergies with surrounding areas. The Rockingham Industry Zone (RIZ) builds on the Western Trade Coast's industrial capacity.

RIZ was first certified with Envirodevelopment in 2015 for the four elements of ecosystems, community, water and energy and re-certified in 2016 and 2017.

RIZ was the first industrial estate in Western Australia to achieve this accreditation. In addition, the Water Corporation has endorsed RIZ as a WaterWise Development which is



Australian Marine Complex

the first non-residential development in Western Australia to achieve this status.

RIZ also includes an Innovation through Demonstration biodiversity initiative through re-establishing a threatened ecological community.

Project area: 3,900 hectares including Australian Marine Complex, Kwinana SIA, Latitude 32 Industry Zone, Rockingham Industry Zone.

Lifecycle phase: sales

Jobs currently being generated: 11,000 jobs

Expected workers: there is the potential to generate 22,000 indirect jobs contributing \$28 billion per year towards Gross State Product.

Expected year of completion: 20+ years

Target industries:

- strategic heavy industry
- general and transport
- manufacturing
- commercial
- resource recovery
- warehousing/storage
- transport



Meridian Park, Neerabup

Project area: 400 hectares**Lifecycle phase:** built form construction**Expected jobs:** 20,000 indirect jobs in broader Neerabup Industrial Area**Expected year of completion:** 2079

Meridian Park, Neerabup

Meridian Park comprises 400 hectares of industrial land which is being developed collaboratively by LandCorp and the City of Wanneroo. Meridian Park is expected to meet the industrial land needs of Perth's rapidly

growing North West corridor for the next 20 – 30 years. It is located within the broader Neerabup Industrial Area expected to generate up to 20,000 new employment opportunities.

Peel Business Park, Nambeelup

We are developing Lot 600, a 290 hectare industrial zoned development which forms the first precinct of the larger 1,000 hectare Peel Business Park.

Providing a major new focus of economic activity, employment growth and service delivery for the Peel region. Peel Business Park, part of the multi-million-dollar Transform Peel project, has been influenced by WA's industrial growth trends. Five interconnected precincts will facilitate economic clustering of Agri-innovation, Renewable Energy, general industrial, light industrial, and commercial enterprises as the foundation for the overall success of Transform Peel.

The agri-innovation precinct will cater for innovative technologies associated with the agricultural sector. The Renewable Energy precinct will consolidate innovative technologies and new approaches for energy solutions within the Business Park and the precincts for General Industrial, Light Industrial, and Commercial enterprises further support the economic development and growth of Western Australia

**Project area:** 1,000 hectares**Dwelling unit equivalents:** around 160 business are expected to operate from the first precinct in Peel Business Park**Expected workers:** approximately 2,000 indirect jobs**Expected commercial/ retail space:** 290 hectares zoned industrial**Expected year of completion:** Transform Peel integrated program is 35 years

Innovation through Demonstration: new, innovative and sustainable infrastructure with leading power provides is underway to deliver affordable and renewable energy options. The focus on sustainability will continue with estate design, landscaping and efficiency measures to reduce water consumption.



Alkimos Central
Artist impression for illustrative purposes only

Alkimos Central

Alkimos Central our new transit orientated Activity Centre is located at the heart of the northern coastal corridor between the Joondalup and Yanchep centres.

Alkimos Central has been planned to provide the required key services, an employment focus, a social place, a living community offering new residential options, a transport hub together with the health, education and recreational amenities for the circa 60,000 residents of the Alkimos-Eglinton District.

As a transit and pedestrian orientated development, the centrally located Alkimos METRONET station, expected to be complete by early 2022, will be the centrepiece in maximising the use of public transport.

Initial earthworks for the METRONET station are expected to commence in late 2018.

Project area: 212 hectares

Expected dwelling unit equivalents: 1,900 – 3,300 dwellings

Expected workers: 13,500 indirect jobs

Expected commercial/retail space: 67,000sqm retail, 60,000sqm bulky goods retail and 140,000sqm commercial floor space

Expected year of completion: Fully developed in 50 years.



Land for housing and community

Topic boundary

Land and infrastructure for housing and community is critical to support the future growth and development of Western Australia. In regional Western Australia, land for housing and community helps build and support more permanent populations and attract new residents.

In the metropolitan area, development is focused on urban regeneration and revitalisation where opportunities for development are otherwise constrained. New and revitalised hubs of activity are created that integrate planning and transport outcomes to optimise public transport infrastructure, community outcomes and help the State achieve infill targets. LandCorp have significant projects which will contribute to the States METRONET delivery in key centres across Perth.

Government investment in METRONET – a transport, land use and infrastructure plan to connect Perth suburban centres and create activated metropolitan hubs for jobs and housing – offers

an opportunity to transition Perth into a connected city. We will be working with the METRONET Taskforce which includes representatives from the Department of Transport, Western Australian Planning Commission, Department Planning, Lands and Heritage and individual local governments to deliver whole-of-Government outcomes and unlock infill precincts for future development. While urban regeneration projects are complex, requiring more resources and specialist skills, METRONET linked projects presents an important opportunity to improve the development of Perth as a denser, more connected city.

In the regions, our future challenge will relate to facilitating the next wave of investment, industry development, jobs and tourism to deliver enduring benefits to local communities, the Western Australian economy and the State.

Performance

Metropolitan land for living

In 2017-18, we released land for 1,045 dwelling unit equivalents (DUEs) in the metropolitan area. DUEs provide an indication of how many dwellings can be catered for on the lots we create. Key releases in the metropolitan area included:

- land for 70 dwellings at Parkside Walk at Jolimont;
- land for 325 dwellings at Murdoch mixed use precinct;
- a lot catering for 269 dwellings at Montario Quarter in Shenton Park;
- land for 104 dwellings at Alkimos Beach;
- land for 25 dwellings at Alkimos Vista (first release);
- land for 42 dwellings at Allara in Eglinton;
- land for 35 dwellings at Shoreline in North Coogee, and
- a lot catering for 175 dwellings at Claremont on the Park.

In addition to the DUEs created during 2017-18, LandCorp has 203 developed lots (396 DUEs) available as at 30 June 2018 (table 3).

Table 3: Metropolitan residential dwelling unit equivalents created in 2017-18

Target	Actual	Lots and DUEs available (excluding DUEs created in 2017-18)
800 DUEs	1,045 DUEs created (based on land released)	203 lots with 396 DUEs available as of 30 June 2018

Key projects

**Montario Quarter, Shenton Park**

Montario Quarter is located 400m from Shenton Park Train Station and is the first operating Improvement Scheme in the Perth Metropolitan area.

It was recognised at the 2017 Planning Institute of Australia (WA) awards in the 'Improving Planning Processes and Practices' category for innovatively adopting a planning scheme to deliver a redevelopment vision that was not possible under the existing planning framework.

The redevelopment of the former Shenton Park Hospital site offers the next evolution of inner city living - an urban village within a landscape setting. It will include different housing types to suit a variety of lifestyles, as well as space for commercial, grocery and retail. More than 25 per cent of the site will be public open space, including retained bushland, walking trails and exercise and playground equipment.

Project area: 15.8 hectares

Lifecycle phase: civil works construction

Expected dwelling unit equivalents: 1,100+

Expected residents: 2,000+

Expected commercial space: 5,500sqm

Expected jobs: 850 direct and indirect jobs

Sustainability focus: a submission for Green Star Communities rating has been lodged

Innovation through

Demonstration: culture and heritage, health and wellbeing.

Ocean Reef Marina

In collaboration with the City of Joondalup, Ocean Reef Marina will become an iconic waterfront precinct providing a range of recreational, tourist, residential, and boating facilities, as well as significant employment opportunities

On 3 September 2017 the Premier formally announced a commitment of \$120 million from Consolidated Fund for the development of the Ocean Reef Marina project. A Memorandum of Understanding between LandCorp and the City of Joondalup has also been signed, reinforcing both parties' commitment to the project.

A Government Steering Committee is in place, including the local member, to oversee the planning and environmental approvals and project implementation.



Project area: 79 hectares (land and sea area)

Lifecycle phase: planning

Expected dwelling unit equivalents: 1000+

Expected facilities: capacity for 550 boat pens, 200+ boat stackers

Expected public open space: 8+ hectares

Expected private sector investment: \$500 million

Expected retail and commercial space: 12,000sqm

Expected jobs: 900 direct and indirect jobs

Sustainability focus: investigating the use of ISCA (Infrastructure Sustainability Council of Australia tool).



Parkside Walk, Jolimont
Artist impression for illustrative purposes only

Parkside Walk, Jolimont

In partnership with the Town of Cambridge, the former Salvado Road nursery site is being redeveloped into a vibrant inner city community. Featuring a mix of single residential homes and apartment sites, Parkside Walk is a prime example of inner city living.

The sustainability features throughout the estate have been recognized

through certification as a Multi-Unit Residential EnviroDevelopment estate – the first in Western Australia to receive this accreditation. Parkside Walk was recognized for achievement across five elements – water, energy, waste, ecosystems and community.

Project area: 3.6 hectares

Lifecycle phase: Built form construction

Expected dwelling unit equivalents: 350 residential houses (with 24 lots for single and 7 multiple dwelling apartment lots)

Sustainability focus:
EnviroDevelopment accreditation
– water, energy, waste, ecosystems and community.



Claremont on the Park

Claremont on the Park, Claremont

Located on the northern side of the Claremont Train Station the 9.4 hectare development will be a contemporary Activity Centre offering a variety of transport, employment and housing choices with a unique sense of place around the Claremont Oval.

Once complete the development will include apartments, terraced homes and mixed use options, as well as

multi-generational facilities including aged care, support services and child care.

The area is interconnected by a variety of public realm experiences surrounding the Claremont Oval and already includes the Goods Shed, a culture and community hub operated by FORM and owned by LandCorp, and the new Claremont Football Club facilities

Project area: 9.4 hectares

Lifecycle phase: Built form construction

Expected dwelling unit equivalents: 750

Expected residents: 850+

Expected commercial/retail space: 2,600sqm retail, 11,700sqm commercial.

Expected jobs: 795 direct and indirect

Expected year of completion: 2023

Innovation through Demonstration: The Goods Shed and multi-generational living.

Shoreline, North Coogee

The first precinct in the Cockburn Coast Redevelopment Area will be transformed into a thriving residential and commercial community.

Set to be home to 2,500 people in 5,000 houses, this new coastal community will include medium to high density buildings supported by high quality public and community infrastructure. This includes 'main' street shopping, a variety of parks and public plazas.

Shoreline was accredited for five EnviroDevelopment elements: water, energy, waste, ecosystems and community.



Shoreline, North Coogee
Artist impression for illustrative purposes only

Project area: 40 hectares

Lifecycle phase: Sales

Expected dwelling unit equivalents: 5,000

Expected residents: 2,500

Expected jobs: 3000 indirect jobs

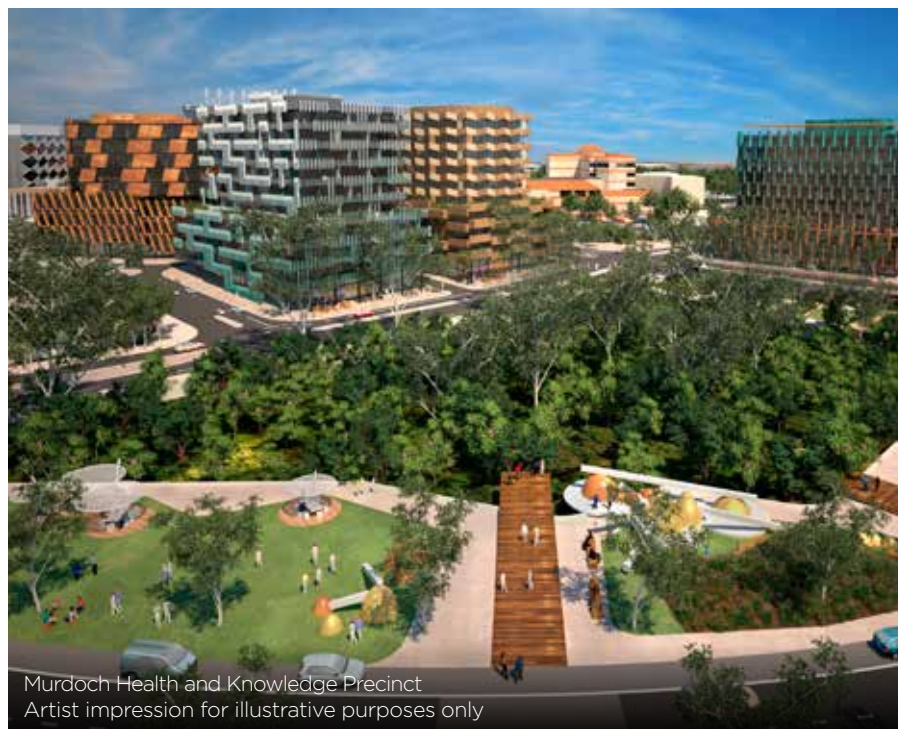
Expected year of completion: 2035

Sustainability focus:

EnviroDevelopment certification for water, energy, waste, ecosystems and community.

Innovation through

Demonstration: Step-up Design Competition and Salt Lane medium density precinct.



Murdoch Health and Knowledge Precinct
Artist impression for illustrative purposes only

Murdoch Health and Knowledge Precinct (MHKP)

A new mixed use residential and commercial area that will be a milestone project in the development of a nationally significant health and knowledge precinct south of Perth.

Located next to the Murdoch train stations it's the first precinct within the Murdoch Activity Centre that will connect Fiona Stanley and St John

of God Hospitals, Murdoch University and South Metropolitan TAFE.

MHKP will become home to commercial, health and research facilities, residential, retail, short-stay and student accommodation, and WA's first medihotel.

Project area: 9.6 hectares

Lifecycle phase: built form construction

Expected dwelling unit equivalents: 900 – 1,200

Expected residents: 1,800 – 2,400

Expected commercial/retail space: 5,300sqm retail; 33,120sqm commercial.

Expected jobs: 35,000 indirect jobs (as part of the Murdoch Activity Centre).

Alkimos Beach

The multi-award winning community of Alkimos Beach, developed in partnership with Lendlease, is located 15km north of Joondalup, opposite the future Alkimos Central city development.

Awarded 2018 best residential development in Australia by the Urban Development Institute of Australia, Alkimos Beach was the first Australian community to achieve a 6 Star Green Star certification by the Green Building Council of Australia and become Australia's first BeachSAFE community through a partnership with Surf Life Saving WA which gives residents free access to BeachSAFE programs including Nippers and First Aid training.

The Gateway Shopping Precinct at Alkimos Beach includes a shopping centre, City of Wanneroo pop-up library, gym, childcare centre and play centre, medical centre, food outlets and tapas restaurant, with a tavern opening soon.

Alkimos Beach Primary School and St James Anglican schools are both open and conveniently located in the community.

Alkimos Beach is also the first community to participate in a four year project to trial solar and community battery storage.

Beachside communities are increasingly subject to the impacts of climate change, with dune erosion and water pollution posing major threats to coastal ecology, residents and property.

To mitigate these issues, smart water initiatives have been planned throughout Alkimos Beach, including stormwater retention, bore water irrigation and the installation of water-efficient appliances in each home. Public spaces are designed to be water-smart, while a front yard landscaping package can help residents select drought-tolerant native species.



Alkimos Beach

The information and assistance provided to Alkimos Beach residents about how to reduce their environmental impact from the time they move in is building one of Australia's most ecologically-aware communities.

A comprehensive education program has been developed, while a simple home user guide with energy, water and waste management tips is provided to each new home.

Every home receives an Energy Smart Home Package with exclusive access to a unique eco-coaching program that aims to save residents up to 50per cent on energy bills.

Acknowledging the Nyoongah traditional owners LandCorp and Lendlease have collaborated with elders Prof. Len Collard, Elder Theresa Walley, Rosemary Walley and Danny Ford to educate the community and students on the history of Alkimos through development of the 'Alkimos – Land by the ocean' book, storytelling under the stars events and incorporating stories into public open spaces such as Graceful Park and the interpretive signage educational walking trail.

Project area: 224 hectares

Lifecycle phase: 10 – 15 years

Expected dwelling unit equivalents: 2,000

Expected residents: 6,000

Sustainability focus: UDIA EnviroDevelopment certification across six elements of ecosystem, waste, materials, energy and community and Green Building Council of Australia 6 Star Green Star Accreditation

Innovation focus: Solar and Community Battery Storage trial

Regional land for living

Land for 315 DUEs was created in 2017-18. Key releases included lots at Albany Middleton Beach with dwelling unit equivalents of up to 295

dwelling units have been offered to the market via an expression of interest and five multi residential lots at Mandurah Junction (20 DUEs).

At 30 June 2018 land for 1,571 DUEs was available across our regional projects, in addition to the DUEs created during 2017-18 (table 4).

Table 4: Regional residential dwelling unit equivalents created in 2017-18

Target	Actual	Lots and DUEs available (excluding DUEs created in 2017-18)
108 DUEs	315 DUEs created (based on land released)	Land for 1,571 DUEs available at 30 June 2018

Key projects

Middleton Beach, Albany

Middleton Beach is an iconic seaside location which has been a favourite destination in Albany since the 1890s.

After years of community speculation surrounding a parcel of privately owned land at Middleton Beach, which remained vacant for years, the State Government intervened, paving the way for private developers to create a vibrant mixed-use precinct and visitor destination with an active beachfront.

Following the State Government's purchase of the 13.1 hectare site, work is progressing to get the site ready for private development. The site offers potential for a mix of uses including a hotel, retail and commercial premises, as well as permanent residential accommodation.

In early 2018, the first stage of works was completed which saw a realignment of Flinders Parade (the main thoroughfare along Middleton Beach foreshore) to

ultimately provide enhanced public open space on the foreshore area, while at the same time enabling the development of a hotel site with absolute beach frontage.

In February 2018, we opened a Hotel Operator Expressions of Interest, which saw submissions from internationally recognised hotel chains. The Hotel Operator EOI was the precursor for a Hotel Developer EOI in mid-2018, expected to conclude by late 2018.

Project area: 13.1 hectares, offering four mixed use sites, including hotel

Lifecycle phase: in development with the hotel site currently on the market

Expected dwelling unit equivalents: up to 295

Expected residents: 400-600

Expected jobs: 120 during construction

Sustainability focus: Economic and Social: underpinning Albany's future growth



Middleton Beach, Albany
Artist impression for illustrative purposes only



Koombana North, Bunbury Waterfront

Bunbury Waterfront

The jewel in the crown for Bunbury is its unique waterfront, surrounded by the Indian Ocean to the West, the magnificent Koombana Bay to the north, and Leschenault Inlet to the east.

Recognising the enormous potential of the waterfront, the State Government and local authorities have been investing heavily in the rejuvenation of the area, transforming it into a highly desirable destination and community hub.

Ongoing planning and development through the \$65 million Transforming

Bunbury Waterfront initiative as well as our Koombana North development (only 2 sites remain available) and the future Marlston North development, is already providing better connectivity for all precincts within the waterfront area, and when completed will seamlessly link the CBD to its amazing foreshore.

Popular family beaches have had a facelift including Koombana Beach as part of Stage 1 of the Transforming Bunbury Waterfront Initiative, and the Ski Beach with wheelchair access as part of our Koombana North development. The community now

has access to fantastic landscaped public open space with barbecue facilities, seating and viewing platforms over the magnificent Koombana Bay.

Development has already introduced more choice of cafes and restaurants, retail and commercial offerings, tourism accommodation, and of course residential housing diversity through apartment living.

Bunbury Waterfront is set to attract substantial investment for Bunbury over the next 30 years and generate significant employment.

Project area: 12.9 hectares

Lifecycle phase: sales

Expected dwelling unit equivalents: 121

Expected residents: 217

Expected commercial/retail space: 4,015sqm

Expected year of completion: 2025

Broome North

Broome North, developed in consultation with the Shire of Broome, traditional owners and the local community is planned to cater for the ongoing growth in population in Broome supporting education, tourism, commercial and retail opportunities.

The development will effectively double the size of the existing township and when complete will feature two local centres.

The development will also see an expansion of the current light industrial estate Blue Haze.

Waranyjarri Estate, the first of three residential estates planned in Broome North is now home to over 300 families who benefit from the local Broome North primary school, parks, playgrounds and pedestrian friendly design.

Broome North is home to a ground-breaking solar pilot program that will give participating residents greater access to renewable energy, more control over their energy use and significant reductions in power bills.

LandCorp has partnered with Horizon Power to launch the Smart Sun pilot

program. The Smart Sun package has been offered to residents in stage 10 of Waranyjarri Estate for a heavily discounted fixed price of \$5,000 which includes the supply and installation of solar panels, a storage battery, and an inverter combined with “smart” appliances including air-conditioning and hot water systems. Together each package is valued between \$20,000 and \$35,000 depending on the home.

Residents will be able to track and manage their power consumption through an energy management system mobile app, which can lead to significant reductions in living costs.



Waranyjarri Estate, Broome North



Waranyjarri Estate, Broome North

Project area: 700 hectares

Lifecycle phase: Based on demand

Expected dwelling unit equivalents: 5,000

Expected residents: 14,500

Sustainability focus: Through climate-sensitive design Broome North estate has become a market leader in energy and water efficiency. Due to the design guidelines in place, and their emphasis on sustainability principles, Broome North residents already save on average between \$700-\$800 per year on energy bills compared to homes in other parts of Broome.

An environmental cultural corridor and open space links habitats across the Broome peninsula. Parks and open space are located throughout the estate.

Innovation through Demonstration: Smart Sun

Economic development

Topic boundary

The provision of land and infrastructure for business and industry provides opportunity for industry investment, business growth, trade and jobs. A significant number of jobs are created in initial design and construction phases of development projects, with a smaller more permanent operational workforce established over subsequent decades.

Performance

Partnering projects

Engaging closely with Government, private sector investors and businesses, we seek to enable private investment through our partnership program. Our current active partnership projects are outlined in table 5.



Table 5: Current active partnering projects

Partner	Project	Partnership summary and status
Lendlease	Alkimos Beach	Partnership started in July 2010 to deliver Alkimos Beach, a 224 hectare residential precinct. To date 913 lots have been sold, including 908 residential lots, three commercial zoned lots (Gateway Commercial Precinct) and two school sites.
	Alkimos Central	Partnership forms part of the same partner agreement as Alkimos Beach with the agreement for Alkimos Central requiring Structure Plan and environmental approvals being progressed. The project is in its planning stage, with the Structure Plan expected to be approved June/July 2018.
	Alkimos Vista	The Development Agreement was executed on 12 July 2016, which was effectively the commencement of the partnership. 26 lots are Under Contract, which consists of 11 Unconditional sales (all Stage 1) and 15 Conditional Sales (11 in Stage 1 & 3 in Stage 2). Certificate of titles issued on 22 May for Stage 1.
Water Corporation	Alkimos Coastal Node	Partnership began in June 2001 to deliver Alkimos Coastal Node a 57 hectare development adjoining the Alkimos Beach project. The project is in its planning stage with planning approvals anticipated by end of 2018.
Satterley Property Group	Allara, Eglinton	Partnership started in December 2010 to deliver Allara a 240 hectare site for approximately 3,400 dwellings. To date 299 lots have been sold.
Cedar Woods	Mangles Bay, Rockingham	Partnership started in 2009 to deliver Mangles Bay Marina Based Tourist Precinct which was planned to include a marina at Point Peron. The Western Australian Planning Commission recommended the plans be withdrawn, followed by the Minister for Transport; Planning; Lands announcement on 1 March 2018 that the project would cease.
	South Hedland Western Edge	The Development Agreement was executed on 12 July 2016, which was effectively the commencement of the partnership. 26 lots are Under Contract, which consists of 11 Unconditional sales (all Stage 1) and 15 Conditional Sales (11 in Stage 1 & 3 in Stage 2). Certificate of titles issued on 22 May for Stage 1.
Town of Cambridge	Parkside Walk, Jolimont	Partnership began in August 2013 to transform a former nursery site into approximately 350 new dwellings. Planning approvals were obtained in 2015 and civil construction completed December 2018. All 24 single residential lots were sold in 2017-18 and four of the seven apartment sites have sold, with the remaining three to be marketed in 2018-19.

Infrastructure and town centre development projects

The revitalisation of town centres facilitates and supports economic growth through infrastructure upgrades, the creation of mixed use lots, opportunities for business investment and creation of public spaces for community use and events. Table 6 identifies active (under construction) infrastructure and town centre development projects undertaken during 2017-18.

Table 6: Active infrastructure and town centre development projects

Project and status	Economic outcomes
<p>Cockburn Central Town Centre, and Cockburn Central West, Cockburn (maximising the activation of LandCorp's Cockburn Town Centre development)</p> <p>To date, 40 per cent of Cockburn Central Town Centre has been developed with apartments, retail and office space.</p> <p>Cockburn Central West, the next phase of the Cockburn Central Activity Centre, completed the first stage of landscape works in April 2017.</p>	<ul style="list-style-type: none"> • Project area: 32 hectares • Dwellings: 1,100 apartments and town houses (all within 800m walk of the Cockburn Central Train/Bus Station) • Expected population: 2,000 people • Commercial and retail space: 0.7 hectares • Expected ongoing employment: more than 1,800 people • Activity centre foot traffic: 5,500 commuters use the nearby bus and train interchange daily • Infrastructure delivery: secondary playing field for the general public and used by the Fremantle Dockers Football Club, a rejuvenated wetland, a nature play area, landscaping and streetscape works • Public open space: 4.8 hectares • Expected build-out period: 10 years (to 2025)
<p>Newman Town Centre Revitalisation "The Square"</p> <p>The Square was handed over to the Shire of East Pilbara at a public launch event in July 2017. LandCorp is continuing to assist the Shire to deliver the key economic and social outcomes for the space, including community activation.</p>	<ul style="list-style-type: none"> • Project area: 3,356sqm • Funding: \$7 million from the State Government's Royalties for Regions fund • Commercial and retail space: 300sqm • Short term local employment: \$2 million of contracted works across the project for local Newman businesses • Infrastructure delivery: commercial kitchen, two business incubator facilities, civic gathering place, landscaping, public art and media screen. A pop-up retail space • Expected built out period: practical completion reached on 27 July 2017



Project and status

Economic outcomes

The Karratha Quarter precinct and Karratha City Centre

The Quarter precinct opened for business in June 2016.

Significant landscape works are in the design phase.

- **Project area:** 77 hectares
- **Funding:** 66.7 million from the State Government's Royalties for Regions funding and supported by \$9 million from LandCorp
- **Dwellings:** 46 service-worker apartments
- **Commercial and retail space:** 6,000sqm
- **Short term local employment:** \$22 million in contracts for local jobs
- **Infrastructure delivery:** road and pedestrian network, servicing with sewer, power and water
- **Built form investment:** land delivery is sporting the delivery of significant built form projects. The following have now been completed: Quarter Commercial Building (\$20 million built form investment), The Quarter Hotel (\$20 million built form investment), Pelago Apartments, Red Earth Arts Centre (\$55 million built form investment), and GP Super Clinic. The Karratha Health Campus is due to open in October 2018 (\$207 million built form investment)
- **Expected build-out period:** 2025

South Hedland Town Centre Revitalisation

Stages 1, 2 and 3 of the South Hedland Town Centre are now complete.

- **Project area:** 90 hectares
- **Funding:** Stage 1 \$23.3 million and Stage 2 \$53.94 million from the State Government's Royalties for Regions fund
- **Dwelling unit equivalents:** 650 dwellings
- **Commercial and retail space:** 22 fully serviced lots capable of mixed use with the potential for retail, commercial or residential
- **Infrastructure delivery:** 22 mixed use lots, central park, grassed outdoor amphitheatre, shaded marketplace and water play area, interactive sculptures and landscaped open spaces. It also included upgrades to street drainage and the re-alignment of major roads



South Hedland

Economic and employment land economic impacts

We have updated our Industrial Land Outputs Modelling Tool to estimate the employment and economic

output of industrial and commercial land. Using this model, 2017-18 sales of industrial and commercial lots,

once fully developed and occupied, are expected to help generate the economic benefits outlined in table 7.

Table 7: Forecasted ongoing economic benefit of industrial and commercial lots sold in 2017-18

Lot type	Number of lots sold and area	Employment (indirect)	Number of Businesses	Economic output/per year (value of goods and services)
Low density and/or heavy/special Industrial estates	4 lots 152,096sqm (15.2 hectares)	60	2	\$48.97 million
Medium density and general industry estates	27 lots 211,216sqm (21.1 hectares)	401	50	\$232.04 million
High density and service industry	1 lot 63,441sqm (6.3 hectares)	278	22	\$109.16 million

Note: All results are based on LandCorp/Pracsys "Rule of Thumb" Study (RoT) from 2018. The type of Industrial land is based on benchmarked estates across the Perth Metropolitan area. Employment refers to jobs created in the permanent workforce where businesses are operating on our lots. It does not include jobs created during civil or land development construction works which is additional.

Output per year contribution is to Gross State Product. Data includes Light Industrial Areas in Regional WA.

Urban regeneration economic impacts

Delivery of activity centres and urban regeneration supports the State Government's Directions 2031 and Beyond target for Perth and Peel to deliver 47 per cent of new dwellings via urban infill development.

Importantly, this Policy seeks to reduce urban sprawl, maximise the use of existing infrastructure and reduce travel times and costs. Table 8 sets out the number and percentage of LandCorp lots created within the

metropolitan infill areas. Our work in infill projects has increased over the past five years with more than 80 per cent of land for new dwellings delivered on infill projects.

Table 8: Lots created within metropolitan infill areas

Measure	2013-14	2014-15	2015-16	2016-17	2017-18
Number of dwelling unit equivalents created in the Metropolitan region via urban infill developments*	753	931	1,547	777	874
Percentage of dwelling unit equivalents created in the Metropolitan region via urban infill developments*	69%	63%	89.6%	88%	84%

**Note: Urban infill projects are defined as those within the existing urban footprint of the metropolitan area.*

Regional revitalisation economic impacts

Infrastructure and land development costs in regional Western Australia can often be significantly higher than in the metropolitan area. This can make private sector land development unviable and can restrict land supply for economic and community growth. Availability of developed land is recognised as a significant factor in enabling social and economic growth in regional areas.

The Regional Development Assistance Program (RDAP), partially funded by the State Government, enables

us to develop land and make it available for residential, commercial and industrial purposes, which assists local governments to facilitate growth in areas where this would otherwise be difficult to achieve.

RDAP has 181 projects covering the length and breadth of the State and providing for a range of land uses. In 2017-18 an additional 27 dwelling unit equivalents were created as part of RDAP. We now hold developed land stock of 914 lots which are available for consumers to immediately purchase

in all regions within Western Australia, with a combined market value of over \$320 million. Over the past decade, the State and Regional component of RDAP has successfully delivered land across the State to support economic activity, with normalised markets now existing in the larger centres and towns. The program received reduced enquiries during 2017-18, with no applications received during the 2018 application round reflecting the amount of work undertaken over the past few years to satisfy demand.

Improving the understanding of our economic impact

A new modelling tool with a broader range of project types is under development. This will be a tailored assessment of representative past project cases studies. The stages of development measured will also be broadened to include the economic impact of:

- the creation of vacant lots.
- the construction of buildings on the vacant lots; and
- the ongoing activity occurring on the land and in the buildings.

The model is expected to provide a more robust measure of the total economic impact of our projects. The modelling tool will be ready for use in 2019 and will be used in future annual reporting.



Biodiversity

Topic boundary

The variety of all life forms on earth contributes to the healthy functioning of the water, soil, air and climate upon which all life depends. Development of land for industry, business, housing and community has an inherent

environmental impact through the removal and fragmentation of habitats, and associated impacts on waterways. Protecting and improving biodiversity is important for both current and future generations.

We seek to minimise impacts, are transparent about the impacts we do have and seek to manage and improve outcomes through protecting and enhancing biodiversity and the tree canopy wherever possible.

Performance

Biodiversity impacts

We seek to minimise impacts on the natural environment. During 2017-18, 41.68 hectares of native vegetation was cleared on three projects: Alkimos Vista in Alkimos (22.78 hectares), Highland Range in Jane Brook (10.3 hectares), and Montario Quarter in Shenton Park (55 Native and 18 exotic plants).

The Broome North Industrial Estate is adjacent to an area of high biodiversity value (outside of a protected area) called Roebuck Bay. Management strategies include an on-going surface water monitoring program to ensure excess sediment does not leave the site via storm water.

Rehabilitation programs

We seek to manage and improve outcomes through rehabilitation programs. During 2017-18 the following rehabilitation programs were undertaken:

- 1,900 Tuart seedlings planted at Rockingham Industrial Estate as part of ongoing rehabilitation works in the Conservation Area.
- Weed control program at Montario Quarter in Shenton Park, a summer weed control event knocked down 99 per cent of germinating castor oil plants. No new regeneration is present. Prickly Pear (an invasive plant) is showing effects of herbicide which will reduce numbers of plants and any regeneration. Seed collection also completed at Montario Quarter in Shenton Park and adjacent bushlands to supplement the future rehabilitation of this precinct.

Fauna relocation programs

During 2017-18 a fauna relocation program was completed at Montario Quarter in Shenton Park and Allara in Eglinton. At Montario Quarter this involved deployment of traps by a licensed fauna re-locator for three nights in November 2017, nine bobtail lizards were relocated into suitable habitat nearby but far enough away from the project area that they will not return in accordance with the relocation license conditions. At Allara 40 traps were deployed for 10 nights in March 2018. 40 individual animals were trapped; 29 lizards and 11 snakes. Trapped animals were relocated to Yanchep National Park, Burns Beach and Yellagonga National Park.

Compliance

Compliant with all State and Commonwealth environmental approvals during 2017-18,

Offsets

In 2012, in consultation with the Western Australian Department of Parks and Wildlife we purchased 4,402 hectares of Black Cockatoo foraging habitat as an Advanced Offset which was subsequently approved under the *Environment Protection and Biodiversity Conservation Act 1999*. The Advanced Offset is protected as Regional Open Space under the management of the Department of Parks and Wildlife section of the Department of Biodiversity and Conservation. This land has provided offsets for the Allara Eglinton and Alkimos Beach residential development areas and the Flinders and Neerabup Industrial Areas.

Re-establishing a Threatened Ecological Community at Rockingham Industry Zone

The trial is part of the *Environment Protection and Biodiversity Conservation Act 1999* Controlled action requiring an Offsets Management Plan with a Threatened Ecological Community Re-establishment Trial. The trial is the first of its kind in Australia and involves the planting of approximately 20,000 threatened ecological community species within six large basins across a two hectare area. In August 2016, the trial works were completed.

The trial is about two years into the five year trial period and is going to plan. The trial involves ongoing monitoring and research. Monitoring shows the plants are continuing to grow. Annual monitoring is required for five years after planting with the last monitoring to occur in 2021. Reports need to be forwarded to the Department of Biodiversity Conservation and Attractions and City of Rockingham.

Water

Topic boundary

Water is a fundamental need for all life. The total water cycle makes a significant contribution to ecosystems, quality of life, landscapes and economic development. Integrated land and water planning is based on total water cycle management which holistically considers all aspects of water including potable water, groundwater, stormwater run-off, wastewater, natural surface water, waterway health and water reuse. From a land and infrastructure development perspective in the drying climate of Western Australia, this involves water sensitive urban design, techniques to improve potable water use efficiency and reduce demand, and recycling water (e.g. third pipe, stormwater harvesting, sewer mining, and managed aquifer recharge).

Performance

Water Sensitive Urban Design

Since 2008 all projects within Western Australia must comply with the State's Better Urban Water Management policy. It requires the preparation of a strategy which aims to achieve a holistic understanding of a site's water balance and issues impacting stormwater recharge and quality. This involves an integrated water cycle management and Water Sensitive Urban Design (WSUD) approach. Where projects have demonstrated innovative or non-typical initiatives to WSUD they have been included in table 9.



Water reduction

We disclose our water initiatives for projects with sales during the reporting period. The sales period of our projects is the point in time where the water initiatives are closest to being realised as most water initiatives (beyond compliance) are realised at the building stage. While we are predominately

a land developer we influence buildings through mandatory and recommended criteria in our design guidelines (DGs), or by providing incentives such as rebate packages that include non-potable water sources or water efficiency measures.

Of the 306 lots sold across 44 projects, 86 per cent of lots had water management initiatives beyond compliance in place. These projects are outlined in Table 9. Often our DGs also contain best practice water recommendations for purchasers to consider, this information is not captured in the table below.

Table 9: Project with sales in 2017-18 and water initiatives

Project	Water initiatives
Alkimos Beach, Alkimos	<ul style="list-style-type: none"> Potable water use of residential buildings and private open space to be less than or equal to 100 Kilolitres per person per year. Overall there will be a 20 per cent reduction of potable water use. DGs (Design Guidelines) mandate water efficient fittings and fixtures for homes. Contractual requirements mandate water efficient fixtures for non-residential. Free installation of water wise front garden (at least 85 per cent native/drought-resistant plants). End user education to 'softly' stimulate water efficient behavior. Target to achieve alternative water use for public open space (POS), or no irrigation. Where required bore water is being used to irrigate POS and a feasibility study is underway for a recycled water plant to irrigate POS.
Alkimos Vista, Alkimos	<ul style="list-style-type: none"> A complimentary Front Landscaping Package is provided that includes at least 20 percent of the area to allow for infiltration, turf for no more than 80 per cent of the area, native plants, and mature trees.
Allara, Eglinton	<ul style="list-style-type: none"> DGs require water efficient fittings. Front landscaping rebate package (approximately \$3,500). POS is supplied by a bore system with drip irrigation, water wise plants/turf.
Anzac Drive Industrial Estate, Kalgoorlie	<ul style="list-style-type: none"> DGs require water efficient fixtures and fittings, and low flow trickle irrigation. DGs encourage the installation of rainwater tanks and best practice stormwater management practices such as detention basins, vegetated swales and/or gross pollutant traps to retain the first flush of storm events and where appropriate, direct retained water to landscape areas.
Avon Industrial Park	<ul style="list-style-type: none"> DGs require the submission of a stormwater design plan and statement on water management, landscaping and irrigation initiatives. DGs require water efficient hot water system, fittings and fixtures.
Januburu Six Seasons, Broome Cable Beach	<ul style="list-style-type: none"> DGs require water efficient fixtures and fittings. \$5,000 sustainability (energy and water) rebate including greywater treatment/ reuse systems and sub-surface irrigation to landscaping.
Champion Lakes, Armadale	<ul style="list-style-type: none"> Front landscaping rebate of \$3,000 comprising native gardens and no turf. All domestic stormwater runoff to be piped into the constructed wetland, where it is stripped of nutrients before discharging into the rowing course lake.
Cockburn Central West	<ul style="list-style-type: none"> DGs require water efficient irrigation and fittings (exceeding NCC* required WELS^ star ratings by one star per fixture). DGs require an irrigation plan be included as part of the Landscape Plan for Building Approval.
Coolbellup, The Assembly	<ul style="list-style-type: none"> DGs promote water efficiency through 'Your Guide to Smart Home' checklist. Front landscaping package available (\$1,500) to encourage reduced water consumption.
Waranyjarri Estate, Broome North	<ul style="list-style-type: none"> DGs require water efficient fittings and appliances. Waterwise front landscaping rebate available (\$6,000 - \$7,000).

Table 9: Project with sales in 2017-18 and water initiatives con't.

Project	Water initiatives
Crossroads Industrial, Anstey Road, Forrestdale Business Park	<ul style="list-style-type: none"> DGs require buildings achieve reduced water use compared to BCA** base compliant building, including fittings, fixture and appliances that exceed minimum WELS^ star ratings. DGs require the development of an Environmental Sustainable Design report and water wise Landscape Plan for each lot and verge that includes drainage swales allowing for WSUD~.
Blackmore Park, Girrawheen	<ul style="list-style-type: none"> Water reduction targets identified in the Local Water Management Strategy of 1,000 litres per person per annum. House and land packages with the Builder (covering approximately 80 per cent of the estate) include installation of water efficient appliances and fixtures. DGs require all landscaped areas to be compliant with the Water Corporation's Water Wise planting list. Water efficient landscaping rebate available for households (\$3,000 per lot). WSUD~ used on site to treat stormwater, improving the water quality.
Montario Quarter	<ul style="list-style-type: none"> DGs require single residential dwellings to install water efficient fittings and fixtures, and water wise irrigation with lawn to be limited to a maximum of 50 per cent of the landscaped area of the site. DGs require multiple dwellings to install water efficient fittings, fixtures and irrigation.
Shoreline, North Coogee	<ul style="list-style-type: none"> Target for 20 per cent reduction in potable water use on statutory compliance. DGs require installation of fittings, fixtures and appliances that exceed minimum WELS^ ratings and sub-metering of each apartment and commercial space. 80 per cent of residential landscaping to use water wise species (60 per cent indigenous plants) and for multiple dwelling developments water wise irrigation controlled by automated timers with electronic controllers and moisture sensors.
Parkside Walk, Jolimont	<ul style="list-style-type: none"> Target for 20 per cent reduction in water use on statutory compliance. Built Form Guide request water efficient fittings and dishwashers, all apartments to be sub-metered, and water wise landscaping through local/native planting, electronic automated irrigation with moisture sensors.
Greenview at Karlkurla, Kalgoorlie	<ul style="list-style-type: none"> DGs require water efficient fittings.
Flinders Precinct (Hope Valley Wattleup Development Cell 1)	<ul style="list-style-type: none"> Target for 80 per cent target reduction in potable water use. DGs require a Water Supply and Efficiency Plan be developed, including non-potable water saving initiatives, controlled drip irrigation with moisture sensors, approved water wise planting, and on selected sites, water wise fixtures and appliances and on-site rainwater tanks.
Meridian Park, Neerabup	<ul style="list-style-type: none"> DGs require water efficient fittings, appliances, landscaping irrigation from harvested water and submission of a landscape plan.
Murdoch Health and Knowledge Precinct	<ul style="list-style-type: none"> DGs require a Landscape and Irrigation Plan to be provided as part of the Landscape Plan for Building Approval to assess suitability and water efficiency. DGs require water efficient in-line drip irrigation for all garden beds.
Newman Light Industrial Area	<ul style="list-style-type: none"> DGs require suitable species of shade tree to be planted evenly through the car parking area. DGs recommend water wise planting, installation of timed/controlled irrigation system, and hard surface runoff be directed to garden beds and other landscaped areas.

Table 9: Project with sales in 2017-18 and water initiatives con't.

Project	Water initiatives
Pinjarra Industrial	<ul style="list-style-type: none"> DGs require retention of stormwater runoff equivalent to a one year ARI¹. DGs require water efficient low flow trickle irrigation with a programmable timed/controller water system. DGs require installation of fixtures and fittings consistent with BCA² Five Star Plus energy and water efficiency measures.
Rockingham Industry Zone	<ul style="list-style-type: none"> DGs require a Water Supply and Efficiency Plan and Landscaping Plan for each lot that specifies requirement for 20 per cent reduction in water use below statutory compliance, including fittings, appliances and landscape. An 80 per cent reduction in non-potable water compared to a standard industrial development must be achieved by every tenant with the installation of rainwater tanks mandatory for irrigation and toilet flushing.
Enterprise Park, Wangara	<ul style="list-style-type: none"> DGs require water efficient fittings and appliances, and water wise Landscaping Plan be developed consistent with the Water Corporation's Waterwise program and City of Wanneroo requirements for water wise plants.
WGV, White Gum Valley	<ul style="list-style-type: none"> 60 to 70 per cent reduction in mains water. DGs require community bore, rain water tanks plumbed to toilets and washing machine taps, water wise gardens and installation of water efficient fixtures and fittings.

* NCC – National Construction Code; ^ WELS – Water Efficiency Labelling Standards; ~ WSUD – Water Sensitive Urban Design;
¹ ARI – Average Recurrence Interval and ² BCA – Building Code of Australia

WaterWise Development Endorsement

This Water Corporation program provides water sensitive benchmarks for developments and recognises the exceptional water efficiency outcomes of new water sensitive developments.

The benchmark for achieving the Waterwise Development Endorsement is the EnviroDevelopment Water Element Standard of a 20 per cent reduction in potable water use on statutory compliance.

LandCorp projects to have achieved Waterwise Development recognition are:

- WGV, White Gum Valley, received in 2016;
- Allara, Eglinton, received in 2017;
- Parkside Walk, Jolimont, received in 2017;
- Rockingham Industry Zone, received in 2018, and
- Shoreline, North Coogee, received in 2018.

Energy

Topic boundary

Energy is critical to modern life and maintaining a basic standard of living. However, the production of energy using fossil fuels poses a significant risk to our climate. Compounded by emissions from agriculture and land clearing, the global environment is under threat from climate change related impacts such as more extreme weather events, droughts, sea level rise and flooding and coral reef bleaching. These events have human, financial and environmental impacts. From a land and infrastructure perspective, finding ways to reduce

energy use from fossil fuels and increase the uptake of renewable energy is an important carbon emissions mitigation strategy.

Performance

Energy initiatives

We disclose our energy initiatives for projects with sales during the reporting period as this is the point in time where the energy initiatives are closest to being realised. Most energy initiatives are realised at the building stage and whilst we are predominately a land developer

we influence buildings through mandatory and recommended/ best practice criteria in our design guidelines (DGs), or by providing incentives such as rebate packages that include renewable energy or energy efficiency measures. Even when we facilitate a climate responsive subdivision lot layout, the potential benefit is only experienced once buildings are constructed. Of the 306 lots sold across 44 projects, 86 per cent of lots had energy management initiatives beyond compliance. These projects are outlined in the table below.

Research of our 2017 residential land purchasers identified that 45 out of 100 purchasers received a sustainability package and 76 per cent of them believed that it was very or extremely important in their decision to purchase a block.

Table 10: Project with sales in 2017-18 and energy initiatives

Project	Climate responsive design (CRD) and energy efficiency	Renewable energy or greenhouse gas (GHG) emissions reduction strategies
Alkimos Beach, Alkimos	DGs require CRD subdivision layout and encourage CRD buildings. Mandatory and voluntary initiatives as per contract target savings of more than 50 per cent on home electricity bills. DGs and contract mandate energy efficient hot water and cooling/heating. The Energy Smart Home Package provides rebates for the mandatory components of the contract. Portion of households receive a rebate if energy efficient appliances are purchased. Free monitoring devices are offered to all households. For non-residential buildings efficient fixtures and cooling/heating are mandated through contracts.	More than 30 per cent of electricity generation met through on-site power generation, involving community energy storage trial and an energy rebate mandating minimum 1.5KW solar panels. For non-residential, solar panels are mandated through contracts. 20 per cent reductions for GHG emissions through embodied energy initiatives (i.e. cement replacement in civil works, transport and waste reduction initiatives). End user behaviour program to stimulate energy efficient behaviour.
Alkimos Vista, Alkimos	DGs require CRD buildings. DGs require all homes to meet the minimum 6 star thermal energy rating as stated in the NCC of Australia. Higher energy ratings are encouraged.	DGs require that all homes be connected to a solar PV system, a approx. \$2,500 rebate is provided for solar PV systems.
Allara, Eglinton	DGs require CRD subdivision layout and CRD buildings. DGs encourage minimum 4 star rating electrical appliances, and timed sensor outdoor lighting.	A rebate package (\$3,800) to help pay for mandatory initiatives including 1.5kW solar panels, energy monitors, smart meter and thermostat, energy efficient heating/cooling and lighting. POS solar lighting provides lighting to Kinkuna Park.

Table 10: Project with sales in 2017-18 and energy initiatives con't.

Project	Climate responsive design (CRD) and energy efficiency	Renewable energy or greenhouse gas (GHG) emissions reduction strategies
Anzac Drive Industrial Estate, Kalgoorlie	DGs require CRD for buildings. DGs require energy efficient and sensor controlled lighting, and the installation of solar hot water systems.	
Avon Industrial Park	DGs require CRD for buildings. DGs require the submission of a statement on energy management initiatives with the application for planning approval.	
Januburu Six Seasons, Broome Cable Beach	DGs require CRD for buildings.	DGs require energy efficient water heating systems (solar or heat exchange) and inverter split system air conditioning. LandCorp offering a maximum \$5,000 sustainability (energy and water) rebate on design measures (louvre windows - \$1,500) and energy management (low energy water heating system \$1,000 and inverter split air conditioning systems \$1,000).
Champion Lakes, Armadale	DGs require CRD for subdivision layout, and encourages CRD buildings.	
Cockburn Central West	DGs require CRD for buildings and for building to achieve average 5 star NatHERS*. Minimum 5 star air conditioner and appliances, and high efficiency hot water system.	DGs encourage developers to produce a 'Building/Dwelling Management Manual' to help occupants understand building requirements and performance.
Coolbellup, The Assembly	Promotion of energy efficiency through 'Your Guide to Smart Home' checklist within DGs.	\$1,000 rebate to install 1kW solar panel.
Waranyjarri Estate, Broome North	DGs require CRD for buildings and encourage minimum 4 star appliances, air conditioners to use inverter condenser units, solar power (or other renewable energy systems), energy efficient lighting, solar hot water (or a 5 star gas or heat pump hot water system). External solar lighting is to be controlled by timers or motion sensors.	The Smart Sun Pilot at Waranyjarri offered six established and six new houses an opportunity to purchase a solar powered micro-grid package for \$5,000 (with approximately \$40,000 value), including solar panels, storage battery, an inverter, hot water systems, and a demand management system.
Crossroads Industrial, Anstey Road, Forrestdale Business Park	DGs require CRD for buildings, and require reduced energy use when compared to BCA*. At least 70 per cent of lighting in buildings to be highly efficient. Environmental Sustainable Design report to be submitted with development applications.	
Blackmore Park, Girrawheen	DGs require CRD subdivision layout and CRD buildings.	

Table 10: Project with sales in 2017-18 and energy initiatives con't.

Project	Climate responsive design (CRD) and energy efficiency	Renewable energy or greenhouse gas (GHG) emissions reduction strategies
Montario Quarter	DGs require single residential dwellings to: achieve 7 star NatHERS rating, undertaken by an accredited energy assessor with NatHERS Software; install reflective under roof insulation (minimum R1.5) for all outdoor living areas, and install a minimum rating of 5 stars for the hot water system. DGs require multiple dwelling developments to: achieve a minimum 4 Star Greenstar demonstrated at development application stage by a certified Green Building Council of Australia (GBCA) professional; install energy efficient hot water and air conditioning.	DGs require single residential dwellings have a photovoltaic system or alternative renewable energy system providing minimum 1.5kW per dwelling to be installed.
Murdoch Health and Knowledge Precinct	DGs and Local Planning Policy require CRD buildings. The Local Planning Policy requires that developments achieve a minimum 'Australian Excellence Green Star rating'.	
Shoreline, North Coogee	DGs require CRD for buildings and require 5 star rated air-conditioners, efficient lighting, motion sensors for lighting, and high energy rated appliances. Apartments are required to meet 7 star NatHERS* for thermal performance.	Single and grouped residential buildings require minimum 1.5kW solar panel or solar water heater installed. Multiple dwellings require solar water heating, heat pump or gas water heating, and solar panels in residential (1kW per apartment) and commercial (1kW per 100sqm ground floor area). Target to reduce GHG emissions by at least 20 per cent more than regulatory requirements.
Parkside Walk, Jolimont	Built Form Guide (BFG) requires CRD for buildings. BFG requires 7 star NatHERS* (with an average of 7 stars for multi residential), efficient lighting, water heating and air conditioning. Apartments require sub-metering and energy efficient lifts.	BFG requires single dwellings to install a minimum of 1.5kW solar panels, grouped dwellings a minimum of 1kW (per dwelling). BFG requires a reduction in GHG emissions by at least 20 per cent more than regulatory requirements.
Greenview at Karlkurla, Kalgoorlie	DGs require CRD for buildings and minimum 5 star energy efficiency. DGs recommend installing low energy lighting with timers.	
Flinders Precinct (Hope Valley Wattleup Development Cell 1)	DGs require a minimum 30 per cent improvement against the reference case including CRD for buildings. DGs require minimum of 80 per cent of lights to be energy efficient and energy efficient hot water, fittings and fixtures.	
Meridian Park, Neerabup	DGs require CRD for buildings and require energy efficient lighting, minimum 4 star solar hot water or 5 star gas or heat pump system	
Newman Light Industrial	DGs require CRD for buildings.	

Table 10: Project with sales in 2017-18 and energy initiatives con't.

Project	Climate responsive design (CRD) and energy efficiency	Renewable energy or greenhouse gas (GHG) emissions reduction strategies
Pinjarra Industrial	DGs require CRD for site layout and buildings. DGs require energy efficient internal and external lighting with timed, sensor/occupancy control systems.	
Rockingham Industry Zone	DGs require CRD for buildings. Overall projected energy consumption is 52 per cent less than a standard industrial development, with every development/ tenant required to achieve a minimum 30 per cent improvement (against a reference case). An energy study needs to be submitted to LandCorp as part of the Building License process.	
Enterprise Park, Wangara	DGs provide guidance on CRD for buildings and improved energy management.	
WGV, White Gum Valley	DGs require CRD subdivision layout and CRD buildings. DGs set a minimum requirement for 7 star NatHERS and require builders to install solar hot water or heat pump technology and energy efficient appliances and lighting.	60 per cent reduction of grid consumption for WGV as a whole. Single residential lots achieve 100 per cent (zero net annual energy) if they adopt the Sustainability Package (\$10,000 including an upgrade from the mandatory 1.5Kw to 3.5Kw solar panel). Shared solar and battery-storage micro-grid trial, and 'Living Laboratory' innovation projects.

*NatHERS – Nationwide House Energy Rating Scheme, rating for energy efficiency and thermal performance.

** Climate Responsive Design incorporates solar passive design and ventilation principles.

Climate responsive design at Waranyjarri Estate

Findings of a post-development investigation into the Climate Responsive Design (CRD) approach in Broome North have found Waranyjarri Estate residents spend an average of 24 per cent less on their power bills (source: Horizon Power energy use data) compared to similar households in Old Broome, as they benefit from a subdivision design that maintains and channels the movement of seasonal breezes.

Mini weather stations installed prior to the development of Broome North measured the wind speed and direction at ground level. The results informed planning and design strategies to maintain wind permeability after development. In addition to a subdivision design

layout that maintained and channel the movement of seasonal breezes, Waranyjarri estate features large open spaces to maintain the speed of the breeze and lots with large back and side setbacks facilitating wind movement. Building design guidelines also optimised permeability and cross ventilation.

The Climate Responsive design validation study demonstrates the existence of the wind permeability within the Waranyjarri Estate. Confirmation of the effectiveness of this approach will inform further development at future Broome North precincts and projects across the Kimberley and Pilbara region with similar weather patterns



Batavia Coast, Geraldton

Waste

Topic boundary

We investigate land for contamination, identify hazardous waste and undertake remediation and removal of waste or soil to enable the proposed land-use, or mitigate potential risk to human health or the environment. LandCorp has expertise in the investigation, management and remediation of sites contaminated by historic land uses. We also assist Government with the management of contaminated sites, providing advice and at times managing the investigation and remediation process. The mitigation and management of these impacts ensures we protect

human health and the environment, enabling land development through decontamination.

Land, infrastructure and property development involve demolition and construction activities that result in waste to landfill with subsequent environmental and financial (landfill levy) impacts. LandCorp seeks to encourage and work with contractors and consultants to use resources efficiently and reduce, reuse and recycle materials during demolition and construction. The behavior of residential and business customers determines the ongoing waste management practices associated with living and working. While

LandCorp does not have any direct control over these impacts we seek to encourage the efficient use of materials.

Performance

Land contamination and remediation

During our due diligence process we investigate all sites for potential contamination. Any property which may be contaminated, is assessed to determine if it poses a risk to the environment or human health. Remediation is completed where required. Table 11 outlines the projects investigated for contamination during 2017-18.

Table 11: Projects investigated for contamination during 2017-18

Project name and location	Project area investigated (hectares)	Intended future use
LandCorp projects		
Batavia Coast, Geraldton.	0.87	Commercial and residential
Former Shenton Park Hospital.	15.8	Commercial and residential
Lot 167 Moylan Road, Hope Valley.	1.84	Commercial and industrial
Projects managed for other Agencies		
20 x Department of Fire and Emergency Services (DFES) Metro and Regional stations.	7.59	Continued DFES Use
Former Maratha Senior High School (for the Department of Planning Lands and Heritage).	9.5	Unknown
Total 35.6 hectares		

Table 12 outlines our projects remediated for contamination during 2017-18.

Table 12: Projects remediated for contamination during 2017-18

Project name and location	Total land area decontaminated/ remediated during 2017-18 (hectares)	Intended future land use
LandCorp projects		
Former Port Hedland Hospital	3.5	Unknown
Montario Quarter, former Shenton Park Hospital	15.8	Residential and commercial
Projects managed for other Agencies		
Northam TAFE (for Department of Training and Workforce development)	0.6	Future TAFE use
Department of Primary Industries and Regional Development Mount Barker Depot	0.1	Agriculture
Total 20		

Hazardous waste

Table 13 identifies asbestos contaminated soil and asbestos-containing building materials which were removed from several infill development sites and government

infrastructure sites. Asbestos or asbestos contaminated soil is excavated from sites by appropriately qualified asbestos removal contractors. The asbestos waste is

disposed of through landfills licensed to receive asbestos, no hazardous waste was exported, imported or treated by LandCorp.

Table 13: Asbestos contaminated soil removed during 2017-18

Project and location	Source of hazardous waste	Total waste*	Total hazardous waste disposed of to landfill
Northam TAFE	Asbestos fragments in soil.	3.2kg	3.2kg
Montario Quarter, Former Shenton Park Hospital Site	Asbestos and pesticides in soil.	1,340m ³	1,340m ³
Port Hedland Hospital	Asbestos contaminated soil.	2,097 tonnes	2,097 tonnes
Port Hedland Hospital	Asbestos containing building materials.	821 tonnes	821 tonnes
DAFWA Mount Barker Depot	Asbestos contaminated soil.	328m ³	328m ³
DAFWA Mount Barker Depot	Liquid waste – pesticides, fuels.	28m ³	28m ³

*The dual mode of measurement is due to the variety of material disposed.





Allara, Eglinton

Demolition and construction waste

We had 15 projects with demolition or construction activities in 2017-18. Of these projects, 13 had waste management initiatives for demolition or construction activities, these projects are outlined in Table 14 and 15.

Table 14: Projects with demolition during 2017-18 and waste initiatives

Project and location	Waste management initiatives and performance
Former Hamilton Hill High School	<ul style="list-style-type: none"> • Demolition of over 10,150sqm of buildings at the former Hamilton Hill High School site commenced in June 2018 and is anticipated to be completed in April 2019. • Target to recycle and reuse onsite approximately 6,000m³ or 90 per cent of material from existing buildings and infrastructure, subject to licence approval for on-site crushing. • The Material Retention Schedule requires materials to be reused or recycled where possible, including all timber greater than 300mm in diameter to be used in nature playgrounds, furniture and decking. All other timber to be mulched for use in landscaping.
Former Port Hedland Hospital Site	<ul style="list-style-type: none"> • Demolition of over 16,000sqm of buildings at, and remediation of, the former Port Hedland Hospital site commenced in October 2016 and were completed in October 2017. • A contractor environmental management plan includes practices to minimize health and environmental impacts and waste segregation for recycling/reuse in the project (e.g. in landscaping) where practicable. • Total material removed in 2017-18 was 12,425 tonnes, of which 8,702 tonnes (70 per cent) was recycled and 3,723 tonnes (30 per cent) were taken to landfill at South Hedland.

Table 15: Projects with construction during 2017-18 and waste initiatives

Project and location	Waste management initiatives and performance
Alkimos Beach, Alkimos	<ul style="list-style-type: none"> Civil contractor required to divert a minimum of 60 per cent (by mass) of civil waste from landfill. To date a 89% waste diversion has been achieved Target to recycle/reuse at least 60 per cent of civil and built form construction waste (by mass). Builders waste recycling program delivered by Earthcare Recycling achieved above industry recycling rates at 91 per cent (based on data from July 2017 to December 2018).
Albany Middleton Beach Activity Centre	<ul style="list-style-type: none"> Albany Middleton Beach Stage 1 civil and landscaping works to realign Flinders parade are complete and officially opened on 31 January 2018. Waste was sorted and contained onsite during construction works. Where possible waste has been recycled as well as product reused offsite by contractor.
Claremont on the Park	<ul style="list-style-type: none"> Design guidelines require the preparation of a waste management strategy in consultation with the Town of Claremont.
Denmark Light Industrial Area	<ul style="list-style-type: none"> All landfill material removed from this site has been reused as fill on a neighbouring site previously used for sand excavation. Suitable excavated rock is stored on site for reuse in pavement construction.
Eglinton North, Allara	<ul style="list-style-type: none"> Allara is a Master Builders Smart Waste Zone which requires the development of a waste management plan including initiatives to reduce, reuse and recycle. Target in place to recycle or reuse a minimum of 60 per cent of demolition, land clearing or civil works materials/products on site. 95 per cent of waste during the construction of lots (in 2017-18) has been recycled/reused, surpassing the target. Design guidelines encourage builders to recycle construction materials, as well as consider prefabrication to reduce waste. An onsite Recycling Centre is to be trialled for the residents of Allara for use on their dwellings within the estate. All materials provided such as rock, boulders, sand, mulch, top soil, etc. are to come directly from the Allara site.
Jane Brook, Highland Range	<ul style="list-style-type: none"> Civil works construction commenced end January 2018 and will achieve practical completion by August 2018. Civil contractor is required to recycle rocks retrieved during earthworks into drainage basins incorporating POS within the estate.
Parkside Walk, Jolimont	<ul style="list-style-type: none"> Civil contractor required to prepare and implement a waste management plan to achieve a minimum of 70 per cent waste recycled or re-used. Built form guide requires 80 per cent of built form construction waste be recycled or re-used. Only minor finishing works were undertaken in 2017-18 and no material was removed from site.
McLarty Explosives Reserve	<ul style="list-style-type: none"> Construction of the McLarty Explosives Reserve project commenced in August 2017 and is scheduled to be completed in August 2018. Remnant vegetation was mulched, and sand and rock removed during civil works, were reused on site.

Table 15: Projects with construction during 2017-18 and waste initiatives con't.

Project and location	Waste management initiatives and performance
Murdoch Health and Knowledge Precinct	<ul style="list-style-type: none"> Waste management is included as part of the contractors Environmental Management Plan. Stage 1 construction works commenced in October 2017, with Stage 1A (three lots) practical completion achieved in December 2017. As at May 31, 92 percent of waste from construction works was recycled. This included re-use of fill on another project, and using material in reconstituted blocks and road base.
Montario Quarter, Shenton Park	<ul style="list-style-type: none"> Construction commenced in February 2018 and practical completion is expected for October 2018. Waste Reduction Plan target that at least 60 per cent of the construction and demolition waste will be recycled or reused. Material that will be re-purposed will be used for landscaping works.
Flinders Precinct, Latitude 32	<ul style="list-style-type: none"> Design Guidelines require a waste management plan to be lodged with a Building Licence application to minimize waste to landfill, ensure dedicated recycling storage areas are incorporated into building design and outline the management of any toxic materials to be used on site.

Demolition and construction waste

Smart Waste

The Master Builders WA has set up the Smart Waste Zone initiative to help builders and house buyers to reduce the amount of building waste that goes into landfill. Keen to reduce waste and to reduce the levy they pay on landfill, leading builders are now:

- reducing waste through clever design and ordering
- reusing spare materials
- sorting waste on site to improve recycling rates, and
- engaging specialist waste service providers to sort and recover waste materials

The following three projects have adopted the Master Builders Smart Waste guide:

- Alkimos Beach
- Allara, Eglinton; and
- WGV at White Gum Valley.

Details for Allara, Eglinton and Alkimos Beach are outlined in table 15.

At WGV a Smart Waste Information Guide was produced for all lot purchasers, this helped explain the benefits of adopting waste avoidance and recycling measures in their home construction. A smartwaste and recycling compound was established by the Earth Care Recycling who offered separate bins for recycling metal, timber, masonry and paper at a competitive rate to single skips for all builders at WGV. In addition, on site signage indicated WGV as a Smart Waste Zone.

Engaging and building local communities

Topic boundary

Engaging with the community is a key success factor, it helps us identify needs, aspirations, expectations and concerns that will assist us to deliver a place that maximises community benefit. It also provides the local community with

opportunities to positively influence development outcomes.

'Building an engaging organisation' is an important risk management consideration. However, to fully realise the value and benefits of engagement we are aiming to

establish engagement in such a way that it becomes 'the way we do things around here'. This is a two-fold process of 1) creating a culture of engagement and 2) integrating engagement into organisational systems and processes.

Performance

Strategic Engagement Review

As we strive towards consistent best practice in stakeholder and community engagement, it does so within a shifting socio-political and economic environment. Coupled with a forthcoming and significant change management program, as we merge with the Metropolitan Redevelopment Authority, remaining agile and proactive in preparing for and delivering stakeholder and community engagement will become increasingly challenging but also increasingly important.

A strategic engagement assessment has been undertaken to provide insights about how engagement is undertaken at a structural level (the managerial/tactical and operational levels) and embedded within the culture (level of

awareness, commitment and buy-in to engagement). It is designed to provide high-level metrics across unsatisfactory, satisfactory and leading practice, to benchmark and track the organisation's engagement approach.

More than 50 percent of the organisation participated in the assessment through interviews and focus groups. Overall there was a high level of awareness about the value of engagement and staff believed LandCorp was committed to engagement but would like to build on existing practices, systems and processes and improve internal capacity to increase the organisation's commitment to better engaging stakeholders and community.

Recommendations include reviewing the focus of the community relations team in both embedding

engagement into the organisation as well as supporting consideration of engagement approaches and associated costs earlier in the project lifecycle, while also differentiating the level of involvement for projects with a higher or lower number of social risks.

The assessment will inform the development of a strategy for 2018 onwards, providing recommendations to guide how we continue to improve.

[GRI Standards 102-43; 102-44]



Pretty Pool, Port Hedland

Improving metropolitan Aboriginal engagement

In preparation for the merger with the Metropolitan Redevelopment Authority (MRA), we have become party to the Cultural Compact Agreement with the Whadjuk people that has been established by the MRA.

Kaart Koort Waarnginy (Head, Heart, Talking) has been developed as an authentic cultural engagement process with the Noongar community, to set a benchmark for participation and to foster strong collaborative partnerships and involvement of Aboriginal people in projects that are being developed on Country – Whadjuk Noongar boodja. The framework also helps to identify opportunities for shared economic

development whilst ensuring a sense of place is established for all Western Australians.

The Cultural Compact aligns conventional project delivery with the Noongar Six Season calendar providing a framework and tools to guide people through the Kaart Koort Waarnginy (Head, Heart, Talking) process and foster a shared understanding with the Noongar community.

Through the use of a creative template, as a project progresses through its lifecycle, the stories that different communities tell about a place are collated and those that can be visible in the built and natural environment start

to influence the urban renewal design process. Essentially the template provides a common language that enables many different elements to be integrated without losing their identity, guiding everything from architecture; landscape design public art; connectivity; to procurement and provides a ‘sense of place’ that ultimately reflects tangible community outcomes.

In integrating and evolving Kaart Koort Waarnginy, to meet business model and objectives, two pilot projects will be initially implemented across Ocean Reef Marina and Subiaco East Redevelopment.

Community consultation and engagement

All of our projects have a level of social risk assessment, stakeholder analysis or the development of stakeholder and community engagement plans which outline the appropriate level of engagement.

This allows for a considered, tailored approach depending on each project, ranging from inform, consult, involve, collaborate to empower, ensuring a foundation of trust and transparency. The below image outlines the spectrum of our engagement approach.

Engagement approach

Inform	We will keep you informed.
Consult	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influences the decision.
Involve	We will work with you to ensure that your concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influences the decision.
Collaborate	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.
Empower	We will implement what you decide.



During 2017-18 we undertook the following key engagement activities:



Artist impression for illustrative purposes only

Montario Quarter in Shenton Park

- Through a range of communication channels we have provided project updates including the first land sales, which will bring new amenity to the local area, which was a key aspiration of the community during the consultation period.
- We have also continued to meet directly with key stakeholder and community groups with significant interests or concerns regarding the project.
- We also continue to manage the natural tension between balancing different community values associated with environmental, economic and social outcomes with ongoing opposition to perceived environmental impacts at Montario Quarter.
- For more information on our approach visit website.



Ocean Reef Marina

- Through the project's governance model, we have established regular meetings with key stakeholders across state and local government, working together to achieve the necessary statutory approvals and guide the planning and design.
- Working with our partners, the City of Joondalup, we continue to keep the community informed through traditional and digital communication channels.
- Key community groups have been engaged as we review the concept plan to ensure it reflects feedback from previous consultation, it is appropriate for the location, is environmentally responsible and opportunities for community infrastructure are optimised.



Hamilton Senior High School

- 70 people attended a community information session to provide feedback on concept plans to inform the structure planning process for the project.
- Engagement with local Whadjuk people and the local Council's Aboriginal Reference Group has seen input in to the concept development phase.
- Largely we have kept the community updated about the project's progress through our online engagement platform, with 2,000 visitors seeking out information or participating in activities online.

Subiaco East

- Early engagement with primary stakeholders through a Precinct Liaison Committee has commenced to input into the development of a business case.
- An initial workshop with the Whadjuk Working Party has occurred as part of the broader cultural engagement process.

Peel Business Park, Nambeelup

- A landowners group established to discuss the long term planning and development of Peel Business Park continues to regularly meet.



Bunbury Waterfront, artist impression for illustrative purposes only

Transforming Bunbury Waterfront

- As the planning and design for Stages 2 and 3 have been underway, we have worked collaboratively with our partners the South West Development Commission and Department of Transport to keep key stakeholders and local community informed of the completion of Stage 1 and progress being made on the next phase of project planning.



Albany Middleton Beach, artist impression for illustrative purposes only

Albany Middleton Beach

- As part of the extensive stakeholder engagement program for this project, in collaboration with the City of Albany, two Community Information Sessions were initiated to support the statutory planning process for the Design Guidelines and Foreshore Management Plan.
- For more information on our approach visit our website.

Ascot, Fauntleroy Avenue

- As part of our due diligence we completed significant consultation to identify and understand the needs of the community, the potential environmental impacts and the commercial viability of the project. After detailed investigation it was determined that the challenges of the site would make the project unviable. The land has been transferred back to the State of Western Australia to be amalgamated with the adjoining Garvey Park Reserve.

Mangles Bay, Rockingham

- Managed by Cedar Woods Property Group the proposed amendment sought to rezone parts of Point Peron reserve in the City of Rockingham to facilitate the development of a marina as well as tourism, commercial, public open space and residential land uses. Key environmental approvals for the proposal had been granted at both State and Federal levels.
- In September 2017, the Western Australian Planning Commission considered the MRS amendment for the Mangles Bay Marina. proposal, and resolved to not

support the amendment for final approval. This was followed by the Minister for Transport; Planning' Lands announcement on 1 March 2018 that the project would cease.

The Commission's reasons for withdrawal the proposal included the proposed scale of the development being large compared to the overall Point Peron reserve; and the Rockingham Lakes Regional Park, including Lake Richmond, is an important link in a series of reserves.

A total of 496 submissions were received, with 403 from nearby suburbs objecting the proposed amendment. Non-supportive submissions raised issues with the environment, loss of recreational space, non-compliance with WAPC policies, regional road impacts, the scale and mix of land uses, and land tenure arrangements.

What we are hearing from local communities

This past year we have been operating in a shifting socio-political and economic environment and these differences are also reflected in the response from communities about perceived changes to their way of life, which they believe will result from urban consolidation. This has involved some community resistance to infill development, posing a significant challenge for Perth in reaching planned infill targets.

With a growing level of distrust of traditional mainstream institutions, there has been an increasing level of opposition to development projects, where the public has called for more timely information and earlier engagement.

Land delivery for housing and jobs will always have an impact on the pre-existing environment. We seek to mitigate, reduce and manage impacts to achieve balanced social, environmental and economic outcomes that respond to community needs and aspirations.

Community development

Alkimos beach

The Sprout Community Hub is an integral part of the Alkimos Beach community and will continue to operate in its current location until December 2018. In 2019 the Hub will relocate to the new development at Alkimos Vista. The Sprout Community Hub is a temporary community space located in the Escarpment Park at Alkimos Beach. It includes a kiosk, and space that can cater for co-working, events, and training sessions with built in multimedia.

The Goods Shed, Claremont on the Park

Claremont on the Park is home to the Goods Shed, a culture and community hub operated by FORM and launched in 2016. The Goods Shed has been made possible through LandCorp leasing the restored State heritage railway building to FORM a not-for-profit organisation that is delivering program of community building and collaboration; artistic and intellectual excellence and skill development, exchange and lifelong learning.

Allara at Eglinton

Allara at Eglinton, developed by LandCorp and Satterley, is the first estate in Australia to have a 'smart playground' as part of a trial with the City of Wanneroo to combine digital and physical play for children.

The multisensory playground is located in Kinkuna Park. It also involves Playground Centre's Smart Playground technology, the BIBA App. The 'Biba Adventures' mobile phone application encourages children to use parks interactively, with games specifically designed to get children active and playing for longer, while also increasing engagement between children and their families. Every BIBA game is developed with a unique activity profile and follows a strict "90/10" rule. Kids must be physically active for at least 90 per cent of the game, with only 10 per cent of their attention ever spent with the screen.

Parents and carers can download a free smartphone app that reacts to markers attached to playground equipment. The markers send instructions for playground games to the smartphone, creating an engaging imaginary scenario combined with outdoor play. The parent or carer remains in control of the smartphone at all times while their children enjoy the imaginative play. Markers do not prevent children from using the playground without the app. The Smart Playground app remembers which activities children did previously and provides new challenges for each visit, effectively reinventing the park. The technology also collects data to help the City decide the best locations for new playgrounds and what types of equipment would be best suited.

Newman Town Square launch

The Newman Town Square reached practical completion with a formal opening event held on 28 July 2017. A full weekend of events took place, which were well attended by the Newman community followed by a six-month event scheduled to ensure the Square is fully activated. The park space is supported with built form, containing a business incubator, a full commercial kitchen that caters for the different cooking styles of the local population and a mezzanine function space that is utilised for community events. The town square is regularly used for sporting and community events and has provided a welcoming green public open space on what was previously an uninviting carpark.

Housing for artists and creatives at WGV, White Gum Valley

In August 2017 the Minister for Housing officially opened the Sustainable Housing for Artists and Creatives (SHAC) development at WGV, White Gum Valley. The project was an affordable housing partnership between Access Housing, LandCorp and the SHAC artists group. The affordable housing of 12 apartments is for professional artists working in the Fremantle area who have been priced out of the local housing market. LandCorp also provided half the cost of the solar PVs and batteries installed in the SHAC building which enabled it to participate in the ARENA funded WGV micro grid research.

Urban Health Check

In partnership with the University of Western Australia (UWA), we trialled a new GIS software tool to investigate areas of opportunity for improved community health and broader benefits associated with infill renewal.

Through a collaborative approach, the Urban Health Check planning tool was trialled on a LandCorp infill project, enabling UWA to measure the base scenario (current situation of a site) as well as for each of the proposed development concept options and their projected benefits to the surrounding community.

The tool measured elements of street connectivity, residential density, amount of and access to public open space, access to public transport, provision of and access to local shops and services, tree canopy cover, community facilities and walkability. The spatial layers were then integrated into the mapping tool and used as part of our community consultation process.

Feedback from the community involved was positive suggesting that the interactive tool was highly engaging, allowing people to make suggestions regarding the possible relocation, removal or inclusion of certain elements and the resultant impact on the proposed concept plan. These changes were demonstrated in real time and this

encouraged excellent discussion and feedback, whilst also allowing community members to better understand the constraints and considerations the project team were working with.

Subsequently some of the key benefits of this trial included:

- defining scientifically proven benefits of a development to the broader community as a result of an urban regeneration project;
- demonstrating the tangible benefits of a range of different development options with a community;
- supporting innovation and leadership within the Western Australian property industry to define the benefits of urban regeneration;
- mitigating some of the usual issues raised by the community during consultation exercises; and
- increasing trust and building our relationships with key stakeholders and the community who participated.

This research project has the potential to demonstrate innovative guidance and tools that will assist us and our industry partners in improving and demonstrating community wellbeing outcomes.

Supporting the Heart Foundation - Healthy and Active By Design

This research explored how to make Australian cities and towns more active and healthy. Producing a [tool to assist with planning and designing communities](#) to encourage healthy and active lifestyles. The planning tool is completed and training is underway to promote the use of the tool.

We have several projects featured as case studies for healthy and active design. The projects are [Sprout Alkimos Beach](#), [Karratha Vernacular Design Principles](#), [Knutsford Fremantle](#), [WGV at White Gum Valley](#); and [Newman Town Square](#).

Community Investment

Our sponsorship program helps to build awareness for the key role we play in realising Western Australia's potential. Sponsorships which support community groups allow us to contribute to the growth and development of the communities in which we are active. By supporting events and programs which appeal and matter to our stakeholders and the communities in which we operate, we are able to increase brand loyalty and reinforce key messages, values and objectives. In 2017-18 we delivered \$180,222 in sponsorship to support community and industry groups across the State.



Design quality

Topic boundary

Having a good design process helps us understand the intrinsic qualities of a place and build on the opportunities it offers, making the most of the investment in the development and creating a strong place based response for

each location. Our planning and urban design decision-making and procurement directly impacts the quality of the built environment and its responsiveness to environmental and community needs.

To ensure the best possible outcomes on the ground we employ a range of internal design tools and processes which help us guide and monitor outcomes.

Performance

Design reviews for continuous improvement

Our design review process helps us monitor and review how each project is tracking against the original project objectives and in particular, how well it is responding to the site's context and community. This helps us tailor the design to the opportunities of the site and allows for continuous evaluation and improvement.

This year we have undertaken design reviews for two infill projects, the former Hamilton Hill Senior High School and Shoreline in Cockburn Coast. Comments centred on the provision of diversity of lot and housing types to address changing demographic trends and affordability, and the provision of amenity and landscape in public spaces. Two reviews were also undertaken for greenfield developments Highland Range in Jane Brook and Alkimos Vista in Alkimos. Comments focused on provision of public transport links, pedestrian and cycle connections and access to amenity and jobs.

Design guidelines

Design guidelines help establish consistency and high quality design outcomes in the built environment for a range of projects in different contexts across the State. Of the 306 lots sold across 44 projects 87 per cent of lots had design guidelines in place. Research of our 2017 residential land customers identified that 90 per cent of buyers who were familiar with the design guidelines

felt they contributed to better quality building and design outcomes in their neighbourhood, 67 per cent felt they contributed a lot to better outcomes.

We have been working closely with the Department of Planning, The City of Albany and the Office of the Government Architect for the past 12 months to ensure that any proposed development in Middleton Beach, Albany achieves high quality built-form outcomes that respond to the local context. The development of the Middleton Beach Design Guidelines has been based on the State Planning Policy 7 (SPP7) Design WA and will require that all development proposals go through an appropriate design review process suitable for this iconic location.

The content of the guidelines has been informed by detailed planning and design including site analysis to ensure an appropriate approach to enhance the local character and address the significant climatic challenges of the exposed coastal site. This trial will inform the content to be included in future LandCorp mixed-use and medium density design guidelines in activity centres and infill areas.

Collaborative research relationship

A three-year collaborative research agreement between the Australian Urban Design Research Centre, the Western Australian Planning Commission, the Department of Communities and LandCorp to support a more coordinated approach to urban design research came into effect in July 2017.

The Urban Design Research Committee (UDRC), comprising representatives from each agency has been set up to identify and co-ordinate research priorities for 2018. Two priority research projects were identified for immediate commencement with additional research projects to be selected at a later stage. The two research projects selected are: innovative tools for community engagement, communications and collaborative design; and overcoming the barriers to medium density development.

The first project is to develop and refine innovative tools for community engagement to assist with the communication of key policy initiatives to a variety of stakeholders in particular those with potentially limited spatial and/or design knowledge.

The second project is to address the 'missing middle' in current dwelling provision. For this project, the 'missing middle' is defined as residential development with a maximum height of five storeys and a net density of 40-260 dwellings per hectare. This typically includes two to three storey compact housing: terrace, maisonette (manor), dual occupancy housing, townhouses, and low-rise apartments. The aim of this project is to better understand the barriers mid-tier developers/builders experience in delivering medium density on infill sites in Perth, and where possible develop strategies to mitigate barriers.

Equity and inclusion

Topic boundary

We consider equity and inclusion fundamental to creating strong, healthy and diverse communities. In land and infrastructure development equity and inclusion includes

providing access to affordable land for housing, business and employment, creating equitable and safe public spaces, providing places that support physical and

mental health and wellbeing, and creating inclusive networks for travel. Everyone in the community should have the opportunity to enjoy places that are equitable and inclusive.

Performance

Affordable land and housing outcomes

Access to affordable land and housing for Western Australians is an important area of focus when we consider our role in improving equity and inclusion. We support the State Government's Affordable Housing

Strategy 2010- 2020: Opening Doors to Affordable Housing which seeks to improve access to affordable housing by delivering a range of housing options for people on low to moderate incomes. Our target is to

dedicate at least 15 per cent of our land and housing to supply affordable housing outcomes. Table 16 outlines LandCorp's affordability performance across several measures.

Table 16: Affordability measures and performance

Measures	Metropolitan performance	Regional performance
Percentage of lots sold in 2017-18 at an affordable price using the Department of Communities affordability price points for the sub regions of the metropolitan area and regional WA.	67.8 per cent of lots sold across metropolitan Perth in 2017-18 sold at an affordable price.	85.7 per cent of lots sold across regional WA in 2017-18 sold at an affordable price.
Percentage of lots sold in 2017-18 at or below the REIWA median lot price.	78.9 per cent of LandCorp lots were sold at or below the REIWA metropolitan median lot price of \$285,000.	47.7 per cent of LandCorp lots were sold at or below the REIWA regional median lot price of \$165,000.
Percentage of lots sold in 2017-18 at or below the REIWA lower quartile lot price.	46 per cent of LandCorp lots were sold at or below the REIWA metropolitan lower quartile lot price of \$215,000.	33.4 per cent of LandCorp lots were sold at or below the REIWA regional lower quartile lot price of \$99,200.

Note: Real Estate Institute of Western Australia (REIWA) December 2017 (mid-point) data sourced directly from REIWA on 12 July 2018.

The key metropolitan projects to deliver affordable outcomes in 2017-18 included Alkimos, Champion Lakes, Allara at Eglington, Blackmore Park at Girrawheen and Seville Grove at Armadale. Regionally, projects delivering affordability outcomes were Cervantes, Denmark, Dalwallinu, Gnowangerup and Leonora.



Blackmore Park, Girrawheen

Multi-residential lot sales affordability

In line with a review of our Affordability Policy completed in 2016, we have sought to measure our affordability performance in relation to multi-residential lot sales. We calculate multi-residential land sales affordability by determining the predicted land value for each dwelling by dividing the gross lot sale price by the predicted number of dwellings constructed on the lot. This is measured against the Affordable Land Price Point for metropolitan and regional sub-regions provided by Department of Communities. Using this calculation, we sold 15 multi residential lots in 2017-18 of which 93.4 per cent were affordable. These affordable multi-residential sales were located in Alkimos, Hamilton Hill and Jolimont.

Working with others to facilitate affordable outcomes

In 2017-18, we sold six lots to the Department of Communities. All five lots in the metropolitan area were located in Alkimos, including two multi-residential. One single residential lot was also sold in Broome. These sales support the Department to provide housing for some of the most vulnerable people in WA, including those on the social housing waiting list.

In August 2017, Housing Minister Peter Tinley, officially opened the Sustainable Housing for Artists and Creatives (SHAC) development in White Gum Valley. The development is a partnership with Access Housing and the Fremantle-based SHAC artistic co-operative, accommodating professional artists and creative individuals who are priced out of the housing market. The development has achieved a 'seven-star' energy efficiency rating and is one of the few residential strata complexes to offer community-based solar energy capture, storage and shared usage infrastructure for its residents.

In May 2018, community housing provider Access Housing won the Property Council of Australia Award for Best Affordable Housing Development for Haven at Rockingham. This project was a collaborative effort with Access Housing, delivering 32 properties over two complexes, including affordable accommodation for seniors, families and couples on the social housing waiting list, as well as apartments for sale on the open market.

Working with others to support an aging population

In March 2018, Oryx Communities was selected as the preferred proponent to develop a \$107 million multi-generational facility at LandCorp's Claremont on the Park. Known as The Queenslea, the development proposes to provide aged care for about 115 residents and offer a variety of housing options and support services. It will include in the order of 60 fully serviced independent and assisted living units with the capacity to respond to Western Australia's demand for accommodation for National Disability Insurance Scheme supported residents. Residents will also have access to residential respite care, memory support day care and a range of health care services at the development's community care hub.

Multi-generational living

A prominent corner of our Claremont on the Park project will deliver Perth's first Multi-Age Precinct, a 140-apartment development with high quality activated retail on the ground floor along with commercial space for Amana Living, who will become an onsite service provider to support multi-generational living (including hospitality and lifestyle, cleaning and laundry, and personal care and clinical services).

Community hardship

The Hope Valley Wattleup Redevelopment Act 2000 was established for the creation of the Hope Valley Wattleup Redevelopment Area. Under the powers of the Act, and under specific principles and criteria LandCorp can undertake to purchase rural properties where owners can provide evidence of genuine hardship. During 2017-18, two voluntary hardship cases were settled in our Latitude 32 Industry Zone development.

The Big Issue – homelessness and disadvantage

The Big Issue CEO Selling campaign is to celebrate International Vendor Week and shine a spotlight on homeless and disadvantaged vendors, who are working to improve their lives. This year our CEO again participated in the campaign – receiving the chance to walk a short while in a Big Issue vendor's shoes, and raising awareness among staff of the very real issues of homelessness and disadvantage within our community.

Workplace Giving Program

Our program for 2017 supported the not-for-profit group Edmund Rice Camps for Kids WA Inc. (ERC). ERC provide recreation and developmental activities for disadvantaged children aged 7-16 and their families, who would otherwise not have such opportunities. Approximately 45 staff participated in the workplace giving program and contributed over \$15,000 in 2017. In addition to the financial contribution from staff, several also volunteered at ERC fundraising events and camps.

Edmund Rice Camps for Kids WA Inc. was again chosen as our workplace giving recipient for 2018. We are aiming to raise over \$12,000 from workplace giving and other fundraising during the year, as well as continue to volunteer at ERC events and camps.



Culture and heritage

Topic boundary

The unique culture, heritage, history, story and characteristics of a place underpin its 'sense of place'. This could include Indigenous and European culture and range from architectural built form, to the character of the landscape and Aboriginal song lines. The nature of being a land development agency

means that our work disturbs or changes the built and natural environment and as a result, impacts culture and heritage. Understanding the intrinsic qualities of a site through the planning and design process, provides the best opportunity to recognise culture and heritage and builds on its uniqueness.

Performance

Native Title Agreements

We have entered into a number of Native Title Agreements which have enabled development to proceed on land which has been subject to Native Title. Generally, agreements create obligations, which among other things require five per cent of developed lots sales payments to the respective Traditional Owners via the Aboriginal corporation or trustee associated with the Native Title agreement.

These payments are made after the land is developed and sold to its new owner. In 2017-18, payments to Native Title claimant bodies corporate, in accordance with over 20 different Agreements, totalled \$3,628,790.75.

In addition, \$8,292.44 was paid to a Government Trust for a recipient group covered by the South West Settlement Agreement. We hold in trust accounts a further \$1,615,180.30 for Native Title claimants that have not as yet established the required recipient Body Corporates.

Reconciliation action plan

Our vision for a reconciled Western Australia is one in which the Traditional Owners and Custodians of our State are recognised and celebrated, and the inequities and unacceptable gaps that exist between Aboriginal and Torres Strait Islander peoples and other Western Australians are closed, and our various cultures can live in harmony. Through our work, we aim to address these inequities by building strong relationships, increasing recognition of traditional culture within our developments and by improving employment and economic development opportunities for Aboriginal and Torres Strait Islander peoples.

In March 2017, our Reconciliation Action Plan (RAP) (1 January 2017 to 30 June 2018) was endorsed by Reconciliation Australia and is available on our website. Our RAP includes actions and targets for relationships, respect and opportunities. Each target is a small contribution towards closing the substantial gap between Aboriginal and Torres Strait Islanders and the rest of the Western Australian community. In recent years, we have found like-minded partners in our reconciliation journey and will continue to find others so we may collectively make a bigger difference. We are currently preparing our new RAP plan for 2018-2020 using the 'stretch' template from Reconciliation Australia WA.



Recognising Aboriginal heritage, culture and history

Corporately we played a role in many ways:

- acknowledgement of Country and Elders at internal and external events;
- ensured recognition during communications with stakeholders;
- supported the initiatives of other organisations including Reconciliation Western Australia;
- working collaboratively with Aboriginal and Torres Strait Islander staff on the development and implementation of the RAP;
- engaging with Aboriginal Reference Groups on our projects;
- liaising with major Aboriginal organisations on the most appropriate ways to engage with Aboriginal people;
- compiling a register of Aboriginal owned contractors for engagement on LandCorp projects;
- undertaking pre-qualifications activities with identified Aboriginal consultants and contractor businesses; and
- actively participating in Reconciliation Week and NAIDOC Week activities.

During 2017-18, the following projects had local Aboriginal heritage, culture or history recognised:

- The Quarter and Baynton West in Karratha;
- Waranyjarri Estate and Broome Road Industrial Estate in Broome;
- Newman Town Centre in Newman;
- Blackmore Park Estate in Girrawheen;
- Allara in Eglinton; and
- Alkimos Beach and Alkimos Vista in Alkimos.

Initiatives included providing Welcome Packs from the Yawuru peoples to land purchasers and new residents in Waranyjarri Estate in Broome.

Also in Broome we held an Illumination Ceremony with the Yawuru artists Maxine Charlie and Martha Lee and local dignitaries to celebrate the installation of the Broome Road Industrial estate gateway artwork. The artworks create a stunning entry statement to not just the industrial estate but the town of Broome itself.

A smoking ceremony was held on site for Alkimos Vista in August 2017, with Lendlease and LandCorp representatives in attendance.

The ceremony was led by Senior Whadjuk Noongar elder Danny Ford, accompanied by a didgeridoo player.

Art is a central part of Aboriginal culture, connecting the past and present, and the land with the people. Through Aboriginal designed public art, we can promote Aboriginal culture in our estates to the wider public and enable the economic participation of Aboriginal artists. During 2017-18 the following projects had indigenous artists or public art initiatives:

- at The Quarter and Baynton West in Karratha artwork designed by the Roebourne Art Group was installed;
- in Newman we worked with the Nyiyaparli and Martu people on the implementation of the Newman Town Centre Cloud Rock and Rainmaker artwork and stories. The Town Centre was launched in July 2017.
- we launched the Broome Road Industrial Entry Statement sculptures by Yawuru Artists.
- at Allara in Eglinton we recognised the aboriginal heritage at the opening of the Water Park, followed by Dreamtime Klub Kinkuna Collective Canvas workshop where traditional art was taught to the community, with the completed canvas now on public display.
- at Alkimos Beach LandCorp and its development partner Lendlease held public events displaying the artwork created by the Alkimos 'Land by the Ocean' book. A public art and interpretative pedestrian walkway and cycle path commenced to identify and embed Aboriginal culture and sense of place. Welcome Packs and the Alkimos Land by the Ocean book were also provided to all purchasers.



Blue Haze Industrial Estate, Broome

Cultural awareness and competence

Corporately, our focus in 2017-18 has been on improving our cultural capacity by offering a variety of opportunities, experiences and training for staff to improve their understanding, engagement practice and cultural competence. This included:

- 96 per cent of staff (employed more than six months) having completed face to face cultural awareness training involving a full day of general cultural awareness;
- 100 per cent of staff (employed more than six months) having completed the mandatory online closing the gap cultural awareness course;
- 16 staff are enrolled in an online Cultural Competence course;
- nine staff attended a cultural experience at Elizabeth Quay;
- staff attended a Reconciliation Week event which featured a presentation by Noongar woman Brianne Yarran on the Stolen Generation titled *Owning Your History*;
- two staff completed a Murujuga Aboriginal Corporation Cultural Awareness Induction and Welcome to Country in Karratha in April 2018;
- one staff member completed a Murujuga Aboriginal Corporation Cultural Awareness Induction and Welcome to Country during a site visit to Karratha in May 2018;
- Sorry Day was acknowledged and information communicated to staff by email on the history of the day; and
- LandCorp placed an Acknowledgement of Traditional Owners in its Perth office reception area.

Recognising European cultural heritage

In Montario Quarter, Shenton Park, our vision is to create a sense of place with a strong focus on accessibility and rehabilitation through interpretation of the site's heritage. To acknowledge the European cultural heritage a multitude of initiatives are to be implemented:

- streets have been named after important doctors and nurses to honour the impact they made on the health and wellbeing of patients at the former hospital;
- two heritage buildings, including Victoria House, have been retained on site due to their historical significance;
- the site contains a number of heritage listed trees framing the entry to Victoria House and there are a number of areas of vegetation and remnant native trees that have been identified as significant; and
- in recognition of the heritage on site, an e-Book has been made available to the public called "The story of Shenton Park", to capture the site's rich European heritage.

Claremont on the Park's partnership with FORM at The Goods Shed has delivered ongoing community activation programs from the State Heritage listed building. The cultural program of events continues to create a hub of community interaction and helps bridge the divide between the Claremont Town Centre and the Claremont on the Park project. The Goods Shed was recognised with a commendation at the 2018 Western Australian Heritage Awards in the category 'Adaptive Reuse of a State Registered Place' for its influence on the Claremont Railway Station.



Corporately, our focus in 2017-18 has been on improving our cultural capacity by offering a variety of opportunities, experiences and training for staff to improve their understanding, engagement practice and cultural competence.

7.2 Relationships and partnerships

Objective

We will create value for Government by building on our track record of delivering social and economic outcomes aligned to Government policy, and solving problems for

Government. We will also continue to develop our strong relationships and partnerships with other Government departments and agencies, private sector suppliers, communities and stakeholders.

Material issues

- Property services
- Stakeholder and customer satisfaction
- Supply chain

Property services

Topic boundary

Property advice and services to State and local government agencies can provide significant value to

Government through the optimisation of surplus Government assets.

Performance

Our property services to Government

Our aim is to provide property advice that optimise the benefits of surplus Government assets and provide significant value to State and local government agencies. We do this by helping to carry out due diligence, acquire, develop and market individual sites, as well as providing property and project management services that include rezoning and the remediation of contaminated sites.

As part of our Government Asset Services Program, we provide services to the Land Asset Management Unit within the Department of Lands. The unit is responsible for the identification and sale of surplus Government land assets. LandCorp assists and adds value to the Program by providing the sale/divestment component.

In 2017-18 we provided a broad range of property services to Government, at cost recovery rates.

This program of work resulted in the following outcomes:

- sold 14 properties for Government grossing \$18,344,353. In addition, 7-9 Field Street Mt Lawley is currently under negotiations subject to rezoning being finalised;
- the program currently has 23 Government properties, with an estimated value of \$40.4 million, on the market;
- at the end of June the program had 28 Government properties, worth approximately \$29 million, being progressed towards disposal; and
- through our GAS program, we managed the investigation of contamination issues and remediation of seven sites for the Department of Planning, Lands and Heritage, the Department of Education and the Department of Primary Industries and Regional Development.



Stakeholder and customer satisfaction

Topic boundary

Stakeholder and customer satisfaction is essential for our business success. Effective stakeholder and customer	management creates positive relationships, builds mutual respect, improves communication and knowledge sharing, helps	establish common understanding and creates opportunities for corporation and collaboration.
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Performance

Residential land purchaser research

<p>Since 2012, a quarterly purchaser satisfaction survey has been commissioned to monitor performance in meeting residential customers' needs and expectations of the purchasing process. The research is conducted with customers who signed a contract to purchase land in one of our estates, typically within the three months prior to being contacted.</p> <p>Results are compared across year and across estates to identify drivers of satisfaction and dissatisfaction.</p> <p>In 2017, the sample consisted of 100 customers. The 2017 findings show that satisfaction through the purchase process was high</p>	<p>and has improved since 2012. In 2017 LandCorp achieved an overall purchaser satisfaction rating of 90 per cent. The majority of purchasers were highly satisfied with the overall purchase process and say they are highly likely to recommend purchasing land with LandCorp. High satisfaction was also observed across all touchpoints including sales offices, sales agents and conveyancing. Residential purchasers were also happy with LandCorp service overall, in terms of being helpful, resolving issues, making customers feel valued, keeping promises and minimising delays. The majority of purchasers were highly satisfied with marketing information and of those familiar with our estate</p>	<p>design guidelines the majority believe that these guidelines contributed to better build quality and design outcomes in the area. Although overall satisfaction across all areas remains high, we have identified that we can further improve satisfaction with marketing materials and design guidelines. We are also using this research to ensure that the purchase process remains as transparent as possible for customers.</p> <p>Target > than 80 per cent residential customers satisfied with overall purchase process</p> <hr/> <p>Result 90 per cent residential customers satisfied with overall purchase process</p>
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Customer Relationship Management

<p>We have a Customer Relationship Management (CRM) system that helps us to monitor, manage and capture public feedback and stakeholder and relationship interactions. The system helps us to improve our understanding of stakeholders and their interests and the interactions that are occurring across the business.</p> <p>Through this understanding and management, we hope to plan and record successful stakeholder engagement and target our communication appropriately.</p>	<p>Public feedback and complaints captured in our CRM system link to the relevant project. We aim to respond in a timely and appropriate manner as reflected in our Handling Public Feedback Policy.</p> <p>The expected response time to resolve a complaint is five working days. CRM provides visibility and reporting mechanisms to monitor complaints logged and report to Executive.</p> <p>During 2017-18, 57 complaints were logged. The majority of</p>	<p>these were of a 'normal' priority with one being considered 'high' priority and one 'low' priority. Reasons for complaints were varied however dust was the main issue, with boundary fencing, vehicle movement and safety issues also being referenced.</p>
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Membership of associations

Memberships are currently held with a number of key industry and business associations. These are the Green Building Council of Australia, Urban Development Institute of Australia (UDIA), Property Council Australia, the Master Builders Association (MBA), Housing Institute of Australia (HIA), Real Estate Institute of Western Australia (REIWA), and the Chamber of Commerce and Industry (CCI), BioRegional Australia, Australian Institute of Company Directors, Karratha and Districts Chamber of Commerce and Industry, Port Hedland Chamber of Commerce, Onslow Chamber of Commerce and Industry, Bunbury Geographer Chamber of Commerce and Industry, Joondalup Business Association, Australian Institute of Conveyancers, Civil Contractors Federation, Melville Cockburn Chamber of Commerce, Committee for Economic Development of Australia, Rockingham Kwinana Chamber of Commerce, Collier Chamber of Commerce and Industry, Peel Chamber of Commerce and Industry, Diversity Council Australia, Australian Marketing Institute, Albany Chamber of Commerce and Industry, International Association for Public Participation, Australian Institute of Management.

Our staff also participate on the following industry committees: UDIA's Urban Planning; Infrastructure; and Environmental committees; and the Property Council's Industrial Lands and Infrastructure; Sustainable Development; and Planning committees; CCI's Infrastructure Forum, MBA's Housing Committee, and the Green Building Council's State Industry Group.



Onslow

Supply chain

Topic boundary

We rely on a network of diverse suppliers to help us realise our vision and objectives. We are committed to using the influence we have within our supply chain to achieve best practice procurement for all goods and services so that we can enhance social, environmental and economic outcomes.

We seek to achieve sustainable procurement by selecting goods and/or services with no or lower negative environmental, social and economic impacts, and we require and encouraging suppliers to adopt responsible practices that optimise positive environmental, social and economic impacts.

Performance

Prequalification of our suppliers

We are committed to ethical, accountable and transparent procurement that maintains probity and fairness. To manage the supply chain we pre-screen suppliers and establish panels, preferred supplier lists, or registers via a public process. Pre-screening is based on expertise, accreditations in quality, safety, environment and indigenous engagement. By procuring from panels, registers and preferred supplier lists we seek to mitigate potential negative labour, social and environmental impacts.

To achieve balanced social, economic and environmental outcomes we rely on our network of diverse and multi-disciplinary suppliers.

The panels, registers and preferred supplier lists in place in 2017-18 are outlined in table 17. More than 40 per cent of our procurement (based on contracts) occurred via our panels, registers or preferred supplier lists. We also engage Independent Probity Advisors for high value, complex, unusual or highly contentious tenders to provide oversight for the tendering and evaluation processes ensuring compliance.



Port Hedland Community Centre

Table 17: Panels, preferred supplier lists and registers in place in 2017-18

Panels	Registers	Preferred supplier lists
<ul style="list-style-type: none"> • Legal • Engineering consultants • Environmental consultants • Marketing consultants • Environmental auditors • Tax and GST consulting services/accounting • Financial advisory services • Signage 	<ul style="list-style-type: none"> • Aboriginal businesses • Civil works contractors • Earthworks contractors • Landscaping contractors • Demolition and site remediation contractors • Landscape architects • Planning consultants 	<ul style="list-style-type: none"> • Geotechnical engineers • External project managers • Probity auditors • Safety consultants • Surveying consultants • Sustainability consultants • Bushfire planning consultants • Stakeholder/community engagement consultants • Project risk facilitators • Economists

To support sustainable procurement, we review and update standard procurement documentation, policy, procedures, checklists, scoring system, and our evaluation decision matrix on a regular basis to ensure sustainability considerations are included in our procurement process.

Procuring locally

Our procurement approach includes supporting the economic development of local Western Australian business through implementation of local participation strategies embedded

in our procurement tendering, selection and contract management processes.

In 2017-18, 66.2 per cent of our budget was spent on suppliers local to that operation. This was determined by identifying three zones and purchases obtained in those zones. In previous years this report was distributed to the Department of Finance.

However, for the upcoming year we will be implementing the State Government's 'Plan for Jobs, and on 1 October 2018, the policy will

overhaul the approach to local content in Government procurement to promote diversification and growth of the Western Australian economy.

Under the policy, prospective suppliers will be required to submit local participation plans when participating in tenders above proposed thresholds and outline local economic benefits of supply.

Future reporting of local procurement achievements will be aligned to the policy and provided to the Department of Jobs, Tourism, Science and Innovation.

We are committed to maintaining a diverse supply chain and inclusion of diverse companies in procurement to benefit our business and the wider community.

Participation of Aboriginal Business

We continue to develop strategies for effectively engaging with the Aboriginal business sector through implementation of procurement strategies, policies, and guidelines in line with Government policy and working closely with potential suppliers to support and engage with local Aboriginal businesses.

Table 18 outlines our Aboriginal business procurement for 2017-18.

Table 18: Aboriginal business procurement for 2017-18

Administration, goods and services, project consultants and works	Number of business	Number of contracts	2017-18 amount (excluding GST)
Consultants	4	4	\$ 34,047
Landscaping Contractors	3	6	\$ 1,074,184
Site Works and Repairs Contractors	1	1	\$ 4,005
Total	8	11	\$ 1,112,236

**Does not include in kind contribution, for example facilitation work to assist with development opportunities.*

The Western Australian State Government's Aboriginal Procurement Policy implemented on 1 July 2018 with the objective of developing entrepreneurship and business opportunities for the Aboriginal community. The Policy aims to support positive change and increased economic participation of Aboriginal people throughout the State and set targets for the number of government contracts awarded to registered Aboriginal businesses.

Under the policy the targets established for the first year detail one per cent of contracts valued at \$50,000 and above are aimed to be awarded to registered Aboriginal businesses when purchasing goods, services and community services. This target increases to two per cent on 1 July 2019 and three per cent on 1 July 2020.

Under the Policy an Aboriginal business is considered to be any organisation or entity that is owned or run by an Aboriginal interest,

including not-for-profit organisations. A business must be registered on the Aboriginal Business Directory Western Australia and Supply Nation's Indigenous Business Directory as suitable directories for the first year of the policy (1 July 2018 to 30 June 2019).

Achieving efficiency in our supply chain

We continue to use a fully interactive eTender system to enhance the overall quality, timeliness, cost-effectiveness and transparency of the tender process for both LandCorp and suppliers. In 2017-18, 69 tender notices (including public and private notices) were advertised on TenderLink.

Supplier diversity

We are committed to maintaining a diverse supply chain and inclusion of diverse companies in procurement to benefit our business and the wider community. In 2017-18, we continued to showcase a selection

of suppliers internally as part of a supplier diversity program. The main objective of this program is focused on raising awareness and promoting benefits of supplier diversity, as well as providing an opportunity for companies (e.g. Aboriginal businesses and disability enterprises) to promote their capability, recent projects, achievements and areas of specialisation.

E-learning module

In March 2018, we launched a new module on ELMO, our e-learning program on procurement guidelines. This module was developed to increase awareness and applied understanding of purchasing for staff who are responsible for the procurement process. The module also promotes the importance of incorporating sustainable thinking into procurement decisions. As at 30 June 2018, 12 staff have enrolled in the non-compulsory program.

We are committed to sustainable development and leading industry with a program of Innovation through Demonstration initiatives.

7.3 Market leadership and innovation

Objective

We are committed to sustainable development and leading industry with a program of innovation through demonstration initiatives to accelerate the adoption of new concepts in urban, regional and industrial development sectors.

Material issue

- Innovation through Demonstration

Innovation through Demonstration program

We are operating at a time of significant technological and demographic change with the potential to cause disruption to the way we work and how we deliver land and infrastructure appropriate for current and future generations. We believe it is important to anticipate change as much as possible and we believe it is important to continually seek new and improved ways of working.

We define innovation as any change that unlocks new value. This may be change to process, systems, products or services. The focus of our innovation program is on our land development projects - we seek to demonstrate innovation in the land development industry in order to provide leadership in overcoming development challenges, achieve development and Government policy goals in new ways and to introduce efficiencies and improved outcomes.

Our innovation approach involves following a cyclical learning process as outlined below. Our Executive team provide strategic oversight over our pipeline of innovation projects through quarterly Innovation Project Control Group meetings where they review and approve new ideas and monitor the pipeline. As at 30 June 2018, the pipeline had eight ideas in the idea phase, nine ideas in the planning phase and 12 ideas in the delivery phase.

LandCorp Innovation and learning process



Innovation through Demonstration - projects in the delivery phase

This section outlines key projects that are in the delivery phase of the innovation project pipeline.

Solar and Community Battery Storage Trial at Alkimos Beach

The trial launched in April 2016 and is thought to be the first of its kind in Australia. The Australian Renewable Energy Agency (ARENA) has provided part-funding of \$3.3 million towards the trial. The trial will provide insights into the benefits of integrating renewable generation and energy storage and dispatch into a traditional electricity network, with a view to setting new standards in future infrastructure design, management of peak demand, help consumers save money and drive long-term behavioural shift in energy usage.

The four year, \$6.7 million trial includes installation of a 1.1MWh energy storage device at Alkimos Beach and will offer participating residents virtual energy storage, rebates for solar panels, solar hot water system and other energy efficient appliances; an in-home energy display unit monitoring generation and usage; variable price plan with reduced rates for network electricity; and, an educational program to help residents maximise their energy and money saving potential.

Out of a trial target of 100 there are currently more than 50 households that are signed up to the Peak Demand Saver plan, a new product that was created by Synergy specifically for the trial. Participating households have been saving on average \$15/ month between the launch and December 2016. It is Synergy's and the project partners aim to secure more than 100 households as the Synergy data shows that a high number of households would benefit from the tariff. Community participation has been lower than expected but has increased in recent months since participants of the trial are sharing their positive experiences.

Research is also being undertaken to help identifying strategies to improve participation.

The trial is a collaboration between Synergy, the WA government owned electricity generator and retailer, and Alkimos Beach development partners LandCorp, and Lend Lease

Shared solar and battery-storage micro-grid trial at WGV, White Gum Valley

WGV at White Gum Valley is home to Australia's first shared solar and battery storage micro grid trial as part of the site's Gen Y Demonstration Housing Project and three other apartment sites. The trial is a partnership with Curtin University, City of Fremantle, Cooperative Research Centre for Low Carbon Living, Solar Balance, Power Ledger and Western Power and is part funded by the Australian Renewable Energy Agency (ARENA committed \$900,000 with the total project valued at \$2.6 million).

The innovative trial allows strata properties on site to store power in batteries, reducing demand from the grid. Smart metering and the development of a governance model enables people in strata properties to equitably share the energy and savings produced by their shared (owned by the strata company) solar panels. Demonstration of this technology and governance model has the potential to unlock renewable energy options for thousands of Australians living in strata properties.

Living Laboratory at WGV, White Gum Valley

A four year research project we have undertaken with the Cooperative Research Centre for Low Carbon Living and Curtin University, City of Fremantle, Josh Byrne and Associates and individual developers has resulted in WGV at White Gum Valley becoming a 'living laboratory',

monitoring and assessing how energy and water efficient design, technology performance and occupant behaviour impact on the carbon footprint of the precinct. This Living Laboratory project is ongoing following the development process at WGV from construction, to completion, through to occupancy. Research findings will be openly shared with the public to improve education and sustainable design in the future.

One Planet Living Accreditation at WGV

WGV is Western Australia's first residential project to achieve national recognition for its adoption of the One Planet Living Framework. It is also the second project nationally and the eleventh worldwide to achieve International Endorsement as a One Planet Community. The WGV project has been recognised as a case study demonstrating the Paris Agreement 1.5 degree agenda and for achieving multiple Sustainable Development Goals. The Curtin University Sustainability Policy Institute (CUSP) paper was published in *Urban Planning (ISSN:2183-7635) 2018, Volume 3, Issue 2, Pages 64-81*. The multiple sustainable development initiatives such as water sensitive design, energy efficient, social housing, heritage retention, landscape and community involvement were assessed under the United Nations Sustainable Development Goals Framework. Of the 17, 12 were achieved in a major way and five in a minor way suggesting that a significant urban development demonstration has been achieved at WGV. Recently the Federal Government has requested a case study on WGV as part of its 2018 national review against the Sustainable Development Goals.



Cool Earth, Craigie

Cool Earth at Craigie

The Cool Earth Project measures the temperature and energy usage of two houses built at The Vive in Craigie, which could revolutionise the way we heat and cool our homes in WA.

One home was fitted with a ground-source heat pump known as a geoexchange system while the other was fitted with standard reverse cycle air conditioning.

Over a nine-month period, the geoexchange system has seen remarkable energy saving results, with the system achieving up to 75 per cent greater efficiency when cooling the home in summer, and 35 per cent improved efficiency when heating the home in winter.

These results equate to a saving of up to \$900 per year in electricity costs.

The data comparison between the two homes has provided real time results on the performance of both systems, highlighting the geoexchange system's potential to provide a more affordable and environmentally friendly heating and cooling option for WA households.

The Cool Earth Project is a collaboration between LandCorp, the ABN Group, GeoExchange Australia, The University of Western Australia and Carbonomics.

Solar battery trial at Broome North

Broome North is home to a ground breaking solar pilot program that will give participating residents greater access to renewable energy, more control over their energy use and significant reductions in power bills.

We partnered with Horizon Power to launch the Smart Sun pilot program in November 2017. The Smart Sun package has been offered to six existing residents at Broome North and six new residents purchasing in stage 10 of Waranyjarri Estate by 30 June 2018, for a heavily discounted fixed price of \$5,000 which includes the supply and installation of solar panels, a storage battery, and an inverter combined with "smart" appliances including air-conditioning and hot water systems. Together each package is valued between \$20,000 and \$35,000 depending on the home.

Residents will be able to track and manage their power consumption through an energy management system mobile app, which can lead to significant reductions in living costs.

The Smart Sun pilot will allow Horizon Power and LandCorp to investigate and test an integrated energy solution and work towards solving key grid and land development challenges for projects of the future.

Museum site Knutsford 'Beyond WGV' - CRC Low Carbon Living and CRC Water Sensitive Cities

We are participating in a 'Beyond WGV' Cooperative Research Centre for Low Carbon Living research project. The work builds on the research into zero energy development and micro-grid battery storage and photovoltaics at WGV at White Gum Valley. The project agreement was signed by LandCorp in January 2018. An outcome of the project will be a manual for the future developers of the Knutsford Precinct.

We submitted a letter of support for the Power Ledger block chain trial to the Australian Renewable Energy Agency. In November 2017, the Australian Government awarded a Smart Cities grant of \$2.57 million to an \$8 million project in the City of Fremantle, which will use the Power Ledger platform. \$5.68 million will be expended through project partners including Curtin University, Murdoch University, Curtin Institute of Computation, LandCorp, CSIRO/ Data61, CISCO and Power Ledger.

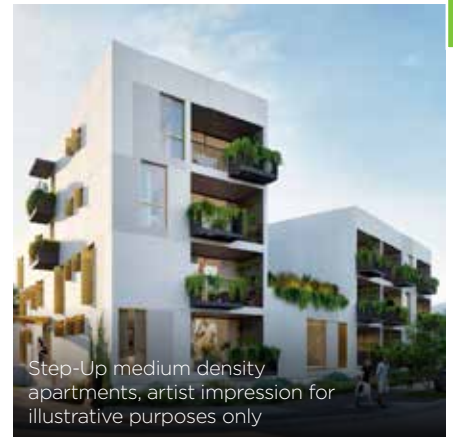
The Museum site in Knutsford, is building on the learning of WGV, and through the strong research relationships mentioned are exploring innovative, integrated and resilient energy and water systems. The project team are exploring the feasibility of different initiatives and technologies.

In addition to these existing research partnerships, in March 2018, researchers from the CRC for Water Sensitive Cities (CRC WSC) had a site visit and workshop on the Knutsford precinct with the objective of exploring urban infill development typologies and infrastructure that can achieve water sensitive city outcomes. The Museum site and the broader Knutsford precinct are being considered as a national case study for research on infill development by the CRC WSC.

The Baugruppen development model supports the delivery of affordable housing.



Gen Y apartments at WGV



Step-Up medium density apartments, artist impression for illustrative purposes only



Baugruppen at WGV, artist impression for illustrative purposes only

Baugruppen at WGV, White Gum Valley

A partnership with the University of Western Australia Faculty of Architecture, Landscape and Visual Arts is underway to deliver a medium density apartment delivered via the 'Baugruppen' (building groups) process. The Baugruppen development model supports the delivery of affordable housing as the building group members, the future owner-occupiers, join together to become their own developer, avoiding typical developer costs. A WGV lot has been set aside for this innovative project. Concept designs have been created and the project team is now assembling the building group members.

Housing for Gen Y at WGV, White Gum Valley

The Gen Y project completed this year with the sale of one apartment in June 2017 and the other two in November 2017. The Gen Y project is involved in the 'Living Laboratories' research being undertaken by Curtin University and is being monitored for energy and water efficiency along with other developments in WGV. Residents are able to access day-to-day information regarding the performance of their building including energy and water use through monitors in the homes.

The 'Living Laboratories' research project includes the monitoring of different dwelling types to assess design performance, as well as the impact of technology choice and occupant behaviour on energy use and carbon emissions. The project will also explore the inter-relationships between developers, local government, builders and purchasers in regards to low carbon aspirations and outcomes, and how these can better align.

The research findings from the WGV Living Laboratory will be shared via videos, publications and events to help foster a national conversation about the future of low carbon residential developments in Australia.

Step Up Design Competition

The final stage of the Step-Up Competition concluded in June 2017 with the assessments of the Stage 3 submissions. The winning submission, by David Barr Architects, was highly regarded by the assessment panel as it provided a high degree of affordability and diversity as well as high design quality overall. The concept provides for a range of dwelling sizes and a number of features are included to promote social inclusion and affordable living.

The proposed design provides a mix of apartments including studios, and 1, 2 and 3 bedroom apartments that range from 37 to 83 square meters. The concept includes a communal laundry, rooftop terrace, BBQ area, internal space and a guest bedroom which can be booked out by residents. A lift, bike parking and storage for residents are also provided. The construction system proposed includes a prefabricated wall system and modular concrete flooring.

Considering the current slow market conditions, a range of delivery options are now being tested to ensure viability of the project in the longer term. Opportunities for funding and grants will also be considered as part of the development of a business case later in 2018.

Demonstration Medium Density Precinct at Shoreline, North Coogee

This year we have been heavily involved in tackling the issues of diversity and affordability with the aim of providing a wide range of lots to suit different housing typologies in our infill developments. Working closely and collaboratively with stakeholders, local and State Government, developers and builders, we have undertaken a series of design workshops to investigate the potential for medium density housing at Shoreline.

The process involved the development of a number of concept options, testing a range of urban design themes and principles before refining the subdivision layout to a preferred option. Subdivision planning

and housing design were undertaken simultaneously so that each could inform the other. This intensive design led process resulted in the development of a precinct design where pedestrian safety and comfort takes precedence over vehicles.

The plan was then rigorously assessed to ensure that the drainage, parking, services and access requirements could be accommodated without losing the original vision for high quality housing and public space amenity. Further testing and detailed design is required to ensure that the proposed housing typologies meet desired price-points and market demand, as well as all statutory requirements.



Subdivision
Concept Design



3D Massing Model

Disrupt '17' Innovation Week

In November 2017, we ran our first innovation week for LandCorp staff called 'Disrupt '17'. The key objectives of Innovation Week were to:

- disrupt business as usual thinking, behaviours and approaches; and
- to raise staff awareness of innovation, this included awareness of the importance of innovation and the role we all have in seeking improvement and awareness of the innovation that is occurring at LandCorp and elsewhere.

Below is a brief summary of the outputs of the 'Disrupt '17' innovation week:

- seven external presenters over four sessions with 35-40 attendees on average at each session. Session topics ranged from smart cities and precincts, the future of transport, innovation in the start-up sector, and corporate approach to innovation practices and culture.
- six LandCorp presenters shared their experiences and lessons with innovation at LandCorp. The projects covered included WGV at White Gum Valley, Rockingham Industry Zone (RIZ), Gen Y at WGV, Cool Earth at Craigie, Smart Sun at Broome and the IT upgrade roll out at LandCorp.
- four virtual reality painting sessions using cutting edge technology.
- a new ideas space was launched – an underutilized office was converted to an ideas space that was designed to support brainstorming and group work.
- a new innovation page was launched on our LandCorp intranet which included innovation thinking tools and resources.
- during the week, we ran a game designed to challenge our habits and 'hack' our culture by rewarding micro behaviours and actions that are aligned with our values and innovative behaviour. The game was an acknowledgement of the ease in which we rely on habit and do things in the usual way – while habit and routine can be useful to get things done we may miss the opportunity to focus on doing the right things or identifying new opportunities. 68 per cent of staff participated in the game. On average staff completed 3.7 actions, each aimed at disrupting behaviour. These ranged from discussing a new idea with a peer, watching a TED talk on creativity, to drafting an innovation proposal that could be pitched to our Executive team.

We plan to hold another innovation week in 2019.



Industry assessment and accreditation

We use industry accreditation tools across some of our projects to help us achieve improved outcomes beyond a business as usual approach. Table 19 outlines our use of industry assessment and accreditation tools over the past seven years.

Table 19: LandCorp's use of industry assessment and accreditation tools between 2012-17

2012	2013	2014	2015	2016	2017	2018
		GBCA 4 Star Green Star Interiors Rating achieved for LandCorp's office refurbishment.				
	Through the Lendlease and LandCorp partnership, Alkimos Beach was first certified for EnviroDevelopment across six elements of ecosystems, waste, water, materials, energy and community in February 2013 - the first WA project to have been certified for all six 'leaves'.					
			Through the Lendlease and LandCorp partnership, Alkimos Beach was awarded six star Green Star Communities rating - the first project in Australia to be awarded six stars - equivalent to World Leadership.			
Through the Satterley Property Group and LandCorp partnership, Evermore Heights, Baldivis was first certified for the energy, water and community elements of EnviroDevelopment in January 2012.						
	Through the Cedar Woods and LandCorp partnership, Carine Rise, Carine was first granted EnviroDevelopment certification in November 2013 for four elements: ecosystems, energy, water and community.					
WGV at White Gum Valley achieved national recognition in May 2015, and international endorsement as a One Planet Community in November 2015 for its application of the One Planet Living framework - a first in WA, second in Australia and 11th in the world.						
Rockingham Industry Zone was first certified with EnviroDevelopment in September 2015 for the four elements of ecosystems, community, water and energy and recertified in 2016.						

We are currently investigating the use of an industry accreditation tool for the following projects: Ocean Reef Marina, Peel Business Park, Kensington Mixed-Use Innovation Precinct, Knutsford, and Subiaco East. For Montario Quarter, Shenton Park we have lodged a submission for Green Star Communities rating targeting 5 Stars.

Parkside Walk, Jolimont was certified with Multi-Unit Residential EnviroDevelopment for five elements of water, energy, waste, ecosystems and community - the first multi-unit residential development to receive this certification.

Allara, Eglinton in partnership with the Satterley Property Group was certified with EnviroDevelopment for six elements - the second residential development in WA to achieve this, with Alkimos Beach being the first.

Shoreline, North Coogee was accredited for five EnviroDevelopment elements: water, energy, waste, ecosystems and community.



Shoreline, North Coogee
Artist impression for illustrative purposes only



Baynton West Pump Track



Recognition

During 2017-18 we received the following recognition.

2017 Australian Institute of Landscape Architects' (AILA) WA Landscape Architecture Awards in July 2017:

- Baynton West won - *Parks and Open Space Award of Excellence*
- Koombana North won - WA Medal and the *Civic Landscape Award for Excellence*

At the 2017 UDIA WA Awards for Excellence in September 2017 LandCorp won the following:

- WGV at White Gum Valley - *Urban Water Excellence*;
- WGV at White Gum Valley - *Sustainable Urban Development*;
- The Playground at Coolbellup - *Residential Development Under 250 lots*; and
- Alkimos Beach - *Residential Development Over 250 Lots*

Australian Water Association WA Water Awards in October 2017

- WGV at White Gum Valley won - *Water Sensitive Urban Design award*

Australian Property Institute National Excellence in Property Awards Environmental Development Award

- WGV at White Gum Valley was a finalist

State Arts and Culture Partnership Honours Awards

- LandCorp - *Community Investment Partnerships* for our collaboration with FORM on the Goods Shed community hub at Claremont on the Park

Australian Institute of Architects' National Architecture Awards in November 2017

- Gen Y Demonstration Housing project at WGV received a national commendation.

The following projects won their categories at the 2017 Planning Institute of Australia (WA) Awards of Excellence in November 2017:

- The Goods Shed, Claremont on the Park - *Community Investment*;
- Claremont on the Park - *Best Planning Ideas-Small Project*.
- Montario Quarter, Shenton Park - *Improving Planning Processes and Practices*.

2018 Property Council of Australian National Innovation and Excellence awards, announced in May 2018

- Alkimos Beach won the - *Best Master Planned Community award*
- The Goods Shed, Claremont on the Park was a finalist in the *Best Heritage Development* category.



The Goods Shed, Claremont on the Park

At the **national Urban Development Institute of Australia Awards for Excellence** in March 2018, LandCorp and Lendlease won the award for Best Residential Development in Australia at Alkimos Beach.

Claremont Railway Station (The Goods Shed) received a commendation at the **2018 WA State Heritage Awards**, in March 2018, in the Adaptive Reuse of a State Registered Place category.



Shoreline, North Coogee

7.4 Organisational and commercial sustainability

Objective

We will build a highly skilled, engaged and values driven workforce as well as robust systems to support our efforts to deliver balanced social, environmental and economic outcomes. We will focus on being market responsive, self-funded and investing capital for the future, while delivering significant value projects and targeted financial returns to the State Government.

Material issues

- Financial resilience
- Anti-corruption
- OSH
- Staff diversity and wellbeing

Financial resilience

Topic boundary

Our financial performance is critical to our success, viability and future sustainability as it enables us to continue to deliver essential land supply for the residential, commercial and industrial sectors, meet infrastructure requirements

and address Government priorities across Western Australia.

A key priority and requirement of our legislation is to act in accordance with commercial principles by performing our

functions in a cost efficient manner, endeavouring to achieve or surpass financial targets and ensure that no project undertaken fails to meet the expected internal rate of return defined annually through our Strategic Development Plan.

We will focus on being market responsive, self-funded and investing capital for the future, while delivering significant value projects and targeted financial returns to the State Government.

Performance

Direct economic value generated and distributed

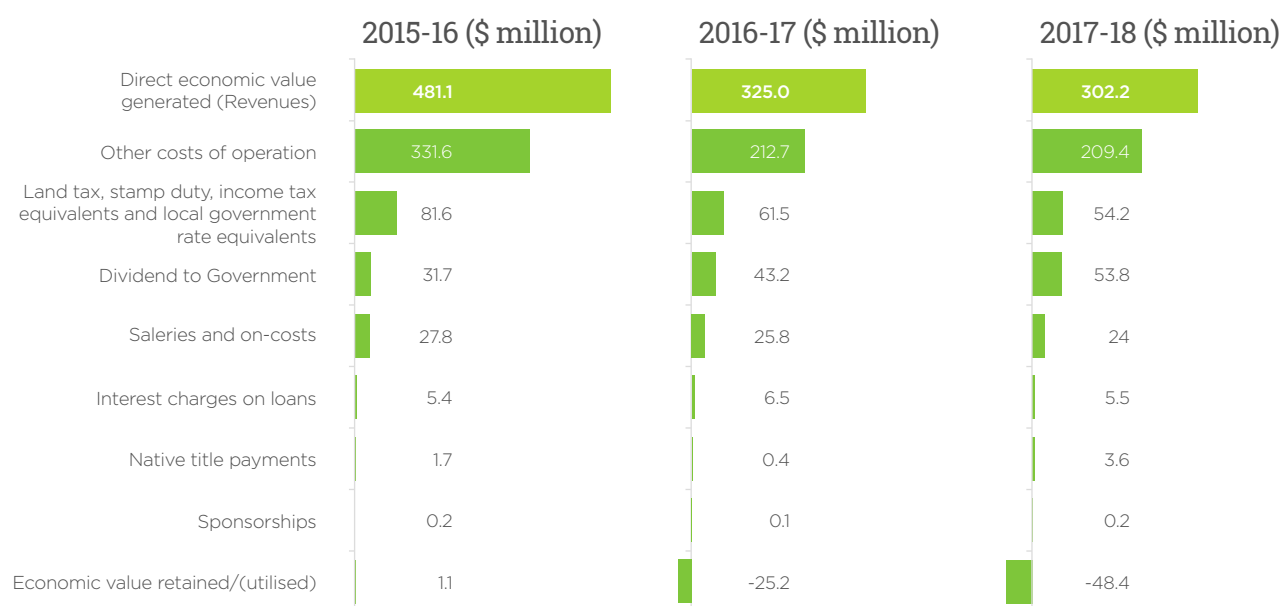
In 2017-18 we achieved sales revenue of \$194.6 million (2016-17 \$164.6 million) and despite the challenging economic and property market conditions, recorded 18 per cent in growth over the prior year. The majority of sales revenue was from the metropolitan program with sales of \$136.3 million (70 per cent). The remaining two portfolios made up the balance with industrial lands

contributed \$54.5 million in land sales whilst regional sales equated to \$3.8 million highlighting the diversity of product mix we provide across the State.

Driven by solid revenue growth and containment of expenditure we delivered a profit after tax position of \$6.8 million. Prudent management of cash flow resulted in us remaining within approved net debt limits with borrowings being \$219 million at 30 June 2018. During 2017-18 we paid

out \$16.2 million for land acquisitions and \$92.5 million in development expenditure to deliver future land supply.

In 2017-18 we returned to the State finances a total of \$108.0 million in relation to payments to the Government for dividends (\$53.8 million) and land tax, stamp duty, income tax equivalents and local government rate equivalents (\$54.2 million).



Note: Direct economic value generated includes land sales revenue, Government operating subsidies paid to LandCorp to undertake various land development projects, rental income received and various other income.

Operating Subsidy Arrangements

We continue to undertake select land development projects on behalf of the Government that either address market failure or require “top up” funding to ensure that a minimum internal rate of return is met as articulated in Section 25A(3) of our enabling legislation. Such projects receive appropriations in the form of operating subsidies.

In 2017-18 we received \$56.2 million in grant funding which was directed across the State in the delivery of a range of projects from Karratha through to Albany. Of this funding, \$9.0 million came from Royalties for Regions including cost recoupments and “fee for service” projects such as Karratha City Centre Infrastructure Works, Port Hedland Waterfront Revitalisation, Bunbury Waterfront Transformation, and Newman Town Centre Revitalisation. Of the

remaining \$47.2 million, \$29 million related to holding costs for strategic land and infrastructure that we hold on behalf of the State with the majority of funding returned to the State by way of tax equivalents and dividends. The balance of funding relates to projects where we are addressing market failure within regional towns or we require a “top up” to achieve the minimum internal rate of return required under the Act for a given project.



Anti-corruption

Topic boundary

Fraud and corruption can cause significant harm, including undermining public trust in the integrity of an organisation and reputational damage. This underscores the importance of implementing effective prevention strategies at all levels of the organisation and maintaining a culture of integrity.



Newman Senior High School

Performance

Managing risks related to corruption

LandCorp has zero tolerance for fraud and corruption and adopts a risk-based, precautionary and proactive approach based on prevention. LandCorp manages risk related to corruption across all of its operations. This involves a system of procedures and policies that include: Fraud and Corruption Control Framework, Fraud and Corruption Risk Register, Code of Ethics and Code of Conduct, fraud audits, director's and officers' liability insurance risk assessments, corporate risk register (strategic and operational), project risk management, Conflict of Interest Policy, and communication and training.

The Fraud and Corruption Control Framework has been developed in line with the Standards Australia AS 8001-2008 Fraud and Corruption Control best practice principles to develop a robust approach to fraud and corruption control.

Our Enterprise Risk Management Framework embeds fraud and corruption risk management to proactively mitigate risks posed by fraud and corruption before they occur. In addition to the Framework, a detailed Fraud and Corruption Risk Register has been developed, identifying risks, potential causes, consequences and key controls in place. The Register is updated and reviewed every six months, and reported through to the Executive and the Board's Audit and Risk Management Committee. The key risks identified in the Fraud and Corruption Risk Register are around procurement probity, misuse of LandCorp systems

and data, due diligence in human resourcing and falsifying financial reporting. While these risks have been identified there are very strong controls in place to mitigate occurrence.

Our Board is committed to the highest standards of corporate governance and use a range of benchmarks to guide its practices, including the *Public Sector Management Act 1994*, the Principles of Good Corporate Governance as determined by the Australian Stock Exchange (to the extent they can be applied to the organisation), and the Australian Institute of Company Directors' Code of Conduct. In addition, LandCorp's Board received presentations from the Corruption and Crime Commission around fraud and corruption behaviour.

Communication and training

We are committed to the highest possible standards of openness, probity and accountability in all our undertakings. Through our induction process all staff members are made aware of policies and procedures applying to fraud and corruption.

An online eLearning centre delivers training courses to staff. Two modules, the 'Fraud and Corruption Awareness' module and 'Accountable and Ethical Decision Making' module, are mandatory for all staff to complete every two years. The 'Fraud and Corruption Awareness' module has been designed to raise awareness of and educate staff of their roles and responsibilities around fraud and corruption. The 'Accountable and Ethical Decision Making' module aims to highlight what it means to

act accountably and ethically in all decisions and actions, providing staff with an understanding of the Western Australian Public Sector's Accountability Framework. At 30 June 2018, 100 per cent of staff had completed the 'Fraud and Corruption Awareness' module and 100 per cent of staff completed the 'Accountable and Ethical Decision Making' within the last two years.

Internal audit for continuous improvement

In the 2016-17 Fraud and Corruption Risk management policies and practices were reviewed as part of the internal audit program. Several steps were taken in response to the audit recommendations over 2017-18, including updating the Fraud and Corruption Control Framework, development of an additional training module on fraud and corruption awareness for staff, Police Clearance has been embedded within human resources recruitment process, and promotion of the Public Interest Disclosure process and officers to all staff via presentations and posters. A follow-up audit was conducted in April and May 2018. It included a follow-up survey with staff, collecting information about staff experiences in the past 12 months in regards to fraud and corruption. The findings were presented to the Audit and Risk Management Committee in June 2018 and recommendations to be implemented in 2018-19.

Incidents

During the financial year no corruption incidents were identified and recorded.

Occupational Safety and Health

Topic boundary

Fundamental business success is due to a healthy, safety conscious workforce who ensure work places protect people, which in turn yield productive work environments with high quality standards and outcomes. The safety and health of staff and

work places is underpinned by safety obligations within the *Occupational Safety and Health Act 1984 (WA)*.

Our occupational health and safety commitment focuses on the wellbeing of internal staff by providing health and safety programs

promoting a culture where health and safety become essential aspects of day-to-day business practice. We engage and communicate with clients and external stakeholders to further drive our commitment to a culture of safety, compliance and performance.

Performance

Occupational safety and health (OSH) management systems

LandCorp operates within the guidance of *AS/NZS 4801:2001 Occupational Health and Safety Management Systems*. Our internal OSH management system is monitored and audited on a cyclical basis. LandCorp's Safety Management Plan is in accordance with *ISO 45001 Standard*, which has become the internationally accepted standard for small, medium or large companies. Aligning to this standard demonstrates best practice governance to stakeholders, shareholders, regulators and the public.

Worksafe accreditation

In July 2017, we qualified for a WorkSafe Plan Platinum Certificate of Achievement, the highest level

an organisation can achieve. The accreditation is administered by the Department of Commerce's WorkSafe Division, and is specifically for organisations under the jurisdiction of Western Australian safety and health legislation. Gold accreditation has been held since June 2015.

OSH training

A compulsory online OSH training module is completed and assessed every two years by all staff. In 2017-18, 100 per cent of staff met this requirement. In addition, all new staff members and contractors received a face to face OSH orientation session.

In response to newly identified risks, procedures and training sessions focusing on the management of OSH risks on Vacant Land were completed in 2017-18. In addition,

root cause investigation training was undertaken by LandCorp's Operational Business Managers. Throughout 2017-18, all managers had been trained in OSH and injury management responsibilities, with all project-related staff trained and issued with a Construction Induction Card (White Card).

OSH committee

Our OSH committee meets quarterly to discuss health and safety issues providing a systematic and proactive way to address issues and discuss OSH matters. It consists of representatives from all divisions, as well as managers and an Executive General Manager. 10 per cent of our total workforce is represented on the committee. Committee members commit to a 12-month minimum tenure before nominating a new member.

OSH performance

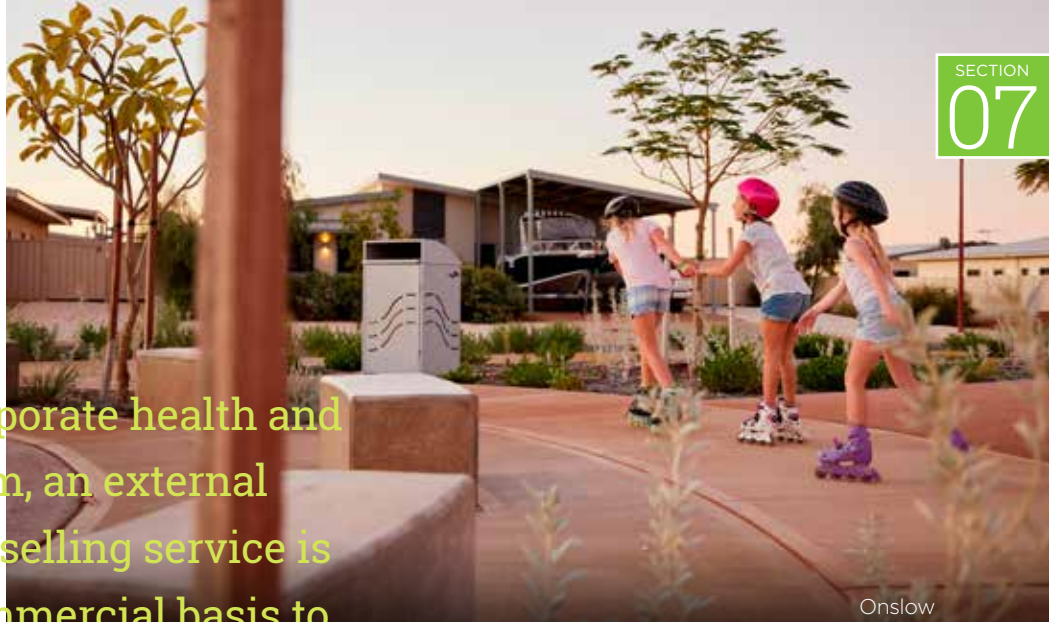
Table 20 outlines our performance against key OSH measures for employees.

Table 20: Occupational safety and health incidents

	Target	2012-13	2013-14	2015-16	2016-17	2017-18
Number of fatalities	0	0	0	0	0	0
Lost time injury and/or disease incidence rate	0	0	0	0	0	0
Lost time injury and/or disease severity rate	0	0	0	0	0	0
Percentage of injured workers returned to work:						
(i) within 13 weeks	0%	0%	0%	0%	0%	0%
(ii) within 26 weeks	0%	0%	0%	0%	0%	0%

Note: minor first-aid injuries have not been included in the injury rates.

As part of our corporate health and wellbeing program, an external support and counselling service is provided on a commercial basis to assist employees in times of distress, loss or personal problems.



Statement of compliance to injury management

A commitment is in place to provide injury management support to all workers who sustain a work related injury or illness, with a focus on safe and early returns to meaningful work and in accordance with the *Worker's Compensation and Injury Management Act 1981*.

Mates in Construction program

On the 20th March 2018, in conjunction with RJ Vincent, we launched the inaugural "Mates in Construction" (MIC) program at our Shenton Park site. Staff members from LandCorp, RJ Vincent and Pritchard Francis met at the Shenton Park Paraquad Centre to attend general awareness training (GAT), which aims to raise awareness of mental health issues and the high suicide rate in the construction industry.

This is a first time MIC has worked with a land development organisation. Shenton Park will be the pilot site with 'basic' raw data being collected for post project analysis. Initial feedback from the RJ Vincent staff in attendance has been overwhelmingly positive.

Our Compliance and Risk Manager attended the two day Applied Suicide Intervention Skills Training (ASIST) preceding the launch. ASIST training is evidence based training equipping individuals to become an ASIST worker. These workers can be compared to the first aid officer on site or in an office. ASIST workers will talk to a person contemplating suicide with the object of making this person "safe".

The findings from the Shenton Park pilot program will be assessed by the OSH Committee to determine the best way to work with MIC on future projects.

Employee wellbeing

As part of our continued commitment to mental health awareness in the workplace, 22 staff participated in Mental Health First Aid Training in 2017. We recently became a Mental Health First Aid Skilled Workplace: Silver level (10 per cent of workplace trained). To maintain this accreditation, we must maintain our numbers every year (Mental Health First Aid Training expires after two years).

During 2017-18 our staff wellbeing initiatives resulted in:

- 64 staff accessing skin cancer checks, and 97 staff electing to take the flu vaccination;
- seven adjustable standing work station 'hot desks' in place across all floors;
- 221 registrations across all initiatives during 'Health and Safety Month' October 2017;
- 125 staff accessing the fitness subsidy which seeks to encourage regular physical activity, and
- 87 staff attending quarterly pre-work 'walk, run, ride' wellness breakfasts.

Employee assistance

As part of our corporate health and wellbeing program, an external support and counselling service is provided on a commercial basis to assist employees in times of distress, loss or personal problems.

Staff diversity and wellbeing

Topic boundary

Deploying a diverse workforce with the right skills, expertise and leadership to deliver our corporate strategy is critical to our success. Our multi-disciplinary team of staff bring a

complementary range of skills to our corporate and operational projects which provide us with our point of difference. We are committed to building a culture, workplace and

environment that ensures a diverse, engaged and healthy workforce positively impacting staff wellbeing and the delivery of our strategy and projects.

Performance

Our workforce

At 30 June 2018, we had 165 employees by head count and 156.6 Full Time Equivalent employees (FTE), a reduction from 180 employees (as at 30 June 2017). The following tables illustrate the key characteristics of our workforce.



Table 21: Employees by contract and gender

Contract type	Total number of employees (as of 30 June 2018)		
	Female	Male	Total
Full-time (permanent term)	55	78	133
Part-time (permanent term)	23	1	24
Full-time (limited term)	2	2	4
Part-time (limited term)	3	1	4
Total	83	82	165

Note: Total number of employees, excluding Board members, based on headcount.

Table 22: Governing body and employees by job classification and gender

Job classification	Total number of employees (as of 30 June 2018)		
	Female	Male	Total
Board	4	2	6
Senior management	9	13	22
Middle management	11	33	44
Professional	27	27	54
Other	36	9	45
Total	87	84	171

Note: Total number of employees, including Board members, based on headcount.

Table 23: Governing body and employees by job classification and age

Job classification	Total number of employees (as of 30 June 2018)			
	<30	30-50	>50	Total
Board	0	4	2	6
Senior management	0	11	11	22
Middle management	0	26	18	44
Professional	5	41	8	54
Other	13	21	11	45
Total	18	103	50	171

Note: Total number of employees, including Board members, based on headcount.

Skills and expertise

The skills and expertise of LandCorp's workforce is diverse. In our core area of operations we have project managers and development managers with backgrounds in valuation, commerce, planning and property. In corporate areas we have finance, human resources, marketing,

sustainability, business development, and information technology professionals.

Employee turnover and retention

During 2017-18, our staff retention rate was 89.5 per cent (87.9 per cent in 2016-17) (table 24).

Table 24: Staff retention rate target and performance

Target (%)	2013-14 (%)	2014-15 (%)	2015-16 (%)	2016-17 (%)	2017-18 (%)
90.0	92.3	86.6	92.6	87.9	89.5

Our voluntary staff turnover rate was 8 per cent (11.5 per cent in 2016-17 and 7.4 per cent in 2015-16). The total turnover rate was 10 per cent, including involuntary turnover (dismissal and redundancies) of 2 per cent (table x). Career outplacement services were provided in some

cases where employees were supported in their exit from the organisation. This is still lower than the average turnover rate reported by the Australian Human Resources Institute of Australia of 16 per cent, with the property industry typically experiencing higher than average rates of turnover.

Table 25: Total number and rate of employee turnover by age and gender

Age	Number (as at 30 June 2018)		Rate (%) (as at 30 June 2018)	
	Male	Female	Male	Female
Under 30	0	0	0	0
30-50	7	8	12.7	16.7
Over 50	1	1	4.2	3.8
Total	8	9	9.8	10.8

Note: calculation for rate of employee turnover is number of employees terminated/ average headcount for 2017-2018; voluntary and involuntary terminations were included in the calculation.

Absenteeism, the average unplanned/ personal leave taken, was 9.3 days in 2017-18; this is an increase on days taken in 2016-17 (7.3 days) and 2015-16 (7.2 days) and made up 20.2 per cent of all leave taken.

New employment hire

In 2017-18, a total of six new employees were hired (13 new employees in 2016-17), the breakup by age and gender is shown in table 26.

Table 26: New employment hires in 2017-18 by age and gender

	Female	Male	Total
Under 30	1	2	3
30-50	2	1	3
Over 50	0	0	0
Total	3	3	6

Graduate program

A graduate program is in place to support and develop project and corporate skills and experience. In 2017-18, we continued the graduate employment program for 2 graduates, which included rotation across the business.

Diversity

Diversity and Equal Employment Opportunity (EEO) for all employees and prospective employees is promoted in the workplace.

Diversity targets have been defined and incorporated into our EEO Management Plan and Reconciliation Action Plan with specific focus on employment of Indigenous Australians, people with disabilities and females in senior roles. To achieve this, policies and strategies are in place to create awareness and eliminate discrimination and harassment, particularly on grounds covered by EEO legislation. Our diversity targets and performance are monitored and reported to the Board.

LandCorp continues to build relationships with diversity-focused recruitment to actively seek diversity candidates and partner with disability support groups to determine the needs and approaches to best support and retain diversity candidates in the workplace. There has been significant improvement in two of the targets (which have been exceeded) with the other target forecast to improve in early 2018-2019 (table 27).

Table 27: Diversity targets and performance

	Target (%)	Actual at June 2015 (%)	Actual at June 2016 (%)	Actual at June 2017 (%)	Actual at June 2018 (%)
Women in management*	32.0	32.1	32.5	40.0	40.9
Aboriginal Australians	3.0	1.6	1.6	2.8	1.8
People with disabilities	3.0	2.1	2.1	3.9	4.2

*Women in management is the percentage of females in the senior leadership group.

Gender equality

We are committed to ensuring that all human resource processes are free from discrimination or gender bias. Women and men are paid similar amounts for similar level work on average (table 28). We focus on recruiting and supporting females in project development and leadership positions.

We are committed to ensuring that all human resource processes are free from discrimination or gender basis.

Table 28: Female salaries as a percentage of male salaries by job classification

Job value level*	Actual at 30 2014 (%)	Actual at 30 2015 (%)	Actual at 30 2016 (%)	Actual at 30 2017 (%)	Actual at 30 2018 (%)
Senior Executive	94	92	94	94	88
Business Manager	99	99	98	97	97
Senior Development Manager equivalent	91	95	94	97	97
Development Manager equivalent	102	101	99	95	99
Administration	104	99	101	98	99

*Using Full Time equivalent salary.

Parental leave

All staff who have at least 12 months service have access to parental leave. LandCorp provides 14 weeks paid parental leave for the primary caregiver and unpaid leave of up to 52 weeks in total. This is in excess of the minimum legislated. LandCorp also tries to accommodate requests for flexible work arrangements on return from parental leave to encourage retention of valuable skills and knowledge. In 2017-18, two females and one male took parental leave.

In 2017-18, two females and one male were due to return to work from parental leave. Of these, all returned to work after their parental leave ended. In the previous financial year eight female employees were due to

return to work from parental leave. Of these, five returned to work.

The return to work rate, that is the total number of employees that did return to work after parental leave, divided by the total number of employees due to return to work after taking parental leave for 2017-18 was 100 per cent (table 29). Due to the low number involved, the return to work rate is quite variable and depends heavily on the individual circumstance of the people involved. This year LandCorp introduced a transition back to work program for high performers to help facilitate effective returns. The program was offered to the two females on extended leave and feedback was positive.

Table 29: Return to work rate following parental leave

2013-14 (%)	2014-15 (%)	2015-16 (%)	2016-17 (%)	2017-18 (%)
57.1	50.0	75.0	62.5	100

The retention rate, that is the total number of employees retained 12 months after returning to work following a period of parental leave, divided by total number of employees returning from parental leave in the prior reporting period, for 2017-18 was 100 per cent (all females) (table 30). Generally, if people are able to return to work they are retained but, again, the numbers involved are too small to draw definitive conclusions.

Over the last 5 reporting periods there were 23 people due to return from parental leave (3 of these people had two separate periods of parental leave). Of these 23, 35 per cent did not return to work; another 9 per cent left within 12 months; and 56 percent are still employed.

Table 30: 12 month retention rate following parental leave

2013-14 (%)	2014-15 (%)	2015-16 (%)	2016-17 (%)	2017-18 (%)
100	100	100	100	100



Flexible work practices

We recognise the value of flexible work arrangements as a benefit in attracting and retaining quality employees. Research shows that improving workplace flexibility has positive effects on employee engagement, job satisfaction, productivity, efficiency, staff turnover and attendance.

Employees can apply for various arrangements including variable work schedules, working from home or work reduced hours.

Currently, 23 staff work part-time hours (two male, 21 female) and two staff work from home for one or two days per week.

Learning and development

During 2017-18, we had six employees access the study assistance program (16 employees in 2016-17) which is designed to support employees who undertake advanced level development including tertiary or post graduate study.

On average our employees received 23.51 hours of work time in training during 2017-18 (table 31), this is down from last year and close to the previous year (26.9 hours in 2016-17, 18.7 hours in 2015-16, and 28.72 hours in 2014-15).

We aim to maintain a learning and development budget at two per cent of payroll, despite tightening fiscal conditions. In 2017-18, 1.14 per cent of payroll was invested in learning and development course fees and 2.28 per cent if we include the cost of an employees' time. Again this is down on the previous year where the figures were 1.5 per cent and 3.2 per cent respectively.

Table 31: Average hours of employee training (by employee category and gender)

Job classification	Male (average training hours)	Female (average training hours)	Total (average training hours)
Senior management	23.0	24.9	24.2
Middle management	17.0	29.7	23.3
Professional	25.54	23.9	24.7
Other	24.4	19.2	21.8
Total	22.6	24.4	23.5

Building knowledge and skills

To build capability across the business LandCorp has a Learning and Development Framework. The objectives are: to improve the learning culture; integrate the corporate offering for employees with business objectives and performance management; provide consistent learning and messages; increase self-driven learning; and provide a framework that captures and shares knowledge.

The framework is built on a number of tiers: 'top' for elite development opportunities for high performers; 'mid' for development of specialised skills - generally accredited and recognised; and 'base' for the development of core/compliance skills.

During 2017-18 a number of training courses were offered, including:

- **Core/compliance skills:** there are a number of mandatory training modules all staff are required to complete online. These are: Orientation; Records Management; Diversity at LandCorp, Equal Opportunity; Accountable and Ethical Decision Making; Closing the Gap (between socio-economic/health outcomes experienced by Aboriginal and Torres Strait Islander peoples, and non-Aboriginal or non-Torres Strait Islander people); Fraud and Corruption Awareness and Occupational Safety, Health and Environment Induction. This training was completed by 100 per cent of staff required to do so.
- **Single Operating Environment upgrade and training:** a number of sessions were rolled out to better prepare staff for the new operating environment and applications, including use of new tablets, Acrobat, OneNote, Project and Visio.

Driving Value Through Business

- **Acumen:** an intensive seven-week online course conducted by INSEAD designed to give key tools and perspectives to help understand how a company's strategic agenda can evolve, and how that understanding can be used to better identify opportunities for profitable differentiation, formulating an execution plan, driving organisational alignment and ultimately improve financial performance. Four senior staff participated in online learning, coaching activities and an action learning project.
- **The New Manager:** all new people managers are provided with foundation training and orientation to our human resources management policies and procedures. This year there was only one new manager and they undertook the three day, nationally accredited program aimed at developing skills in emotional intelligence, team building, performance management, culture development, motivation and managing conflict.
- **Estate Master Development:** 29 people received training over 2 sessions. Estate Master is software for inputting, interpreting and consulting on development feasibilities and appraisals. Participants were provided with an understanding on the basic concepts of development feasibility analysis followed by hands-on software training using case studies to put the theory learnt into practice.
- **ORANGES Resilience:** 24 people participated in a program designed to support overall wellbeing.

- **Mental Health First Aid:** 12 employees completed this training designed to develop skills in recognising the signs and symptoms of mental health problems, provide knowledge of possible causes and treatments available, develop skills in how to give appropriate initial help and take appropriate action if a crisis situation arises.
- **Smart Seeds Program:** 2 staff participated in the Smart Seeds innovation program run by GHD in 2018. It focuses on generating fresh ideas to tackle complex infrastructure challenges, involving interdisciplinary and intergenerational collaboration, capacity building of young professionals, and delivering industry led innovation.
- **Women in Property Mentoring Program:** LandCorp participated in the Property Council of Australia's Women in Property Mentoring Program. The mentoring program brings together women who are aspiring to a senior leadership position and senior leaders, men and women who can help build a culture of diversity within the property industry. The six month program includes: interactive workshops for mentees; facilitated group discussions with mentors; and a matching process for mentees and mentors who are expected to meet six to eight times on a one-to-one basis. During 2017-18, two LandCorp staff participated as mentees and two LandCorp managers volunteered as mentors.



Gen Y apartments at WGV

Performance management

All employees (100 per cent) received at least two regular performance and career development reviews during 2017-18 as part of the performance management process.

Superannuation contributions

We operate in Western Australia, and as such Australian law defines

superannuation contributions from employers. We adhere to these requirements.

Collective bargaining agreements

Union membership is optional and employees may elect to join the Community and Public Sector Union, the Union agreement for

employees is: Western Australian Land Authority and Community and Public Sector Union Enterprise Agreement 2011. 46 staff are covered by the collective bargaining agreement which represents 27.7 per cent by headcount and 13.6 per cent by payroll.

Corporate governance

08



Onslow

Commitment

Corporate governance is the system and process adopted to direct and manage our business and affairs and has been at the core of the Board's deliberations since the establishment of LandCorp in 1992.

LandCorp's approach to corporate governance is based on a set of values and behaviours that underpin our culture and business practices. This approach includes a commitment to robust governance standards that are fundamental to the sustainability of our operations and performance, and foster a culture of compliance which values ethical behaviour, personal and corporate integrity, accountability and respect for others.

This section includes a description of LandCorp's main corporate governance practices, which form a framework to ensure we act with high standards of corporate behaviour.

We use a range of benchmarks to guide our practices, including the *Public Sector Management Act 1994*, Public Sector Commission Principles of Good Governance for Boards and Committees and the Principles of Good Corporate Governance as determined by the Australian Stock Exchange (ASX) (to the extent they can be applied).

A comprehensive system of governance practices, developed over many years, ensures, at a minimum,

standards set out in the *Western Australian Land Authority Act 1992* and the *Statutory Corporations (Liability of Directors) Act 1996* are achieved.

The Minister for Lands has portfolio responsibility for LandCorp.

The legislation sets the foundation for the corporate governance framework and structure to be given effect by the Board of directors and defines reporting requirements.

The Western Australian Auditor General conducts annual audits of LandCorp.

Performance

Board of directors

Board role and responsibilities

The Board of directors recognises accountability to the Government and the Minister for Lands.

This requires the Board to deliver the objectives and functions set out in the *Western Australian Land Authority Act 1992*.

The Board is accountable to the Government for our performance with responsibility for:

- setting out corporate directions, submitting the annual Statement of Corporate Intent and five-year Strategic Development Plan, including financial targets, to the Minister;
- providing strategic direction and approving significant strategic corporate objectives;
- maintaining communication with the Minister and Government;
- maintaining working relationships with management;
- evaluating Board performance;
- evaluating performance of the Chief Executive;
- planning for Board and management succession;
- recommending director remuneration to the Minister;
- monitoring financial and corporate performance;
- considering and approving half-yearly and annual reports;
- assessing social, economic and environmental performance;
- reviewing, ratifying and monitoring appropriate systems of risk management and legal compliance;
- satisfying itself that appropriate internal control mechanisms are in place and are being implemented;
- determining the scope of authority (and any limits on authority) which is delegated to the Chief Executive or any other officer;
- monitoring appropriate resources are available to senior management; and
- maintaining an emphasis on audit activities.

The Board has worked throughout the year to ensure our vision, future directions and strategies is well understood and achieved.

Board composition

The Board comprises independent directors appointed by the Minister for Lands in accordance with relevant provisions of the *Western Australian Land Authority Act 1992*.

At least four of the directors are required to have relevant experience in housing, industry, commerce, finance, land development, town planning or engineering to provide a set of relevant experiences and knowledge. The skills and experiences of directors on the Board during the reporting period are set out in the Directors' Report.

The Chairperson and Deputy Chairperson are appointed by the Minister for Lands.

In accordance with Schedule 1A, Clause 1 of the *Western Australian Land Authority Act 1992*, directors may be appointed for a term of up to three years. There is also provision in the Act to enable the Minister to reappoint directors for a further term. The Chief Executive may not be appointed as a director.

The Board does not believe any director has served on the Board for a period which could materially interfere, or reasonably be perceived to interfere, with the director's ability to act in the best interests of LandCorp.

In addition, it is considered each director is independent of management and any business or other relationship that could materially interfere with exercising objective, unfettered or independent judgement by the director or the director's ability to act in the best interests of LandCorp.

The induction process includes briefings with the Chief Executive and senior management, provision of information on key corporate and Board policies, strategic plans and relevant project site visits.



It is expected directors undertake professional development to maintain skills required to discharge their duties. This may include approved industry seminars and education courses.

The Board and the Chief Executive

The Board is responsible for the appointment and employment contract of the Chief Executive subject to obtaining the Minister's approval.

Day-to-day oversight and management of operations are the responsibility of the Chief Executive who reports to the Board on issues including:

- corporate strategies;
- human resources;
- annual budgeting;
- managing day-to-day operations;
- risk management;
- operations and major project challenges and milestones; and
- strategic marketing and communications.

Board committees

The Board has three committees to focus on specific areas:

- Audit and Risk Management;
- Governance and Remuneration; and
- Statutory Planning (formerly Planning, Development and Communications).

Each committee reviews its Terms of Reference and membership annually, with any proposed changes submitted to the Board for approval. Minutes of all committee meetings are provided to the next Board meeting. A director may attend committee meetings even if he or she is not a member of the committee.

Audit and Risk Management Committee

This committee provides advice to the Board, which assists the Board to fulfil its responsibilities relating to financial reporting, risk management and compliance with internal systems and control mechanisms.

The committee has direct access to external auditors, internal auditors and senior management. The committee meets regularly, meeting external auditors at least twice a year and internal auditors more frequently. External auditors are appointed in accordance with Schedule 3A Clause 14 of the Act.

The committee comprises a minimum of three Board directors (not including the Board Chairperson) appointed by the Board. The committee has a charter setting out its responsibilities and key activities covering:

- Financial reporting;
- Internal audit;
- External audit; and
- Risk management (including internal controls).

Governance and Remuneration Committee

The Board has established this committee to assist the Board in ensuring that appropriate and effective policies, plans and practices are in place in relation to:

- corporate governance;
- Board, committee and Chief Executive performance management;

- Board and executive succession and remuneration; and
- Human resources standards oversight.

The committee comprises a minimum three Board directors appointed by the Board and a charter sets out its responsibilities and key activities.

In accordance with the *Western Australian Land Authority Act 1992*, disclosures relating to director, Chief Executive and Executive remuneration are included in the Directors' Report.

Statutory Planning Committee

The Board has established this committee as the decision making body for the Western Australian Land Authority's statutory planning responsibilities in relation to:

Redevelopment Acts

- Make decisions in accordance with, and provide advice to the Board with regard to, the Authority's statutory planning responsibilities as defined in the:
 - *Hope Valley-Wattleup Redevelopment Act 2000*; and
 - *Perry Lakes Redevelopment Act 2005*;
- Perform duties and execute powers delegated to the committee and staff;
- Administer the Authority's redevelopment Act roles and responsibilities, including:
 - preparation of project concept plans, master plans and structure plans and variations;

- redevelopment plan development, reviews and amendments;
- providing statutory advice on planning, development applications, subdivision applications and masterplan standards to other approval bodies, including matters referred to the State Administrative Tribunal;
- preparation of planning and development policies;
- administration of officer delegations;
- preparation and administration of development contribution plans;
- consideration of landowner agreements; and
- review of development guidelines.

Improvement plan and schemes

- Provide strategic advice to the Board on the use of improvement plans and improvement schemes as an appropriate statutory planning delivery mechanism for redevelopment areas.

The committee comprises a minimum of three Board directors appointed by the Board and a charter sets out its responsibilities and key activities.

Prior to 1 January 2018, this committee, known as the Planning, Development and Communications Committee, assisted the Board in monitoring and providing advice on market leadership, innovation initiatives, strategic engagement and communication policies and activities, which all underpin effective relationships with key stakeholders.



Board meetings

Board meetings are held at such times and places as the Board determines.

The Chairperson sets the agenda for each meeting in consultation with the Chief Executive. Any director may request to have a matter added to the agenda.

Comprehensive papers on matters for consideration by the Board are provided to the directors.

Members of the Office of the Chief Executive and other members of the senior management group attend parts of the Board meetings by invitation.

Board Access to information and professional advice

Directors have access to information via Executive.

The directors, Board and committees, in carrying out their duties, may seek external legal and expert advice at LandCorp's expense. They may seek this advice after consultation with the Chairperson.

Performance evaluation

The Board Chairperson is responsible for reviewing Board performance, monitoring the contribution of individual directors and counselling them on areas that may improve Board performance.

Each committee reviews its performance annually against its chartered roles, which is then reported to the Governance and Remuneration Committee.

The performance evaluation of the Chief Executive is undertaken by the Board through the Chairperson. A performance agreement and targets are set and reviews are undertaken a minimum of twice annually.

Executive performance evaluation is undertaken by the Chief Executive in line with agreed performance agreements and targets which are reviewed twice annually.

LandCorp has a strong culture of achievement via performance agreements for all staff which clarify roles and responsibilities, goals and targets (aligned to the annual business plan) as well as specific development plans.

Conflicts of Interest

A Conflict of Interest Policy is in place detailing management of such matters. This policy accords with standards set by the Western Australian Public Sector Commissioner.

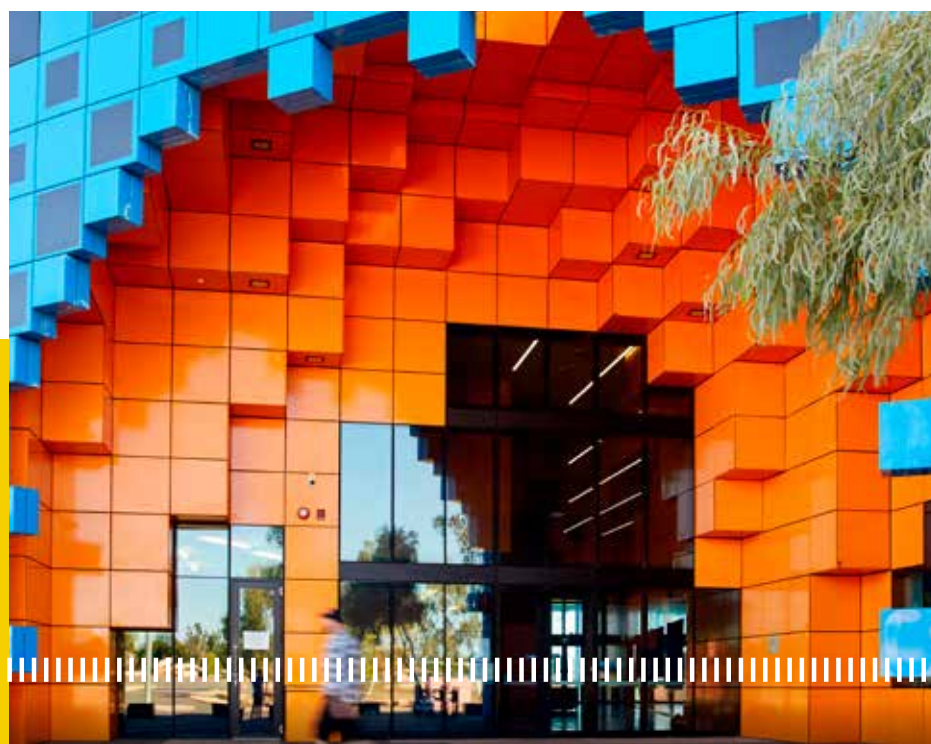
New directors appointed to the Board are required to declare financial and pecuniary interests at their first meeting. A standing protocol dictates

where a director would disclose an interest in any item on the Board meeting agenda. Disclosures are recorded in the meeting minutes, with a copy placed into a Declarations of Interest Register.

Any director who considers he or she has a conflict of interest is required to give other directors immediate notice. These interests are recorded in the Declarations of Interest Register.

Where a director makes a declaration of a conflict, the Board may allow the director to partially participate in discussion of the agenda item, make a statement to the Board prior to leaving the meeting room or request the director leave the meeting immediately.

The Conflict of Interest Policy also applies to staff and contractors who, when conflicted, are required to make a formal disclosure to the Chief Executive who determines the management action required. These interests are also recorded in the Declarations of Interest Register.



Hedland Community Centre



We adopt a risk-based, precautionary and proactive approach to our operations, with zero tolerance to fraud and corruption.

Ethical standards

The Board is required to establish minimum standards to apply to employees, management and the Board of Directors with regard to merit, equity and probity, reflected in a Code of Conduct developed in consultation with the Commissioner of Public Sector Standards.

The Code of Conduct provides guidance on a set of principles that reflects its approach to business and applies to anyone working for or on behalf of LandCorp including Board, Executive, staff and internal contractors and consultants. The Code of Conduct is part of the onboarding process, available to staff at all times via the intranet and document management

system and supported by training and awareness-raising sessions.

LandCorp adopts a risk-based, precautionary and proactive approach to our operations, with zero tolerance to fraud and corruption. LandCorp manages risk related to corruption across all operations at a corporate level. This involves a system of procedures that include: Code of Ethics and Code of Conduct; fraud audits and training (including accountable and ethical decision making training); directors and officers liability insurance risk assessments; corporate risk register, and a series of policies.

A series of policies and protocols are maintained to strengthen and affirm the approach to corporate governance. These address the key areas of:

- values and ethics;
- trade practices;
- procurement and tendering;
- gifts;
- occupational health and safety;
- equal employment opportunity;
- continuous disclosure of conflicts of interest; and
- personal duties and responsibilities.

The Governance and Remuneration Committee reviews the Code of Conduct as part of a regular review process.

The Board adopted a new Code of Conduct prepared jointly with the Metropolitan Redevelopment Authority effective January 2018 following the Machinery of Government announcement.



Shareholder

The Minister for Lands has portfolio responsibility for LandCorp.

Ministerial Reporting

Governing legislation sets out reports which are to be provided to the Minister.

The governing legislation and regulations prescribes the matters to address in the Strategic Development Plan and Statement of Corporate Intent. These documents provide the Minister with details on activities, key objectives, strategies and operational targets. Both are submitted to the Minister for approval annually, with the consent of the Treasurer. The Minister tables the annual Statement of Corporate Intent in the Parliament. The Minister was provided with all the documents within the timeframes prescribed in the *Western Australian Land Authority Act 1992*.

Beyond the legislative requirements, there is a commitment to ensuring the Government is fully informed on significant activities and developments.

This commitment is achieved by provision of information and advice to the Minister for Lands, as well as agencies such as the Department of Treasury and the Department of Finance.

Information provided includes, but is not limited to, annual reports, half year reports and budget submissions as well as responses to specific requests from Parliament, Members of Parliament, agencies and the public

Ministerial direction

The Minister may give directions in writing to the Board of directors with respect to the performance of the functions prescribed under the legislation. Any such directions must be laid before both Houses of Parliament within 14 days.

The Board has maintained a policy with respect to responding to a Ministerial direction. This policy enables the Board to comply with the *Western Australian Land Authority Act 1992* and *Statutory Corporations (Liability of Directors) Act 1996*.

No Ministerial directions were received from the Minister during the reporting period.

Ministerial approvals

The *Western Australian Land Authority Act 1992* requires LandCorp obtain the Minister's approval for transactions in which the consideration is equal to or exceeds five percent of the value of total reported assets as set out in the most recent annual report. There have been two transactions approved by the Minister in 2017-18.

Ministerial Review

Section 48 of the Act requires the Minister to carry out a review of the operation and effectiveness of the Act within six months after every fifth anniversary of the commencement of the *Western Australian Land Authority Act Amendment 2004*. In the course of this review the Minister must have regard to:

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

The next review is due mid-2020.

Corporate compliance disclosures

Freedom of Information

The provisions of the *Freedom of Information (FOI) Act 1992* apply to LandCorp and statistics relating to applications received for this reporting period are shown below. We work with applicants to facilitate full disclosure of documents where appropriate.

An Information Statement in accordance with the FOI Act, providing information about LandCorp and how to make an

FOI request is available at landcorp.com.au.

FOI Statistics 2017-18

Access applications received	3
Applications transferred to another agency	0
Applications withdrawn	1
Applications processed	2
Access in full	0
Edited access	1
Documents not found/do not exist	1
Access refused	0
Access deferred	0
Access given (s.28)	0
Applications carried over from previous years	0
External reviews received	0

Record keeping compliance

In accordance with Section 61 of the *State Records Act 2000* and the State Records Commission Standards (Standard 2 - Principle 6), LandCorp has an approved Recordkeeping Plan. In accordance with s.28 (5) of the Act, an updated Plan was submitted to the State Records Commission for approval June 2017 with the updated plan being approved October 2017. The Plan describes how records are created, maintained, managed and disposed of in accordance with LandCorp's standards and principles. Regular reviews of recordkeeping practices and systems are conducted and any opportunities for improvement addressed.

The LandCorp onboarding process for all staff and contractors includes online records management training,

including information on employees' roles and responsibilities and how they comply with the approved Recordkeeping Plan. Completion of the course is monitored and documented and there is an opportunity to provide feedback on course content.

Public interest disclosure

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information and provides protection for those who make disclosures and those who are the subject of disclosures.

LandCorp has three officers who can assist with enquiries and implement internal procedures developed to ensure compliance with obligations under the Act.

No disclosures were received this year.

Environmental regulation and management

Day-to-day operations are subject to regulation under both Commonwealth and State environmental legislation applicable to any Australian commercial entity. These include:

- *Wildlife Conservation Act (WA) 1950*;
- *Waterways Conservation Act (WA) 1976*;
- *Environmental Protection Act (WA) 1986*;
- *Environment Protection and Biodiversity Conservation Act (Commonwealth) 1999*; and
- *Contaminated Sites Act (WA) 2003*.

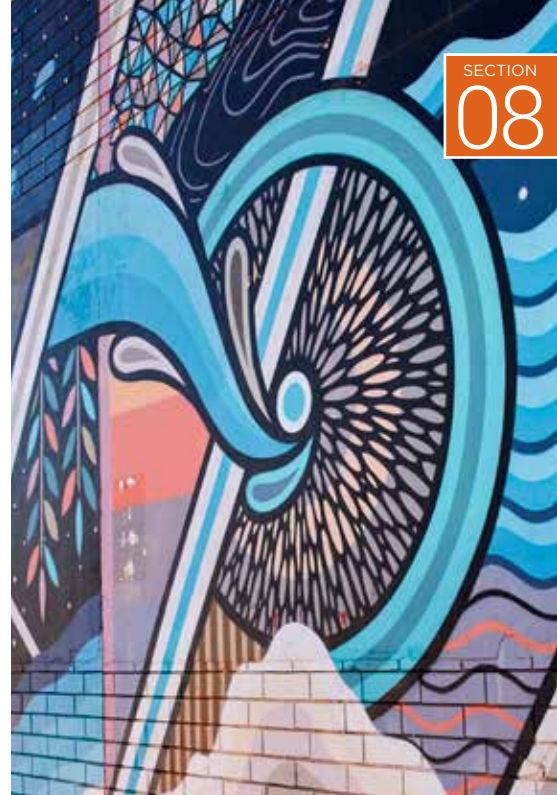


Reportable expenditure

The *Electoral Act 1907* (Section 175 ZE) requires the disclosure of certain categories of expenditure. Details of

the organisations contracted and the amounts paid for the financial year are as follows:

Advertising	\$ 1,334,211
The Brand Agency	
Media Advertising	\$ 554,920
Carat Australia Media Services Pty Ltd	
Adcorp Australia Limited	
Market Research	\$ 20,375
Research Solutions	
Direct mail	\$ 0
Polling	\$ 0
Total Expenditure	\$ 1,899,506



Risk management

A Risk Management Framework outlines the methodology, approach and responsibility for the effective management and oversight of risk within our business. The Framework aligns to *ISO 31000:2009 Risk Management Principles and Guidelines*, the international standard for risk management and provides a consistent approach to the recognition, measurement and evaluation of risks across our business. It also supports Executive Management and the Board in meeting their corporate governance responsibilities.

The primary focus of our risk management governance structure and internal control systems is to identify, assess and mitigate material business risks with the aim of enhancing value to our shareholder and protecting assets.

Risk management assessments are undertaken at strategic, operational and project level. Our risk assessment system cascades from the strategic plan through to operational and project plans and integrate into key performance indicators and individual performance plans.

Political, economic, stakeholder and regulatory legislative factors are considered when assessing strategic risks, while corporate objectives and organisational structures are considered for operational and corporate risk analysis. Strategic risks are considered 'high level' and are associated with achieving corporate objectives and threats to the long-term sustainability of the business. Operational risks impact LandCorp as a whole and are associated with threats to our overall business plan and business functions. Our Corporate Risk Register contains strategic and operational risks.

All projects have a lifecycle from initiation through to planning, contracting, design, construction and sales and require risk identification and management to ensure successful completion. The project risks are contained within the risk module in Clarity, our project management system. If common themes arise during the review of project risks, they are escalated to the Operational Risk Register.

Another key ingredient in having a positive and proactive risk culture is having a well-defined organisational risk appetite to drive behaviour and

outcomes. In general, we have a 'low' risk appetite, with exception in areas of safety and health, fraud, corruption, misconduct and wilful breaches of confidentiality, where risk appetite is "zero". 'Moderate' and 'high' risk is only tolerated in specific areas subject to a full understanding of the potential benefits and risks, the required authorisation being obtained and effective controls being fully in place. This approach was reviewed and agreed in 2017.

The Board has delegated the responsibility for oversight of risk management to the Audit and Risk Management Committee. The role of the committee is to assist the Board in its oversight responsibilities related to financial management and reporting, external audit, internal audit and risk management of LandCorp. The committee monitors enterprise risk management activity incorporating its impact on mitigating material risks to the business through oversight of the Corporate Risk Register (tabled four times a year to the committee and bi-annually to the Board) and the Risk Management Framework (tabled biennially to the committee).

Directors' Report

The LandCorp Board of Directors presents its report for the financial year ended 30 June 2018.

Directors

The *Western Australian Land Authority Act 1992* (the Act) prescribes that the Board is to comprise between five and seven directors at any one time, with the Minister for Lands being responsible for Board appointments.

Persons who held the office of director during the course of the year were as follows:

Director	Date First Appointed	Appointment Term
George McCullagh (Chairperson)	28 September 2010 1 January 2018	31 December 2019
(Deputy Chairperson)	22 June 2015	
Simon Read	27 April 2010	31 December 2019
Kylee Schoonens	1 September 2016	30 June 2020
Jane Bennett	1 January 2018	31 December 2020
Rebecca Field	1 January 2018	31 December 2020
Dale Page	1 January 2018	30 June 2020
Paul Lakey	1 January 2018	16 April 2018
Monty House (former Chairperson)	6 April 2009	31 December 2017
Peter Cooke	6 April 2009*	31 December 2017
Peter Gibbons	1 January 2013	31 December 2017
Sue Middleton	1 July 2015	31 December 2017

* First appointed 6 April 2009 to 9 June 2010. Reappointed 14 February 2011.

The qualifications, experience and particular responsibilities of each director are set out below.

Current directors:

George McCullagh was initially appointed director of the LandCorp Board on 28 September 2010, George became Deputy Chairperson in June 2015 and as of 1 January 2018, chairs both the LandCorp and Metropolitan Redevelopment Authority Boards. George was previously a Partner with the international consulting firm Deloitte. Over the past 15 years, he has worked as a consultant in independent practice providing commercial and advisory services to a range of planning, infrastructure, transport and redevelopment organisations in Western Australia. George is a member of the Australian Institute of Company Directors.

Simon Read was appointed to the Board on 27 April 2010 and currently chairs the Board's Audit and Risk Management Committee. He has honed his hands-on skill set spanning 25 years working with Australia's leading corporate recovery specialists where he has specialised in corporate reconstruction, turnaround and business improvement. He currently consults, specialising in the complex area of the *Personal/Property Securities Act 2009*. Simon has significant experience working across a number of sectors including forestry, mining, engineering, finance and property. He is a Graduate of the Australian Institute of Company Directors and a Chartered Accountant.

Kylee Schoonens was appointed to the Board on 1 September 2016. She chairs the Board's Statutory Planning Committee and is a member of the Governance and Remuneration Committee. As experienced Architect and Director of her own architectural practice, Kylee has led the design and delivery of many aged care, multi-residential, retirement and community projects across Western Australia. Her work within the architectural profession resulted in her receiving the 2015 Australian Institute of

Architects WA Emerging Architect Award and the 2014 WA Business News 40Under40 Award. Kylee is a non-Executive Director for Bethanie, WA's largest not-for-profit aged care provider and a council member for a number of industry Boards and committees including the Property Council of Australia (WA Division) Divisional Council and the Australian Institute of Architects Chapter Council. She is a Graduate of the Australian Institute of Company Directors.

Jane Bennett was appointed to the Board on 1 January 2018, Jane is a member of the Board's Statutory Planning Committee. As an owner and Director at CLE Town Planning and Design, her experience spans town planning in local government and private practice. Jane has been instrumental in the planning and delivery of major residential, commercial and industrial projects in Western Australia as well as Government and institutional projects. She is a strong advocate for, and actively involved in, the planning reform agenda. Memberships include the Western Australian Planning Commission. She is a Graduate of the Australian Institute of Company Directors, holds an MBA and planning qualifications. Jane was made a Fellow of the Planning Institute of Australia in 2015 for her contribution to planning.

Rebecca Field was appointed to the Board on 1 January 2018, Rebecca chairs the Governance and Remuneration Committee and is a member of the Audit and Risk Management Committee. Rebecca is also a partner at Corrs Chambers Westgarth. Known for her combination of excellent technical ability, good commercial sense and strategic thinking, Rebecca advises clients on the legal, strategic and risk management issues associated with property development and redevelopment projects and the sale, acquisition and leasing of large commercial, retail, industrial, pastoral, agricultural and tourism assets. Rebecca also has many years' experience in property and development finance. Rebecca is on Corrs' Audit and Risk Management Committee and is a director of Corrs Support Services Pty Ltd, Corrs Enterprises Pty Ltd and Corrs Enterprises Holdings Pty Ltd.



Dale Page was appointed to the Board on 1 January 2018 and is a member of the Board's Statutory Planning Committee, Governance and Remuneration Committee and Audit and Risk Management Committee. As Director of Planning and Community Development at the City of Joondalup since 2010, Dale is responsible for statutory and strategic urban planning, building approvals, environmental health (including immunisation), planning and building compliance (including swimming pools), community development activities and the City of Joondalup's four libraries. Dale has considerable experience in delivering land development projects throughout Western Australia, previously working in senior roles at the East Perth and Subiaco Redevelopment Authorities and LandCorp.

Directors who resigned or whose term ended during the period

Monty House was appointed Chairperson on 6 April 2009. Monty has enjoyed a distinguished 40-year career of public service, commencing as a Shire Councillor and Shire President at Gnowangerup. As a former Member of Parliament representing the Stirling electorate, Monty also served as Minister for Primary Industry and Fisheries as well as Deputy Leader of the National Party. Monty is the owner/manager of an extensive grain and sheep farming business in WA. Monty has been Chairman, and a Board member, of a number of private and publicly listed companies both in Australia and overseas. He is a Member of the Australian Institute of Company Directors and a serving Justice of the Peace. Monty's term of appointment ended on 31 December 2017.

Peter Cooke was initially appointed 6 April 2009. Peter was Chairperson of the Planning, Development and Communications Committee and a member of the Governance and Remuneration Committee. He has a varied and extensive background in agriculture, agribusiness, marketing, strategic planning and communications. For the past 20 years he has been the principal of AgKnowledge, a small agribusiness firm specialising in providing strategic business development to a range of companies, government departments and enterprises across Australia. Peter is currently an Independent Director of the Western Rock Lobster Council, he was a Director of Landgate (2007-12), and Chief Executive Officer of the Kondinin Group (1988-1997). Peter is a Fellow of the Australian Institute of Company Directors, and currently an Independent Chairperson for four Family Businesses. Until the London Olympics Peter chaired the National Selection Panel for Australia's Equestrian Olympic team. Peter's term of appointment ended 31 December 2017.

Peter Gibbons was appointed on 1 January 2013. Peter was a member of the Audit and Risk Management Committee and Governance and Remuneration Committee. Peter has extensive experience in property investment banking, property development and property financing and funds management. Peter has strong knowledge and understanding of the issues and challenges of regional development in Western Australia. He has previously held a number of senior Board positions including the Board of the Silver Chain Group and Commissioner of the West Australian Football Commission. Peter is also a non-Executive director of not-for-profit aged care and retirement group Bethanie, and chairs its Property Development Committee. Peter is also highly involved in developing new technologies for the property sector, and is Managing Director of Openn, a digital real estate negotiation platform. Peter's term of appointment ended 31 December 2017.

Sue Middleton was appointed on 1 July 2015. Sue was a member of the Audit and Risk Management Committee. Sue helps to manage a diverse agribusiness operation and has wide ranging and deep change management experience across business, commodity groups and sectors and regional and local rural communities. Sue was formerly the Chairperson for the Western Australian Regional Development Trust and was the Rural Industries Research and Development Corporation's Rural Woman of the Year 2010. Sue has held extensive Board and Leadership roles across all levels of industry and government, including Regional Women's Advisory Council, the National Rural Advisory Council and a Commissioner on the Agricultural Produce Commission for Western Australia. Sue's term of appointment ended 31 December 2017.

Paul Lakey was appointed to the Board on 1 January 2018 and was a member of the Board's Audit and Risk Management Committee. Paul is also past president of the Urban Development Institute of Australia (WA); former member of the Urban Development Institute's National Board and is currently Regional General Manager - West (WA,SA,NT) for listed national property developer, Peet Limited. Paul has almost 30 years' experience in the property and development industry and has worked on many facets of property development across Australia, Europe and the Middle East, with professional qualifications in civil/structural engineering. Paul resigned from the Board effective 16 April 2018.

Directors' Meetings

Details of attendance by Directors at Board meetings and Board committee meetings is set out below:

Director	Board		Audit and Risk Management Committee		Governance and Remuneration Committee		Statutory Planning Committee ³	
	Meetings Attended	Eligible to Attend ¹	Meetings Attended	Eligible to Attend ¹	Meetings Attended	Eligible to Attend ¹	Meetings Attended	Eligible to Attend ¹
George McCullagh	13	13	4 ²	-	3 ²	2	2	2
Simon Read	13	13	4	4	-	-	-	-
Kylee Schoonens	10	13	-	-	2 ²	1	1	2
Jane Bennett	6	6	-	-	-	-	-	-
Rebecca Field	6	6	2	2	1	1	-	-
Dale Page	6	6	1	1	1	1	-	-
Paul Lakey	2	4	1	1	-	-	-	-
Monty House	7	7	2 ²	-	2 ²	-	2 ²	-
Peter Cooke	6	7	2 ²	-	2	2	2	2
Peter Gibbons	7	7	2	2	2	2	-	-
Sue Middleton	7	7	2	2	-	-	-	-

¹ Indicates the number of meetings held during the period of each Director's tenure.

² Directors may attend committee meetings as an observer where they are not members.

³ The committee was formerly known as the Planning, Development and Communications Committee until 31 December 2017.

Principal Activities

The Western Australian Land Authority, trading as LandCorp, is a Government trading enterprise established under the provisions of the *Western Australian Land Authority Act 1992*.

The Act sets out a clear role for LandCorp to ensure the State's future land needs are met in a commercially responsible manner and establishes lines of accountability with the State Government.

The functions are:

- to be an agency which provides, or promotes, the provision of land for the social and economic needs of the State;

- to be an agency through which the Crown and public authorities may dispose of land;
- to be an agency through which local governments and regional local governments may dispose of land in accordance with the *Local Government Act 1995*;
- to complete the development of the Joondalup Centre, in accordance with the plan referred to in Section 18 on the land described in Schedule 2; and
- to identify other potential centres of population, including those in need of urban renewal, and use

its powers to bring about the provision or improvement of land, infrastructure, facilities or services for the same.

There have been no significant changes to the nature of principal activities during the financial year. However in November 2017 the Government announced land agency reform changes including the creation of the Industrial Land Authority and the merger of LandCorp and the Metropolitan Redevelopment Authority (effective 1 January 2019). Section 5.5 of the Annual Report provides further details on this.

Financial Highlights

In line with our commercial principles specified in Section 19 of the *Western Australian Land Authority Act 1992*, development work was undertaken against the following Framework:

- to act in accordance with commercial principles;
- perform functions in a cost-efficient manner;
- endeavour to surpass long-term financial targets specified in its Strategic Development Plan; and

Operating results	2017-18 (\$M)	2016-17 (\$M)	2015-16 (\$M)	2014-15 (\$M)	2013-14 (\$M)
Profit Before Income Tax Equivalents	9.648	22.915	46.789	57.562	54.413
Income Tax Equivalents Expense	2.874	5.002	14.073	17.271	16.320
Net Profit	6.774	17.913	32.716	40.291	38.093

- ensure no new project had an expected rate of return below a minimum hurdle rate specified in the Strategic Development Plan.

LandCorp and Government have agreed to set the hurdle rate of return as Weighted Average Cost of Capital.

Returns to the State

As specified in section 32 of the *Western Australian Land Authority Act 1992*, LandCorp pays rates and taxes. The following table outlines payments to Government in the last five years in respect of rates, taxes and dividends.

The *Western Australian Land Authority Act 1992* specifies determination of the dividend by the Board and Minister. The Board of directors is required to make a dividend recommendation to the responsible Minister as soon as practicable after the end of each financial year. The Minister is required to consult with the Treasurer and either accept the recommendation or otherwise determine the dividend payable by LandCorp.

The Treasurer determines the date the dividend is paid.

Operating results	2017-18 (\$M)	2016-17 (\$M)	2015-16 (\$M)	2014-15 (\$M)	2013-14 (\$M)
Dividends Paid	53.779	43.219	31.653	32.442	31.946
Land Tax	42.969	47.357	54.257	49.863	46.682
Income Tax Expense	2.874	5.002	14.073	17.272	16.320
Local Government Rate Equivalents	7.009	8.147	7.412	6.805	7.967
Stamp Duty	1.336	0.785	5.891	4.088	2.915
Total Returns to Government	107.967	104.510	113.286	110.469	105.830



Kununurra



Events subsequent to balance date

In the interval between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors, to significantly affect operations, the result of those operations, or the State of affairs in future financial years.

Likely developments and future results

We will continue to work with Government, stakeholders and customers to deliver the functions set out in the *Western Australian Land Authority Act 1992*.

Expected future trading results, as set out in its 2018-19 Statement of Corporate Intent:

Sales Revenue (GST exclusive)	(\$M) 238.9
Sundry Revenue	80.2
Cost of Land Sold	(150.0)
Estate Costs	(46.9)
Operating Costs	(84.1)
Profit before Interest and Tax	38.1
Net Interest Expense	(8.3)
Income Tax Expense	(8.8)
Profit after Income Tax	21.0

Payments to Government (through the Consolidated Fund) are expected to total around \$97.75 million from 2017-18 operations. This includes tax equivalents, stamp duty on land acquisitions and expected dividends.

Remuneration report

Remuneration arrangements for key personnel refers to non-Executive directors of the Board and Executives responsible for planning, directing and controlling operations.

Policy for determining the nature and amount of emoluments for key personnel is designed to attract, retain and engage appropriately qualified and experienced directors and executives. A Board committee, the Governance and Remuneration Committee, assists the Board by ensuring that appropriate and effective policies, plans and practices are in place in relation to remuneration arrangements and meets regularly to consider relevant matters.

Emoluments

Directors' emoluments

The remuneration of directors is determined following independent advice from remuneration consultants and the Public Sector Commission and approved by the Minister.

Remuneration is in the form of salary and superannuation contributions. No further post-employment benefits are paid to directors.

In accordance with Section 13(c) of Schedule 3A of the *Western Australian Land Authority Act 1992*, the following table shows the nature and amount of each element for each director.

* Director remuneration covers fees for attendance at Board and committee meetings.

** Superannuation, at the required amount (9.5 per cent), is paid on fees as is required under the *Superannuation Guarantee Administration Act 1992*.

Director	Period of Membership during Reporting Period	Fees \$
George McCullagh	1 July 2017 to 30 June 2018	91,193
Simon Read	1 July 2017 to 30 June 2018	53,129
Kylee Schoonens	1 July 2017 to 30 June 2018	53,129
Jane Bennett	1 January to 30 June 2018	26,360
Rebecca Field	1 January to 30 June 2018	26,360
Dale Page	1 January to 30 June 2018	26,360
Paul Lakey	1 January to 16 April 2018	15,428
Monty House	1 July to 31 December 2017	55,502
Peter Cooke	1 July to 31 December 2017	26,769
Peter Gibbons	1 July to 31 December 2017	26,769
Sue Middleton	1 July to 31 December 2017	23,769

Director	Superannuation \$
George McCullagh	8,663
Simon Read	5,047
Kylee Schoonens	5,047
Jane Bennett	5,047
Rebecca Field	2,504
Dale Page	2,504
Paul Lakey	1,466
Monty House	5,272
Peter Cooke	2,543
Peter Gibbons	2,543
Sue Middleton	2,724



Karratha, The Quarter

Directors' Benefits

No Directors have received benefits, or are entitled to receive any benefit, (other than included in the total amount of emoluments received or due and receivable by directors) by way of a contract made by LandCorp with the director, a firm of which the director is a member or with an entity in which the director has a substantial interest.

Executive Emoluments

The Chief Executive and Executives receive a salary and superannuation contributions in line with Government entitlements. Where eligible, the private use component of a vehicle is provided. Decisions are made within the context of organisational and individual performance, and consistent with equivalent bodies, industry benchmarks, existing Government policy and the industrial relations system.

A total fixed remuneration (TFR) approach applies with flexible remuneration packaging arrangements, in line with industry best practice. This means that, although the components of the TFR or package may vary between remuneration reviews, the total amount remains constant.

Superannuation paid is according to legislation and availability of other benefits (e.g. vehicles) is

subject to organisational policy and eligibility requirements.

Staff remuneration is reviewed annually. The Board is responsible for the remuneration of the Chief Executive which is also reviewed annually (in line with Minister-approved contract of employment). The Chief Executive, in line with the policy set by the Governance and Remuneration Committee and the Board, sets executive remuneration based on annual salary survey data and advice from independent remuneration consultants as well as a range of other factors including performance and the public sector context.

Employees in management roles, including executives, are employed on individual, market-based contracts. No short or long-term incentives, loans, grant options, rights or shares to key management personnel are provided.

Performance of the Chief Executive and Executives is monitored against agreed criteria.

In accordance with Section 13(c) of Schedule 3A of the *Western Australian Land Authority Act 1992*, the details of emoluments provided to the five named officers receiving the highest emoluments are provided for the financial year by element of remuneration:

Salary element

Executives	Salary Paid \$
Frank Marra	519,681
Dean Mudford	385,151
Kerry Fijac	340,486
John Hackett	333,800
Fiona Barclay	325,109



Superannuation element

Executives are paid superannuation in accordance with the *Superannuation Guarantee Administration Act 1992*. Currently the prescribed level is 9.5% of salary. Two Executives (Frank Marra and Kerry Fijac) are members of the Gold State Fund and receive approximately 15 per cent of their salary in contributions. Gold State Super was a defined benefit super scheme open to WA public sector employees until 1995. It is now closed to new members.

Executives	Super Paid \$
Frank Marra	75,722
Kerry Fijac	49,263
Dean Mudford	36,589
John Hackett	31,711
Fiona Barclay	30,885



Alkimos Beach



Waranyjarri Estate, Broome North

Other benefits (motor vehicle) element

Other benefits cover the private use component of a vehicle, for those eligible. The value of the car to the remuneration package is based on private use component of the lease and operating costs plus Fringe Benefits Tax (FBT). All LandCorp vehicles attract a contribution from the employee to reduce FBT.

Executives	Vehicle benefit \$
Frank Marra	10,691
Dean Mudford	8,539
Fiona Barclay	8,539
Kerry Fijac	7,537
John Hackett	6,690



Onslow community centre

Indemnification and insurance of directors and officers

During the reporting period, directors' and officers' liability insurance was maintained to ensure directors and officers are adequately covered. The policy indemnifies directors and officers from loss which he/she becomes legally obligated to pay on account of any claim first made against him/her during the policy period for an insured act committed before or during the policy period.

The Authority has entered into deeds of indemnity with each director and officer to indemnify the director and officer in relation to certain liabilities incurred whilst a director or officer of the Authority.

At the date of this report, no claims have been made against the directors' and officers' insurance policy.

Rounding of amounts

Amounts are rounded to the nearest thousand dollars in the Directors' Report and financial statements, unless otherwise shown or indicated.

This Report is made in accordance with a resolution of the Board.

George McCullagh
Chairperson

31 August 2018

Simon Read
Director

Financial statements



09



Directors' declaration

for the year ended 30 June 2018

The Directors declare that:

- a) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Western Australian Land Authority Act 1992*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the Western Australian Land Authority (LandCorp);
- b) in the Directors' opinion, there are reasonable grounds to believe that LandCorp will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to *Western Australian Land Authority Act 1992*.

On behalf of the Directors



George McCullagh
Chairperson



Simon Read
Director

31 August 2018



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN LAND AUTHORITY

Opinion

I have audited the financial report of Western Australian Land Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial report of Western Australian Land Authority is in accordance with schedule 3A of the *Western Australian Land Authority Act 1992*, including:

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Western Australian Land Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Directors for the Financial Report

The directors of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and schedule 3A of the *Western Australian Land Authority Act 1992*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Western Australian Land Authority for the year ended 30 June 2018 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial report. If users of the financial report are concerned with the inherent risks arising from publication on website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
31 August 2018

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Continuing Operations			
Operating revenue	2(a)	297,738	290,152
Operating expenses	2(b)	(194,419)	(196,633)
Gross Profit		103,319	93,519
Other revenue	2(a)	4,415	33,912
Estate holding expenses		(39,299)	(45,166)
Employee benefit expenses		(23,776)	(25,787)
Consultant expenses		(2,214)	(3,305)
Advertising, public relations and sponsorship		(4,213)	(4,806)
Other expenses	2(b)	(24,406)	(19,903)
Results from operating activities		13,826	28,464
Finance income	2(a)	1,455	946
Finance costs		(5,633)	(6,495)
Net finance costs		(4,178)	(5,549)
Profit before income tax		9,648	22,915
Income tax expense	3	(2,874)	(5,002)
Profit for the year		6,774	17,913
Total comprehensive income for the year		6,774	17,913

The Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents	16(a),17	10,213	25,545
Receivables	4,17	80,280	23,541
Inventories	5	424,560	410,055
Current tax assets	11	3,026	-
Other assets	9	6,117	22,130
Total current assets		524,196	481,271
NON-CURRENT ASSETS			
Receivables	4,17	12,405	27,926
Inventories	5	320,764	369,383
Property, plant and equipment	6	281,334	289,718
Intangibles	7	-	6
Deferred tax assets	8	24,798	27,992
Other assets	9	31,603	19,006
Total non-current assets		670,904	734,031
TOTAL ASSETS		1,195,100	1,215,302
CURRENT LIABILITIES			
Payables	10,17	31,392	32,442
Borrowings	14,17	78,500	35,250
Current tax liabilities	11	-	2,897
Provisions	12	7,627	6,673
Other liabilities	13	10,667	6,450
Total current liabilities		128,186	83,712
NON-CURRENT LIABILITIES			
Provisions	12	2,241	2,642
Borrowings	14,17	140,500	149,750
Other liabilities	13	34,668	42,880
Total non-current liabilities		177,409	195,272
TOTAL LIABILITIES		305,595	278,984
NET ASSETS		889,505	936,318
EQUITY			
Contributed equity	15	409,015	408,823
Retained earnings		480,490	527,495
TOTAL EQUITY		889,505	936,318

The Statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2018

	\$'000	\$'000	\$'000
	Contributed Equity	Retained Earnings	Total
Balance at 1 July 2016	408,823	552,801	961,624
Total comprehensive income for the year			
Profit for the year	-	17,913	17,913
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the year	-	17,913	17,913
Transactions with owners recorded directly in equity			
Dividends (note 23)	-	(43,219)	(43,219)
Contributions of equity (note 15)	-	-	-
Balance at 30 June 2017	408,823	527,495	936,318
Balance at 1 July 2017	408,823	527,495	936,318
Total comprehensive income for the year			
Profit for the year	-	6,774	6,774
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the year	-	6,774	6,774
Transactions with owners recorded directly in equity			-
Dividends (note 23)	-	(53,779)	(53,779)
Contributions of equity (note 15)	192	-	192
Balance at 30 June 2018	409,015	480,490	889,505

The Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		214,062	246,006
Operating subsidies received		56,194	75,729
Payments to suppliers and employees		(255,810)	(311,341)
Interest received		982	946
Income tax paid		(5,603)	(12,013)
Net cash (used by)/from operating activities	16(b)	9,825	(673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(55)	(947)
Proceeds from sale of property, plant and equipment		17	20,000
Net cash (used in)/from investing activities		(38)	19,053
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity contribution		192	-
Proceeds from borrowings		60,000	76,250
Repayment of borrowings		(26,000)	(41,250)
Payment of dividends		(53,779)	(43,219)
Finance interest paid		(5,532)	(6,323)
Net cash (used in)/from financing activities		(25,119)	(14,542)
Net (decrease)/increase in cash and cash equivalents		(15,332)	3,838
Cash and cash equivalents at 1 July		25,545	21,707
Cash and cash equivalents at 30 June	16(a)	10,213	25,545

The Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 30 June 2018

Western Australian Land Authority (LandCorp) is the Western Australian Government's land and property development agency with its office and principal place of business as follows:

Level 6
40 The Esplanade
PERTH, WA 6000

LandCorp is a Not for Profit (NFP) entity that is controlled by the State Government of Western Australia.

Note 1 Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

The financial statements were authorised for issue by the Board of Directors on 27 August 2018.

a) Basis of preparation

The financial statements constitute a general purpose financial report which has been prepared in accordance with the *Western Australian Land Authority Act 1992*, Australian Accounting Standards (AASB) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB). The financial statements do not apply *AASB 8: Operating Segments*, and *AASB 120: Accounting for Government Grants and Disclosure of Government Assistance*.

The statements have been prepared on the accrual basis of accounting using the historical cost convention. Accounting policies have been applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between arm's length market participants at the measurement date, or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, LandCorp takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of *AASB 117*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in *AASB 2* or value in use in *AASB 136*.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within their fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

b) Functional and presentation currency

The financial statements are presented in Australian dollars, which is both the functional and presentation currency of LandCorp. All values are rounded to the nearest thousand dollars (\$'000).

c) Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any affected future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 Receivables, with reference to Note 17 Financial Instruments
- Note 5 Inventories
- Note 8 Deferred tax assets and liabilities
- Note 12 Provisions
- Note 24 Leasing arrangements

Note 1 Summary of significant accounting policies (continued)

d) Application of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (or prior periods).

In the current year, LandCorp has reviewed all new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for the accounting period that begins on or after 1 January 2018 thus, relevant to this financial year end.

These Standards and Amendments did not have a material impact on the financial performance or position of LandCorp.

AASB 1048	<i>Interpretation of Standards</i> AASB 1048 has been amended to have the same status as the International standard issued by IFRS. This includes updated references to the Framework in AASB 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> to comply with IAS 8. This standard is an administrative standard and does not impact on accounting application.
AASB 2016-1	<i>Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses</i> The amendment provides clarity to AASB 112: <i>Income Taxes</i> regarding deferred tax treatment for unrealised losses on debt instruments measured at fair value.
AASB 2016-2	<i>Amendments to Australian Accounting Standards - Disclosure Initiative</i> AASB 107: <i>Cash Flows</i> has been amended to include an additional disclosure requirement in the notes to the financial statements. A reconciliation is required to report the changes in the liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows such as FX gains and losses.
AASB 2016-4	<i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash Generating Specialised Assets of Not for Profit Entities</i> The amendment removes reference to depreciated replacement cost as a measure of value in use for Not for Profit entities. Further, it clarifies application for Not for Profit entities holding non-cash generating specialised assets at fair value in accordance with AASB 13: <i>Fair Value Measurement</i> . Not for Profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value as per AASB 136: <i>Impairment of Assets</i> .

Note 1 Summary of significant accounting policies (continued)

e) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Amendments listed below were in issue but not yet effective.

		Operative for reporting periods beginning on or after
AASB 9	<i>Financial Instruments</i> This Standard supersedes <i>AASB 139: Financial Instruments: Recognition and Measurement</i> , introducing changes to classification, measurement and derecognition of financial assets and financial liabilities. Entities are required to value financial assets and financial liabilities considering expected credit loss at each reporting date. LandCorp has performed a detailed assessment of the financial impact of implementation of AASB 9. Based on the financial position as at 31 March 2018 it was determined that the statement of financial position would be impaired by \$370,000. This represents 1% reduction of the financial assets of which the majority is made up of the fair valuation of the assets reported as fair value through profit and loss. There is no significant expected credit loss. Changes to hedge accounting do not impact the LandCorp position or performance.	1 January 2018
AASB 15	<i>Revenue from Contracts with Customers</i> This Standard makes significant changes to the revenue recognition principles regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. A preliminary assessment of AASB 15 on sales revenue has indicated the majority of sales revenue is recognised at the settlement of land title which equates to the transfer of assets. LandCorp expects that the transition will not have a material impact on current revenue recognition of these transactions. LandCorp's income is principally derived from sales to customers and from appropriations from the State Government. Appropriations will be assessed under <i>AASB 1058: Income of Not for Profit entities</i> and will be unaffected by the change to AASB 15.	1 January 2019
AASB 2016-7	<i>Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not for Profit entities</i> <i>AASB 15: Revenue</i> is mandatory for all entities. The amendment modified the deadline for implementation to the financial year ended 30 June 2019 for Not for Profit entities.	1 January 2018

Note 1 Summary of significant accounting policies (continued)

AASB 16	<p><i>Leases</i></p> <p>1 January 2019</p> <p><i>AASB 16 replaces AASB 117: Leases</i> for all entities for reporting periods on or after 1 January 2019. This Standard introduces a single lease definition for lessee accounting. Leases previously reported as operating leases will be reported on the statement of position as a Right of Use asset and corresponding lease liability. An expedience exception is available for short term or low value leases. Depreciation of the Right of Use asset is charged over the life of the lease. The lease liability is calculated as the present value of the lease repayments. Repayments are allocated as principal and interest expense for the time value of money in the same manner as financial leases treatment under <i>AASB 117</i>. The treatment will affect the statement of position, statement of profit and loss EBITDA and the classifications of these transactions on the statement of cash flow.</p> <p>Whilst the Impact of <i>AASB 16</i> has not been quantified, LandCorp currently has commitments for \$15,204,829 worth of non -cancellable operating leases, of which most will be brought onto the Statement of Financial Position. LandCorp also holds peppercorn leases which require valuations to be brought to account on the Statement of Financial Position. These valuations will be performed by Landgate prior to 30 June 2019 implementation.</p> <p>A reconciliation of the operating lease commitments to the lease liability position will be disclosed in the notes to the financial statements as at 30 June 2019.</p>
AASB 1058	<p><i>Income of Not for Profit Entities</i></p> <p>1 January 2019</p> <p>This Standard clarifies and simplifies the income recognition requirements applicable to Not for Profit entities to more closely reflect the economic reality of Not for Profit transactions that do not contract with customers. The timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation or an obligation to acquire an asset.</p> <p>LandCorp's revenue from operating subsidies, that are not capital contributions, are considered under <i>AASB 1058</i>. On initial assessment the non- enforceability of the funding would exclude the application of <i>AASB 1058</i>. LandCorp anticipates that the application of <i>AASB 1058</i> will not materially impact operating subsidy income.</p>
AASB 1059	<p><i>Service Concession Arrangements: Grantors</i></p> <p>1 January 2019</p> <p><i>AASB 1059</i> is a public sector specific standard relating to the concession arrangements between government departments and private sector organisations. Commonly referred to as Public-Private Partnerships, the government entity is required to recognise a service concession asset and corresponding liability in a similar way to leases.</p> <p>LandCorp has not yet determined the application or the potential impact of the Standard.</p>
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not for Profit entities</i></p> <p>1 January 2019</p> <p>The amendment provides more clarification on <i>AASB 9</i> and <i>AASB 15</i> for Not for Profit entities.</p> <p>Transfer of financial assets (cash) to contract or acquire a nonfinancial asset (development) is not within the scope of <i>AASB 15</i>.</p> <p>For Not for Profit entities; contracts enforceability and specificity will determine the treatment under either <i>AASB 15</i> or <i>AASB 1058</i>.</p> <p>Under <i>AASB 9</i> the initial recognition and measurement requirements for non-contract receivables are the same as if the asset is a financial instrument.</p>

Note 1 Summary of significant accounting policies (continued)

f) Payables

Payables, including accruals not yet billed, are recognised when LandCorp becomes obliged to make future payments as a result of a purchase of assets or services. Payables have terms of 30 days. Payables are measured initially at fair value and subsequently at amortised cost using the effective interest method.

g) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

An item of property, plant and equipment may be gifted or contributed to LandCorp. Under these circumstances, the deemed cost of the item is its market value as at the date it was gifted or contributed.

Subsequent costs

The costs of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to LandCorp and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day maintenance and servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. No depreciation is charged on freehold land. Property, plant and equipment having a limited useful life, are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits. Depreciation is provided for on the straight line basis to write off the net cost of each asset over its expected useful life to its estimated residual value. LandCorp reviews the depreciation rates annually.

The following estimated useful lives are used in the calculation of depreciation for each class of depreciable asset unless another method provides a better estimate of useful life:

Buildings	25 - 40 years
Infrastructure	22 years
Listed under equipment category	
Furniture & Office Equipment	4 - 10 years
Computer Equipment	3 years
Leasehold Improvements	3 years
Plant & Equipment	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Items of property, plant and equipment costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Capital Works in Progress includes expenditure on assets which are under construction but not substantially complete at the reporting date.

h) Intangible assets

Computer software has a limited useful life and is carried at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over an estimated useful life of four years, which is reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Employee benefits

Wages, salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are calculated at undiscounted amounts based on the wage and salary rates, including related on-costs such as workers compensation insurance and payroll tax that LandCorp expects to pay as at reporting date. Non-accumulating non-monetary benefits such as medical care and cars are expensed based on the net marginal cost to LandCorp as the benefits are taken by employees.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date plus related on-costs. Consideration is given to expected future wage and salary levels, and periods of service.

Note 1 Summary of significant accounting policies (continued)

i) Employee benefits (cont'd)

Unconditional long service leave provisions and pre-conditional leave entitled within 12 months are classified as current liabilities as LandCorp does not have an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. The provision for conditional long service leave entitled later than 12 months is classified as a non-current liability, as LandCorp has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

An actuarial assessment of long service leave undertaken by Actuaries at 30 June 2016 determined that the liability measured using the short-hand measurement technique, mentioned above, was not materially different from the liability determined using the actuarial cost method. An actuarial assessment will be conducted at regular intervals to ensure the shorthand method is still appropriate.

Superannuation

- Defined contribution superannuation funds:

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

j) Contributed equity

Capital contributions have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position only when such contributions have been designated by the Department of Treasury as a contribution by the owner at the time of or prior to the transfer.

k) Foreign currency

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at the reporting date are translated at the exchange rate existing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

l) Goods and services tax

Revenues, expenses, assets and liabilities, are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as operating cash flows.

m) Income tax

LandCorp entered into the National Tax Equivalent Regime (NTER) in 2001/02 whereby an equivalent amount in respect of income tax is payable to the Department of Treasury. The calculation of the liability in respect of income tax is governed by NTER guidelines agreed by the State Government. The Australian Taxation Office administers the NTER.

As a consequence of participation in the NTER, LandCorp is required to comply with Accounting Standard AASB 112: Income Taxes.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax is calculated by reference to the amount of income taxes payable or recoverable based on the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled.

Note 1 Summary of significant accounting policies (continued)

m) Income tax (cont'd)

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

In determining the amount of current and deferred tax, LandCorp takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. LandCorp believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes LandCorp to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period of such a determination.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets. This occurs when the transactions relate to income taxes levied by the same tax authority on the same taxable entity, or on

different tax entities, but they intend to settle current tax liabilities and assets on a basis or their tax assets, and liabilities will be realised simultaneously.

n) Inventory – land held for sale

Land held for sale comprising development properties are carried at the lower of cost or net realisable value (based on undiscounted cash flows). Cost includes the cost of acquisition and development. Amounts are disclosed as current where it is anticipated that land will be developed ready for sale within twelve months after reporting date. The net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

o) Lease arrangements

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement to reflect the risks and benefits incidental to ownership.

Leases where LandCorp (as a lessee) assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. After initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases other than finance leases are operating leases and where LandCorp is the lessee in an operating lease arrangement, leased assets are not recognised on the balance sheet.

LandCorp is a lessor in a number of operating leases of industrial, grazing and residential property. These assets are recognised on the statement of financial position as items of property, plant and

equipment or inventory. Refer to Note 1(g) and Note 1(n) for accounting treatment.

p) Lease payments

LandCorp is a lessee in a number of operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

q) Provisions

Provisions are recognised when LandCorp has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Note 1 Summary of significant accounting policies (continued)

q) Provisions (cont'd)

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where LandCorp has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

r) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Held-to-maturity investments

Commercial bills and term deposits with fixed or determinable payments and fixed maturity dates that LandCorp has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Derecognition of financial assets

LandCorp derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If LandCorp neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, LandCorp recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If LandCorp retains all the risks and rewards of ownership of a transferred financial asset substantially, LandCorp continues to recognise

the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

s) Receivables

Trade receivables and other receivables are recognised at amortised cost, less any impairment losses.

t) Impairment of assets

Non-financial assets

The carrying amounts of LandCorp's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there are any indicators of impairment. If any such indicators of impairment exists then, the asset's recoverable amount is estimated. For intangible assets that have an indefinite life or are not yet available for use, the recoverable amount is estimated annually and whenever there is an indication of impairment.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Note 1 Summary of significant accounting policies (continued)

t) Impairment of assets (cont'd)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior periods.

Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

u) Revenue recognition

Revenue from land sales is recognised when all the following conditions are satisfied:

LandCorp has transferred to the buyer the significant risks and rewards of ownership of the land. The transfer of effective control either occurs with the transfer of title (registration of a transfer document); or through special clauses added to a sales contract giving the buyer early access with all the rewards and risks associated with ownership, in conjunction with an unconditional contract of sale;

- LandCorp retains neither the continuing managerial involvement to the degree usually associated with ownership nor effective control over the land;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to LandCorp and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rent revenue from operating leases is recognised as income on a straight line basis over the rental term.

Royalty revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the principal sum of the financial asset.

Project management revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Consequently, use of those resources is recognised as an expense.

Unearned revenue comprises prepaid rental income, upfront capital lease payments and partnering agreement participation fees received but not yet earned. Unearned revenue is released to income as and when the services for which it was paid are delivered.

v) Operating subsidy project funding

LandCorp receives operating subsidy funding for certain projects from the Department of Treasury and other Government agencies as a contribution towards either holding costs, land acquisitions or land development and associated costs. This funding is required to ensure LandCorp achieves its hurdle rate of return on these projects and is recognised as revenue in the statement of profit or loss and other comprehensive income when received by LandCorp. At 30 June 2018 LandCorp had \$40,092,511 (2017 \$31,516,515) in unspent grant funding that had been received and not yet spent. Unspent grant funding can only be used for Royalty for Regions projects or projects that receive operating subsidy funding.

w) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are highly liquid investments with short periods to maturity which is readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Note 1 Summary of significant accounting policies (continued)

x) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars unless otherwise indicated.

y) Comparative amounts

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, LandCorp discloses

- the nature of the classification
- the amount of each item or class of items that is reclassified
- the reason for the reclassification.

z) Change in accounting policy

LandCorp made no changes to its accounting policies during the year.

Notes to the financial statements

for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Note 2 Profit before income tax		
Profit before income tax includes the following items of revenue and expense		
a) Revenue		
<i>Operating revenue</i>		
Land sales	194,570	164,686
Grants to fund operating subsidy projects	27,179	46,882
Property rent revenue	36,952	36,839
Property expenses recovery	6,746	8,160
Grants to fund operating subsidy projects - holding costs	29,015	28,847
Royalties	1,473	1,685
Project management revenue	1,803	3,053
Total operating revenue	297,738	290,152
<i>Other revenue</i>		
Participation fees	396	1,473
Other	4,019	32,439
Total other operating revenue	4,415	33,912
<i>Non-operating revenue</i>		
Finance revenue	1,455	946
Total non-operating revenue	1,455	946
Total other revenue	5,870	34,858
b) Expenses from ordinary activities		
<i>Operating expenses</i>		
Cost of sales	(140,779)	(113,418)
Operating subsidy project expenditure	(18,398)	(45,075)
Property management expenses	(35,242)	(38,140)
Total operating expenses	(194,419)	(196,633)
<i>Other expenses from operating activities</i>		
Administration expenses	(3,884)	(4,402)
Accommodation expenses	(2,801)	(2,788)
Land study expenses	(7,721)	(1,365)
Loss on sale of property, plant and equipment	(51)	(2)
Depreciation and amortisation	(9,646)	(11,338)
Doubtful debts expenses	(303)	-
Other expenses	-	(8)
Total other expenses from operating activities	(24,406)	(19,903)

	2018 \$'000	2017 \$'000
Note 3 Income tax expense		
Current tax expense		
Current year	-	8,430
Deferred tax expense		
Origination and reversal of temporary differences	2,928	(1,537)
Under provision in respect of prior years	(54)	(1,891)
	2,874	(3,428)
Total income tax expense	2,874	5,002
Numerical reconciliation between tax expense and pre-tax accounting profit		
Total comprehensive income for the year	6,774	17,913
Total income tax expense	2,874	5,002
Profit excluding income tax	9,648	22,915
Income tax using LandCorp's domestic rate of 30% (2017: 30%)	2,894	6,875
Non-deductible expenses	34	18
Under provision in respect of prior years	(54)	(1,891)
Tax incentives	-	-
Total income tax expense	2,874	5,002

	2018 \$'000	2017 \$'000
Note 4 Receivables		
Current		
Trade receivables	77,716	21,078
Less allowance for doubtful debts	(303)	-
	77,413	21,078
GST receivable	2,867	2,463
Total current receivables	80,280	23,541
Non-current		
Trade receivables	12,405	27,926
Total receivables	92,685	51,467

Refer to Note 17 for discussion of financial risks associated with receivables.

Note 5 Inventories

Current - land under development and developed land

at cost	382,331	374,285
at net realisable value	42,229	35,770
Total current inventories	424,560	410,055

Non-current - undeveloped land and developed land

at cost	305,843	351,776
at net realisable value	14,921	17,607
Total non-current inventories	320,764	369,383

Total inventories

745,324 **779,438**

Land held for sale comprises

Cost of acquisition	368,700	383,570
Development costs	376,624	395,868
Total inventories	745,324	779,438

The valuations of developed land held for sale have been determined based on advice from independent valuers and real estate agents in accordance with LandCorp's list price and valuation policies. List prices are reviewed twice a year (depending on the type of land) except during static market conditions whereby prices may be reviewed less frequently under the instruction of a relevant delegated authority.

The most recent valuations for undeveloped land were performed on land held at 1 January 2018. For land in the Perth metropolitan area, valuations were provided by the Western Australian Land Information Authority (Landgate) while, regional undeveloped land valuations were provided by Opteon Property Group.

Market value of developed land and undeveloped land held at 30 June 2018 amounted to \$1,470,910,909 (2017: \$1,598,931,037).

At 30 June 2018 the write-down of inventories to net realisable value amounted to \$5,070,175 (2017: \$6,399,674) and were included in the cost of sales. There was no reversal of previously written down land assets.

Note 6 Property, plant and equipment
Non-Current

	Freehold land \$'000	Buildings \$'000	Infra- structure \$'000	Equipment \$'000	Total \$'000
Cost or deemed cost					
Balance at 30 June 2016	90,551	51,216	27,191	216,943	385,901
Additions	541	-	-	953	1,494
Cost revisions	-	948	-	-	948
Reclassification	-	2,537	-	(2,537)	-
Disposals	-	(9,407)	-	(173)	(9,580)
Balance at 30 June 2017	91,092	45,294	27,191	215,186	378,763
Additions	17,190	-	-	55	17,245
Cost revisions	-	72	-	-	72
Reclassification	-	-	-	-	-
Disposals	(16,005)	-	-	(388)	(16,393)
Balance at 30 June 2018	92,277	45,366	27,191	214,853	379,687
Accumulated depreciation					
Balance at 30 June 2016		(12,659)	(12,292)	(54,361)	(79,312)
Disposals		730	-	165	895
Reclassification		-	-	-	-
Depreciation expense		(2,063)	(1,581)	(6,984)	(10,628)
Balance at 30 June 2017		(13,992)	(13,873)	(61,180)	(89,045)
Disposals		-	-	332	332
Reclassification		-	-	-	-
Depreciation expense		(1,364)	(1,298)	(6,978)	(9,640)
Balance at 30 June 2018		(15,356)	(15,171)	(67,826)	(98,353)
Carrying amounts					
at 30 June 2017	91,092	31,302	13,318	154,006	289,718
at 30 June 2018	92,277	30,010	12,020	147,027	281,334

To support the carrying value included in property, plant and equipment, LandCorp obtained valuations from Western Australian Land Information Authority (Landgate) for metropolitan freehold land and McGees Property for regional freehold land. Based on their estimated market value at 1 January 2018, market value of freehold land at 30 June 2018 was \$518,686,000 (2017: \$545,768,000).

Note 7 Intangible assets

Non-current

Computer software \$'000

Cost

Balance at 30 June 2016	14,329
Additions	-
Cost revisions	-
Disposals	(83)
Balance at 30 June 2017	14,246
Additions	-
Cost revisions	-
Disposals	-
Balance at 30 June 2018	14,246

Accumulated amortisation

Balance at 30 June 2016	(13,615)
Disposals	83
Amortisation expense	(708)
Balance at 30 June 2017	(14,240)
Disposals	-
Amortisation expense	(6)
Balance at 30 June 2018	(14,246)

Carrying amounts

at 30 June 2017	6
at 30 June 2018	0

	2018 \$'000	2017 \$'000
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Note 8 Deferred tax assets and liabilities

Non-current

Deferred tax asset	24,798	27,992
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Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Deductible temporary differences	10,823	10,823
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The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they will become available contingent on the event that the underlying assets are held until utilisation of all capital works deductions.

Recognised deferred tax assets and liabilities and movement in temporary differences during the year are attributable to the following:

2018 Temporary differences	Opening balance \$'000	Recognised in profit or loss \$'000	Under (over) provision in prior year \$'000	Recognised directly in equity \$'000	Closing balance \$'000
Inventories	18,184	(1,512)	(1,260)	-	15,412
Intangible assets	-	6	4	-	10
Property, plant and equipment	2,732	(1,149)	256	-	1,839
Accrued expenses	793	135	-	-	928
Provision for superannuation	25	(1)	2	-	26
Provision for annual leave	695	(38)	-	-	657
Provision for long service leave	1,349	69	-	-	1,418
Provision for doubtful debts	(1)	91	-	-	90
Provision for Fringe Benefit Tax	-	-	-	-	-
Provision for future development obligation	12,749	-	661	-	13,410
Accrued interest income	(1,474)	586	-	-	(888)
Income received in advance	5,270	(115)	-	-	5,155
Recognition of long leases	(9,455)	(2,573)	-	-	(12,028)
Prepayments	76	(74)	71	-	73
Partner development costs	(2,951)	(64)	-	-	(3,015)
Tax losses	-	1,711	-	-	1,711
	27,992	(2,928)	(266)	-	24,798

Note 8 Deferred tax assets and liabilities (continued)

2017	Opening balance	Recognised in profit or loss	Under (over) provision in prior year	Recognised directly in equity	Closing balance
Temporary differences	\$'000	\$'000	\$'000	\$'000	\$'000
Inventories	18,602	-	(418)	-	18,184
Property, plant and equipment	3,906	(1,058)	(116)	-	2,732
Accrued expenses	42	751	-	-	793
Provision for superannuation	-	25	-	-	25
Provision for annual leave	673	22	-	-	695
Provision for long service leave	1,374	(25)	-	-	1,349
Provision for doubtful debts	(1)	-	-	-	(1)
Provision for Fringe Benefit Tax	4	(4)	-	-	-
Provision for future development obligation	6,312	-	6,437	-	12,749
Accrued interest income	(44)	2,184	(3,614)	-	(1,474)
Income received in advance	5,384	(114)	-	-	5,270
Recognition of long leases	(9,244)	(211)	-	-	(9,455)
Prepayments	-	-	76	-	76
Partner development costs	(2,843)	(33)	(75)	-	(2,951)
	24,165	1,537	2,290	-	27,992

Movement in unrecognised deferred tax assets and liabilities during the year

	Balance 1 July 16 \$'000	Recognised \$'000	Balance 1 July 17 \$'000	Recognised \$'000	Balance 30 June 18 \$'000
Deductible temporary differences	10,823	-	10,823	-	10,823

	2018 \$'000	2017 \$'000
Note 9 Other assets		
Current		
Deposit bonds	721	694
Deposits for land acquisitions	2,318	8,799
Prepayments	3,078	12,637
Total current other assets	6,117	22,130
Non-current		
Deposits for land acquisitions	22,120	19,006
Prepayments	9,483	-
Total non-current other assets	31,603	19,006
Note 10 Payables		
Current		
Trade payables	6,761	6,478
Accrued expenses	15,392	23,025
GST payable	9,239	2,939
Total current payables	31,392	32,442
Note 11 Tax liabilities/(assets)		
Current		
Income tax payable/(receivable)	(3,026)	2,897
Total current tax liabilities/(assets)	(3,026)	2,897
Note 12 Provisions		
Current		
Employee benefits (i)	4,676	4,173
Provision for remediation	2,951	1,000
Other provisions	-	1,500
Total current provisions	7,627	6,673
Non-current		
Employee benefits (i)	2,241	2,642
Total non-current provisions	2,241	2,642
(i) The main assumptions used to determine the provision for employee benefits are provided in note 1 (i)		
Note 13 Other liabilities		
Current		
Deposits (i)	1,142	719
Unearned revenue	9,525	5,731
Total current other liabilities	10,667	6,450
Non-current		
Unearned revenue	24,668	27,880
Other	10,000	15,000
Total non-current other liabilities	34,668	42,880

(i) Deposits include deposits received on sale of land.

	2018 \$'000	2017 \$'000
Note 14 Borrowings		
Current		
Liquidity Advance	41,500	-
Debt Portfolio Manager	37,000	35,250
Total current borrowings	78,500	35,250
Non-Current		
Debt Portfolio Manager	140,500	149,750
Total non-current borrowings	140,500	149,750
Total Loans and Borrowings	219,000	185,000

LandCorp currently holds two debt facilities with the Western Australian Treasury Corporation (WATC); a five year rolling Debt Portfolio Manager (DPM) facility and a Liquidity Advance (LPM) facility for short-term lending.

Under the Debt Portfolio Manager facility LandCorp has the ability to repay a maximum of 20% of the balance per year.

The Liquidity Advance facility is repayable on the 16th of each month. Rollover of the Liquidity Advance facility is optional.

Financing facilities

Unsecured bank overdraft facility, reviewed annually and payable at call:

Amount used	-	-
Amount unused	2,000	2,000
	2,000	2,000

Secured loan facilities with Western Australian Treasury Corporation (WATC)

Amount used	219,000	185,000
Amount unused	34,507	115,000
	253,507	300,000

As part of the State Budget Government has approved LandCorp's borrowing projections based on cash flow estimates. The limits are as follows:

Borrowing limit at 30 June	262,200	195,461
"Intra-year" peak borrowings	354,400	370,504

Note 15 Equity

Contributed equity		
Capital contributed on formation	113,957	113,957
Capital contributed by State Government	294,866	294,866
Capital contributed by State Government during the year	192	-
Total contributed equity	409,015	408,823
Department of Treasury funding	192	-
Royalties for Regions funding	-	-
Total capital contributed by State Government during the year	192	-

2018

2017

\$'000

\$'000

Note 16 Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	10,213	25,545
(b) Reconciliation of cash flows from operating activities		
Profit for the year	6,774	17,913
Adjustments for:		
Accrued Income	(25,833)	(39,354)
Loss on sale of property, plant and equipment	51	-
Employee benefits expense	977	(168)
Depreciation and amortisation of non-current assets	9,646	11,338
Doubtful debts written off	303	-
Finance interest paid	5,633	6,495
Income tax expense	2,874	5,002
	425	1,226
Assets (increase)/ decrease		
Receivables	(17,018)	17,971
Inventories	32,896	(2,793)
Other assets	3,416	(3,189)
Liabilities increase/ (decrease)		
Payables	(268)	(6,368)
Provisions	(424)	2,659
Other liabilities	(3,599)	1,834
Cash generated from operating activities	15,428	11,340
Net income tax paid	(5,603)	(12,013)
Net cash from operating activities	9,825	(673)

(c) Extract from the Statement of cash flows

Cash Flows from Financing Activities	(34,000)	(35,000)
Proceeds from borrowings	60,000	76,250
Repayment of borrowings	26,000	41,250

(d) Net Debt

Cash and cash equivalents	10,213	25,545
Loans and borrowings (current)	(78,500)	(35,250)
Loans and borrowings (non-current)	(140,500)	(149,750)
	(208,787)	(159,455)
Cash and cash equivalents	10,213	25,545
Gross debt - fixed interest rate	(219,000)	(185,000)
	(208,787)	(159,455)

Note 16 Notes to the statement of cash flows (continued)

(e) Reconciliation of liabilities arising from financing activities

	Opening balance		Non-cash flow			Closing balance
2018	Cash Flow		Acquisition	FX movement	FV changes	
Temporary difference	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short-term borrowings	35,250	43,250	-	-	-	78,500
Long-term borrowings	149,750	(9,250)	-	-	-	140,500
Total liabilities from financing activities	185,000	34,000	-	-	-	219,000

Note 17 Financial instruments

(a) Financial risk management

LandCorp has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about LandCorp's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework.

The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board.

The Audit and Risk Management Committee oversees how management monitors compliance with LandCorp's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by LandCorp.

Risk management policies are established to identify and analyse the risks faced by LandCorp, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and LandCorp's activities. LandCorp, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

(b) Credit risk

Credit risk is the risk of financial loss to LandCorp if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from LandCorp's receivables from customers and investments.

Exposure to credit risk

The carrying amount of LandCorp's financial assets represents the maximum credit exposure. LandCorp's maximum exposure to credit risk at the reporting date:

	Carrying amount	
	2018 \$'000	2017 \$'000
Loans and receivables	89,818	49,004
Cash and cash equivalents	10,213	25,545
	100,031	74,549

Note 17 Financial instruments (continued)

Investments

LandCorp limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a Standard & Poors credit rating of AA- or above. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Trade and other receivables

LandCorp's exposure to credit risk is influenced mainly by the nature of each debtor portfolio and the risk management approach taken. Approximately 18% (2017: 28%) comprises debt from other Government agencies to be paid over time and is considered to be low risk.

It should be noted that due to the nature of LandCorp's business the vast majority of LandCorp's revenue is received and recognised at the time of settlement of the sale of land, hence debtors make up a small proportion of LandCorp's overall customer base.

New non-Government debtors are analysed individually for creditworthiness before LandCorp's standard payment and delivery terms and conditions are offered.

Given the one-off nature of land sales with LandCorp, less than 22% (2017: less than 13%) of LandCorp's customers have transacted with LandCorp previously, and losses occur infrequently. In monitoring debtor credit risk, debtors are grouped into portfolios according to their credit characteristics including whether they are a Government or non-Government debtor. Debtors that are graded as higher risk are monitored for late payment and may be subject to legal action.

LandCorp has an allowance for doubtful debts that represents their estimate of incurred losses in respect of trade and other receivables. The allowance is a specific loss component that relates to individual exposure.

LandCorp's maximum exposure to credit risk for trade receivables at the reporting date by geographic region:

	Carrying amount	
	2018 \$'000	2017 \$'000
Australia	89,818	49,004

LandCorp's maximum exposure to credit risk for trade receivables at the reporting date by type of debtor:

	Carrying amount	
	2018 \$'000	2017 \$'000
Government debtors	16,877	13,648
Non-Government debtors	72,941	35,356

Note 17 Financial instruments (continued)

Impairment losses

LandCorp has \$1,568,613 (2017: \$2,024,801) accounts receivables which are past their due date. Below is the aging of said receivables at reporting date:

	Trade receivables		Gross Impairment	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not past due	88,249	46,979	-	-
Past due 1-30 days	1,084	426	-	-
Past due 31-60 days	31	131	-	-
Past due 61-90 days	108	1,207	-	-
Past due 91-180 days	153	261	-	-
Past due more than 181 days	193	-	-	-
	89,818	49,004	-	-

The movement in the allowance for doubtful debts during the year was as follows:

	2018 \$'000	2017 \$'000
Balance at 1 July	-	-
Movement	303	-
Balance 30 June	303	-

LandCorp believes no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 60 days. LandCorp does however, make a provision for doubtful debts for all receivables greater than 181 days and any other debtors that are deemed unrecoverable. For the year ended 30 June 2018, LandCorp provided for two doubtful debtors, to the total of \$303,147 (2017: \$0).

Note 17 Financial instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that LandCorp will not be able to meet its financial obligations as they fall due. LandCorp's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and adverse conditions, without incurring unacceptable losses or risking damage to LandCorp's reputation.

LandCorp uses market value to value the land holdings which ensures monitoring cash flow requirements and optimising its cash return on investments. Typically LandCorp ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, LandCorp maintains the following lines of credit:

- \$2 million unsecured bank overdraft facility. Interest is payable at the bank's published Corporate Overdraft Reference Rate less 100 basis points.
- \$253.5 million (2017: \$300 million) provided by Western Australian Treasury Corporation (WATC) that can be drawn down to meet short and long-term financing needs. The facilities have a flexible maturity that is renewable at the option of LandCorp. Interest is payable at the WATC lending rate for this structure on the day the funds are advanced plus or minus 100 basis points. A Guarantee fee is payable at 0.7% on loan balances.
- Guarantees established in favour of Commonwealth Bank of Australia for guarantees issued to various Government entities for satisfactory contract performance, amounting to \$20 million (2017 : \$20 million). These guarantees are secured by underlying land assets.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Weighted average effective interest rate	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 1 year
2018	%	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables		31,392	(31,392)	(23,488)	(7,000)	(904)
WATC loans/Borrowings	2.38%	219,000	(237,377)	(21,638)	(21,399)	(194,340)
		250,392	(268,769)	(45,126)	(28,399)	(195,244)
2017						
Trade and other payables		32,442	(32,442)	(21,226)	(11,210)	(6)
WATC loans/Borrowings	2.09%	185,000	(197,711)	(19,190)	(20,656)	(157,865)
		217,442	(230,153)	(40,416)	(31,866)	(157,871)

Note 17 Financial instruments (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect LandCorp's income or the value of its financial instruments holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

LandCorp currently has no derivative arrangements.

Interest rate risk

At the reporting date the interest rate profile of LandCorp's interest-bearing financial assets and liabilities were:

	2018 \$'000	2017 \$'000
<i>Variable rate instruments</i>		
Financial assets	10,213	25,545
Financial liabilities	(219,000)	(185,000)

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

	Profit or Loss	
2018 \$'000	100 bp increase	100 bp decrease
Financial assets	102	(102)
Financial liabilities	(2,190)	2,190
2017 \$'000		
Financial assets	255	(255)
Financial liabilities	(1,850)	1,850

Note 17 Financial Instruments (continued)

Fair values

Fair values versus carrying amounts

The fair values and carrying amounts of financial assets and liabilities, shown in the Statement of financial position are as follows:

\$'000	30 June 2018		30 June 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables	89,818	89,818	49,004	49,004
Cash and cash equivalents	10,213	10,213	25,545	25,545
Trade and other payables	(31,392)	(31,392)	(32,442)	(32,442)
WATC loan	(219,000)	(219,000)	(185,000)	(185,000)
	(150,361)	(150,361)	(142,893)	(142,893)

Capital Management

Under Section 19 of the *Western Australian Land Authority Act 1992*, the Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain the future development of the business.

LandCorp has agreed a dividend policy with its shareholder, the State Government, based on a set formula. LandCorp retain the cash balance as a source of capital funding for ongoing activities.

There were no changes to LandCorp's approach to capital management during the year.

	2018 \$'000	2017 \$'000
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Note 18 Land sales contracts

Unsettled sales contracts excluding GST (i)	48,118	39,060
Total unsettled sales contracts	48,118	39,060

(i) Unsettled sales contracts have not been included in revenue since neither title nor possession has been transferred. This treatment is in accordance with the Accounting Policy explained in note 1(u).

Note 19 Commitments

(a) Capital commitments expenditure

Development of land	57,134	84,617
Operating subsidy (project funding received in advance)	40,093	31,517
	97,227	116,134

Note 20 Related party disclosures

LandCorp is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of LandCorp include:

- State Government Cabinet Ministers, their close family members, and their controlled or jointly controlled entities;
- All directors and senior officers of LandCorp, their close family members, and their controlled or jointly controlled entities;
- Other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- Associates and joint ventures of an entity that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Material Transactions with Ministers, Senior Officers and their Related Parties

Under the State Government Land Agency reform, a common Board was appointed to LandCorp and the Metropolitan Redevelopment Authority in January 2018. Current LandCorp Non-Executive Directors: George McCullagh, Kylee Schoonens, Simon Read, Jane Bennett, Dale Page and Rebecca Field are all Non-Executive Directors of the Metropolitan Redevelopment Authority. Paul Lakey was a LandCorp Non-Executive Director during the year for the period 1 January 2018 to 16 April 2018. He is currently a Non-Executive Director of the Metropolitan Redevelopment Authority.

During the year, LandCorp recognised interest income of \$292,721 and project income of \$1,735,622 from the Metropolitan Redevelopment Authority. At 30 June 2018 the receivable balance of the Metropolitan Redevelopment Authority is \$13,824,779.

The Department of Planning, Land and Heritage, is the WA State Government department that encompasses the Western Australian Planning Commission. Jane Bennett, a Non-Executive Director of LandCorp, is a member of the Western Australian Planning Commission.

During the year LandCorp incurred \$4,009,831 in land acquisition costs, and received \$2,809,807 in project income from the Department of Planning, Land and Heritage. At 30 June 2018 LandCorp held a deposit for land balance of \$20,589,893 and a receivable for project costs of \$339,897 in the name of the department.

Sponsorship fees totalling \$89,138 were paid during the year to Urban Development Institute of Australia. Jane Bennett is the Vice President of the Council, in the Urban Development Institute of Australia, and is currently on a leave of absence from this position for the period of 1 January to 30 June 2018.

Dale Page is a Non-Executive Director of LandCorp, and is a Director of Planning and Community Development in the City of Joondalup. During the year LandCorp paid the City of Joondalup \$500,000 in relation to the Ocean Reef Marina business case. LandCorp has several active projects that fall within the City of Joondalup's authority.

Compensation of Key Management Personnel

LandCorp has determined that the Key Management Personnel of LandCorp includes all Cabinet Ministers, the directors and senior officers of LandCorp.

LandCorp is not responsible for Cabinet Ministers compensation, disclosures of the Minister's compensation may be found in the Annual Report on State Finances.

	2018 \$'000	2017 \$'000
Short-term employee benefits	2,678	2,637
Post-employment benefits	297	292
Other long-term benefits	77	77
Termination benefits	-	-
Total compensation of key management personnel (excluding Ministers)	3,052	3,006

Note 20 Related party disclosures (continued)

Significant transactions with Government - Related Entities

LandCorp transacts with a number of Western Australian State Government authorities, agencies and government trading enterprises. Total annual transactions that are deemed significant include:

		2018 \$'000	2017 \$'000
Receipts			
Entity	Nature		
Department of Education	Project management and consultancy fees	3,044	-
Department of Fire and Emergency Services	Contaminated sites management grant	264	-
Department of Water and Environment Regulation	Contaminated sites management grant	187	110
Department of Communities	Secondment of LandCorp staff	69	-
Department of Jobs, Tourism, Science and Innovation	Project management and consultancy fees	110	-
Department of Planning, Lands and Heritage	Project management and consultancy fees	2,810	4,325
Department of Premier and Cabinet	Secondment of LandCorp staff	155	-
Department of Primary Industries and Regional Development	Project management and consultancy fees	164	-
Department of State Development	Project management and consultancy fees	-	600
Department of Treasury	Grants to fund Operating subsidy projects (recurrent)	56,992	75,729
Department of Treasury	Grants to fund Operating subsidy projects (capital)	192	-
Fremantle Port Authority	Property lease and on costs	121	-
Great Southern Development Commission	Project management and consultancy fees	-	88
Kimberley Development Commission	Project management and consultancy fees	-	118
Metropolitan Redevelopment Authority	Interest	293	356
South Metropolitan TAFE	Property lease and on costs	411	-
Water Corporation of WA	Rent	-	1,261
Western Australian Treasury Corporation	Borrowings	60,000	76,250
Western Power Corporation	Refund of fees and costs paid	238	-

2018
\$'000

2017
\$'000

Note 20 Related party disclosures (continued)

Payments

Entity	Nature		
Commissioner of State Revenue	Stamp Duty	(371)	(3,800)
Department of Biodiversity, Conservation and Attractions	Provision of landscaping consultancy and services	(97)	-
Department of Biodiversity, Conservation and Attractions	ROS management fees (EPBC conditions)	(136)	-
Department of Communities	Return of surplus funding	(1,688)	-
Department of Finance	Land Tax	(42,970)	(47,476)
Department of Finance (State Fleet)	Motor Vehicle Fleet	(186)	(215)
Department of Fire and Emergency Services	Emergency Services Levy	(637)	(698)
Department of Planning, Lands and Heritage	Acquisition of land	(4,010)	(15,196)
Department of Primary Industries and Regional Development	Return of surplus project funding received and rent	(1,765)	-
Department of Sport and Recreation	Project management and consultancy fees	-	(95)
Department of Treasury	Dividends	(53,779)	(43,219)
Department of Treasury	Local Government Rates Equivalent Tax and Income Tax	(12,912)	(22,940)
Government Employees Superannuation Board (GESB)	Superannuation	(1,905)	(1,811)
Insurance Commission of Western Australia (Riskcover)	Insurance Fees	(841)	(720)
Office of Auditor General	Auditing costs	(195)	(182)
Public Transport Authority	Fitout related to redevelopment project	(161)	-
Regional Power Corporation (Horizon Power)	Electricity Services	(91)	(388)
Synergy	Electricity Services	(54)	(162)
Water Corporation of WA	Water Services and Rates	(2,707)	(2,400)
Western Australian Land Information Authority (Landgate)	Valuation services and licencing fees	(243)	(84)
Western Australian Treasury Corporation	Repayment of Borrowings	(26,000)	(41,250)
Western Australian Treasury Corporation	Interest and fees on borrowings	(4,951)	(4,729)
Western Power Corporation	Electrical Connections and Services	(1,490)	(1,042)

2018
\$'000

2017
\$'000

Note 20 Related party disclosures (continued)

Balances outstanding at the year end:

Assets

Entity	Nature		
Department of Biodiversity, Conservation and Attractions	Prepayment for Environmental offset land	847	1,369
Department of Education	Project management and Consultancy fees	286	-
Department of Planning, Lands and Heritage	Deposit for Land	21,173	21,173
Department of Planning, Lands and Heritage	Receivable for Project costs	340	1,023
Metropolitan Redevelopment Authority	Receivable for Project costs	13,825	11,610
WA Country Health Service	Deposit for Land Acquisiton based on land exchange	2,318	2,318
Water Corporation of WA	Construction of road to access Water Corporation asset	475	-

Liabilities

Department of Education	Accrued payment for profit share in Projects	(4,499)	(4,499)
Government Employees Superannuation Board (GESB)	Accrued Superannuation	(76)	(69)
Office of Auditor General	Accrued payment for Audit Fee	(137)	(144)
Water Corporation of WA	Project works on LandCorp development site	(80)	-
Western Australian Treasury Corporation	Accrued interest & Borrowings	(220,206)	(185,951)

Note 21 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the Audit fees during the year:

	2018 \$'000	2017 \$'000
Audit of the financial report	149	144
Audit of Royalty for Regions reports	29	24
	178	168

Note 22 Contingent liabilities

The directors are of the opinion that LandCorp has no contingent liabilities.

Note 23 Dividends

Recognised amounts

Normal dividend	17,250	17,250
<i>Special dividends:</i>		
- AMC Common User Facility	15,400	13,290
- 5% Efficiency saving	1,049	1,049
- Additional efficiency saving	780	780
- Reduction due to interest expense from additional borrowings for the 2012-13 special dividend	(1,300)	(1,300)
- Special Dividend paid in relation to VenuesWest contribution	2,800	1,400
- Special Dividend paid in relation to St John's Wood Claremont (Area G)	17,800	-
- Special Dividend paid in relation to Mungari Industrial Estate and WAPC land swap)	-	10,750
	53,779	43,219

On 1 May 2017 the LandCorp Board recommended to the Minister a final dividend payment of \$2,800,000 as a VenuesWest Contribution. This was paid in September 2017.

On 26 June 2017 the LandCorp Board recommended the payment of a special dividend totalling \$17,800,000 for the Town of Cambridge in relation to the St John's Wood Project in Mount Claremont (Area G). This dividend was paid in September 2017.

At the August 2017 Board meeting, the Board approved the recommendation to the Minister of a final dividend for 2016/17 financial year to be paid in 2017/18 of \$33,179,000. This dividend was paid in June 2018.

2018
\$'000

2017
\$'000

Note 24 Leasing arrangements

(a) Operating lease commitments

LandCorp has its office premises and its motor vehicle fleet under non-cancellable operating leases. Total commitments for future lease payments not provided for in the accounts are as follows:

No later than 1 year	2,968	2,863
Later than 1 year and not later than 5 years	12,181	11,588
Later than 5 years	56	4,460
	15,205	18,911

(b) Operating lease receivables

LandCorp holds certain land and buildings for strategic purposes only. Such holdings are rentable properties and are treated as operating lease receivables. Total future lease receivables are as follows:

No later than 1 year	21,442	20,242
Later than 1 year and not later than 5 years	77,399	78,216
Later than 5 years	326,857	355,842
	425,698	454,300

Leases are negotiated with terms between two to five years with the exception of a number of contracts with terms of 50 years. Rental income is subject to future assessment based on the terms of the lease arrangements. Outstanding operating leases are based on existing rates and do not include the extension periods under option.

Note 25 - Subsequent events

Western Australia's two land development agencies, LandCorp and the Metropolitan Redevelopment Authority (MRA), will be merged progressively over two years as part of the State Government's ongoing bid to drive efficiencies and improve outcomes for land development and housing affordability.

State Cabinet approved the Minister for Transport, Planning, Lands Rita Saffioti initiating the major land development agency reform process. The new land agency will assume responsibility for metropolitan planning activities and have a sharper focus on delivering economic opportunities in regional WA.

Across the metropolitan area and regions, the new agency will aim to strengthen communities through increased housing choice, better transport connectivity and enhancing the built and natural environment.

The new land development agency will also include the creation of the Industrial Lands Authority arm to streamline job-creating projects that will strengthen the WA economy. The Industrial Lands Authority is a McGowan Government election commitment aimed at removing barriers to investment and identifying new opportunities for industry innovation and expansion.

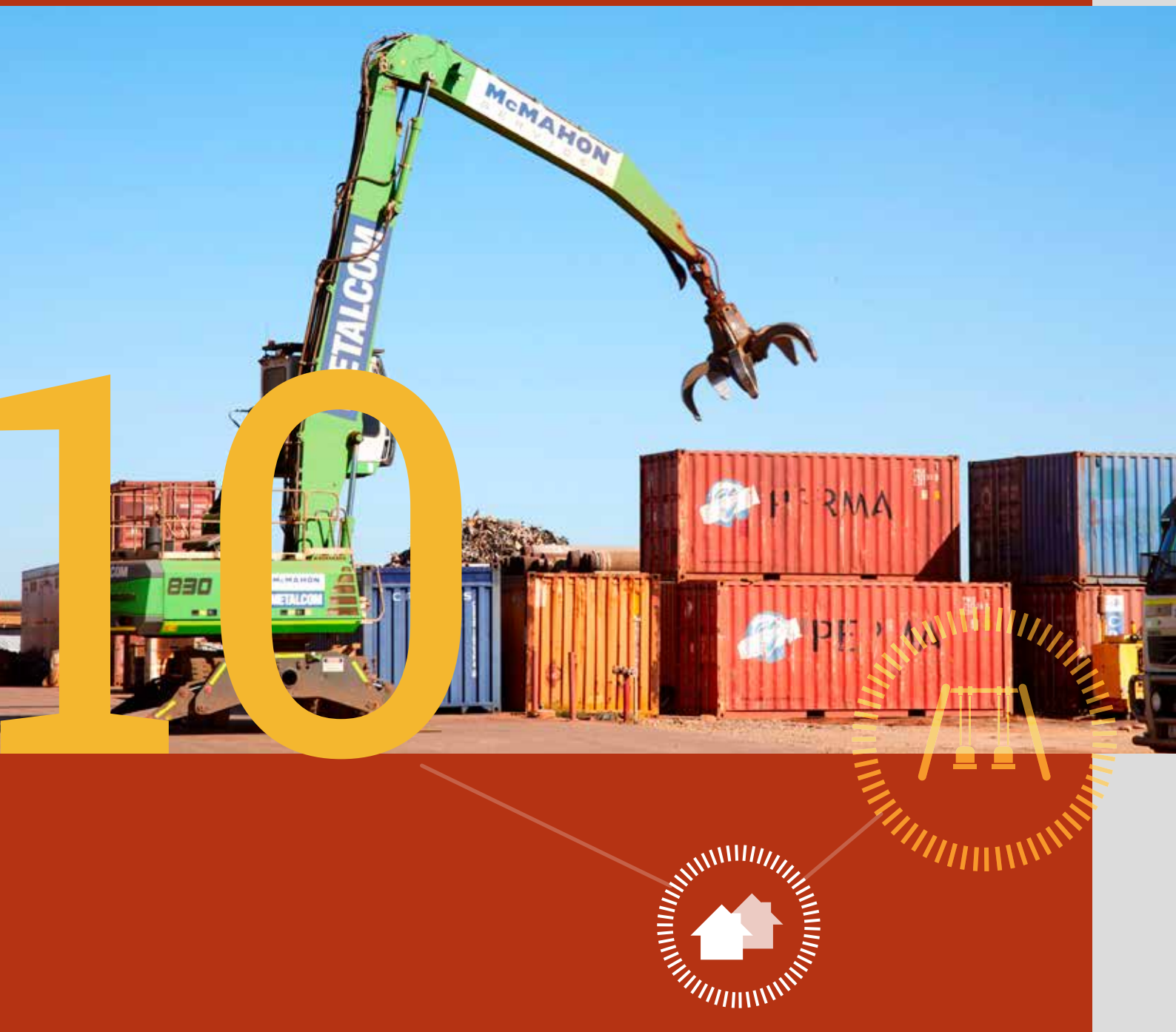
An administrative merger is set to be finalised by 2019 and will involve the following elements:

- The appointment of common directors to both boards beginning 1 January 2018;
- The creation of a standing subcommittee of the joint Board to manage the transition of the two organisations into a single entity;
- The appointment of a single CEO to take effect on or before 1 January 2019; and
- A review of all projects, assets and liabilities to enable an optimisation of organisational and project efficiencies.

Future tranches of the land agency reform process will investigate how the Department of Communities housing development arm could potentially be integrated.

Any necessary legislative changes will follow.

GRI content index





GRI content index

The Global Reporting Initiative (GRI) is an international non-profit organisation that pioneered and developed a globally adopted sustainability reporting standards.

We have chosen to develop our Sustainability Report using the GRI Standards ('in accordance' – core) to report on our social, environmental and economic performance.

This report has been prepared in accordance with the GRI Standards: Core option and the Construction and Real Estate Sector Supplement.

LandCorp has not undertaken assurance for the non-financial information within this report. Once we have an improved process and system in place for capturing information we will seek assurance for our sustainability performance.



GRI Content Index



GENERAL STANDARD DISCLOSURES

General standard disclosures	Disclosure title	Page number or link	External Assurance
GRI 101: Foundation 2016 (GRI 101 does not include disclosures)			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	02 Message from the chairman p. 6; 03 Message from the chief executive p.7.	-
	102-1 Name of the organisation	1.1 Who we are p. 4	-
	102-2 Activities, brands, products, and services	01 Welcome p. 4; 1.1 Who we are p. 4; 5.4 Projects p. 13.	-
	102-3 Location of headquarters	5.4 Projects p. 13.	-
	102-4 Location of operations	5.4 Projects p. 13.	-
	102-5 Ownership and legal form	1.1 Who we are p. 4	-
	102-6 Markets served	1.1 Who we are p. 4; 5.1 Vision p. 12; 6.2 Value chain p. 23-25; 7.1 Integrated project outcomes p. 27-38.	-
	102-7 Scale of the organisation	7.1 Integrated project outcomes p. 27-38; Economic development p. 39-42; Staff diversity and wellbeing - our workforce p. 87	-
	102-8 Information on employees and other workers	Staff diversity and wellbeing - our workforce p. 87	-
	102-41 Collective bargaining agreements	Staff diversity and wellbeing - Collective bargaining agreements p. 93	-
	102-9 Supply chain	6.2 Value chain p. 23-25	-
	102-10 Significant changes to the organisation and its supply chain	No significant changes to the organisation and its supply chain.	-
	102-11 Precautionary Principle or approach	LandCorp website - our approach - sustainable development and climate change: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/	-
	102-12 External initiatives	Stakeholder and customer satisfaction p. 71; Industry assessment and accreditation p. 79	-
	102-13 Membership of associations	Membership of associations p. 79; Waterwise Development Program p. 47; Smart waste p. 56.	-
	102-45 Entities included in the consolidated financial statements	09 Financial statements p. 117 - 121.	-
	102-46 Defining report content and topic Boundaries	06 Defining the content of this report p. 16-18 and p. 20-21.	-
	102-47 List of material topics	Materiality matrix p. 21	-
	103-1 Explanation of the material topic and its Boundary	Materiality matrix p. 21, Value chain p. 23-25, Information on each material issue is defined throughout the report and on LandCorp's website: https://www.landcorp.com.au/Our-Work/our-approach/	-
	102-48 Restatements of information	No restatements of information.	-
	102-49 Changes in reporting	No significant changes in reporting.	-
	102-40 List of stakeholder groups	6.1 Approach - Principle one stakeholder inclusiveness p. 16-18, Stakeholder interests and concerns p. 17-18	-
	102-42 Identifying and selecting stakeholders	6.1 Approach - Principle one stakeholder inclusiveness p. 16-18	-
	102-43 Approach to stakeholder engagement	6.1 Approach - Principle one stakeholder inclusiveness p. 16-18; Engaging and building local communities p. 57-61	-
	102-44 Key topics and concerns raised	6.1 Approach - Principle one stakeholder inclusiveness p. 16-18; Materiality matrix p. 21; Engaging and building local communities p. 57-61	-
	102-50 Reporting period	1.2 About this report p. 4	-
	102-51 Date of most recent report	1.2 About this report p. 4; LandCorp website publications page - annual reports and sustainability reports: https://www.landcorp.com.au/News/Publications/	-
	102-52 Reporting cycle	1.2 About this report p. 4	-
	102-53 Contact point for questions regarding the report	Feedback or questions on our Annual Report p. 164	-
	102-54 Claims of reporting in accordance with the GRI Standards	Cover - Creating tomorrows communities p.1; 1.2 About this report p. 4; Global Reporting Initiative Content Index p. 154	-

GENERAL STANDARD DISCLOSURES

General standard disclosure	Disclosure title	Page number or link	External Assurance
GRI 102: General Disclosures 2016	102-55 GRI content index	GRI Content Index p. 154-162	-
	102-56 External assurance	GRI Content Index p. 154-162	-
	102-18 Governance structure	08 Corporate governance p. 94-112	-
	102-16 Values, principles, standards, and norms of behavior	5.2 Values p. 12, 08 Corporate governance p. 94-112, Anti-corruption p.84	-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Economic						
Aspect: Economic Performance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Integrated project delivery p. 27-38, Economic development p. 39-43, LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Integrated project delivery p. 27-38, Economic development p. 39-43, LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Integrated project delivery p. 27-38, Economic development p. 39-43, LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial resilience p. 82-83				-
	201-2 Financial implications and other risks and opportunities due to climate change	LandCorp website - our approach - sustainable development - climate change: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	201-3 Defined benefit plan obligations and other retirement plans	Staff diversity and wellbeing - Superannuation contributions p. 93				-
	201-4 Financial assistance received from government	Financial resilience - Operating subsidy arrangements p. 83				-
Aspect: indirect economic impacts						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Economic development p. 39-43; LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Economic development p. 39-43; LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Economic development p. 39-43; LandCorp website - our approach - sustainable development - economic development: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Economic development p. 39-43				-
	203-2 Significant indirect economic impacts	Economic development p. 39-43				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Economic						
Aspect: Procurement Practices						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain sustainability: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain sustainability: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-3 Evaluation of the management approach	Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain sustainability: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply chain - procuring locally p. 72				-
Category: Environmental						
Aspect: Energy						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Approach - defining the content of our report p. 15-24; Value chain p. 23-25; Energy p. 48-51, LandCorp website - our approach - sustainable development - energy: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	Approach - defining the content of our report p. 15-24; Value chain p. 23-25; Energy p. 48-51, LandCorp website - our approach - sustainable development - energy: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Energy p. 48-51, LandCorp website - our approach - sustainable development - energy: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Energy p. 48-51				-
Category: Environmental						
Aspect: Water						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24, Value chain p. 23-25; Water p. 44-47, LandCorp website - our approach - sustainable development - water: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Environmental impact - water p. 44-47, LandCorp website - our approach - sustainable development - energy: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 Evaluation of the management approach	Environmental impact - water p. 44-47, LandCorp website - our approach - sustainable development - water: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 303: Water 2016	303-3 Water recycled and reused	Environmental impact - water p. 44-47				-
Aspect: Biodiversity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Environmental						
Aspect: Biodiversity						
GRI 103: Management Approach 2016	103-2 The management approach and its components	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity p. 43-44				-
	304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity p. 43-44; LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	304-3 Habitats protected or restored	Biodiversity p. 43-44				-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity p. 43-44				-
Aspect: Emissions						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Energy p. 48-51, LandCorp website - our approach - sustainable development - energy and climate change: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Energy p. 48-51, LandCorp website - our approach - sustainable development - energy and climate change: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Energy p. 48-51, LandCorp website - our approach - sustainable development - energy and climate change: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Energy p. 48-51	This has been reported for some projects, however energy reduction strategies are not always communicated in terms of GHG emission reduction equivalents.	Some information is currently unavailable	Currently information is not readily available or collected across all of our projects. LandCorp is working towards standardising measures across projects.	-
Aspect: Effluents And Waste						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Waste p. 52-56, LandCorp website - our approach - sustainable development - waste: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Waste p. 52-56, LandCorp website - our approach - sustainable development - waste: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Waste p. 52-56, LandCorp website - our approach - sustainable development - waste: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Environmental						
Aspect: Effluents And Waste						
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste p. 52-56	This has been reported for some projects	Some information is currently unavailable	Currently information is not readily available or collected across all of our projects for total weight of waste by type and disposal method. Information is provided for asbestos contaminated soil waste. Future project Waste Management Strategies will address this gap with project demolition and construction waste and recycling targets to capture information.	-
	306-4 Transport of hazardous waste	No hazardouc waste was exported, imported, or treated by LandCorp. Waste p. 53				-
Aspect: Compliance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Biodiversity p. 43-44, LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 307: Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Biodiversity p. 43-44				-
Category: Environmental						
Aspect: Supplier Environmental Assessment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain sustainability: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain sustainability: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-3 Evaluation of the management approach	Supply chain p. 71-73, LandCorp website - our approach - relationships and partnerships - supply chain: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply chain p. 71-73				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Social						
Sub-Category: Labor Practices And Decent Work						
Aspect: Employment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing p. 87-93, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing p. 87-93, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	Staff diversity and wellbeing p. 87-93, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Staff diversity and wellbeing - employee turnover and retention p. 88; and New employment hire p. 88				-
	401-3 Parental leave	Staff diversity and wellbeing - parental leave p. 90				-
Aspect: Occupational Health And Safety						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Staff diversity and wellbeing - learning and development p. 91-92; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Staff diversity and wellbeing - learning and development p. 91-92; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	Staff diversity and wellbeing - learning and development p. 91-92; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
GRI 403: Occupational Health and Safety 2016	403-1 kers representation in formal joint management-worker health and safety committees	Staff diversity and wellbeing - learning and development p. 91-92				-
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Staff diversity and wellbeing - learning and development p. 91-92				-
Aspect: Training And Education						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing - Diversity and Gender Diversity p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing - Diversity and Gender Diversity p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	Staff diversity and wellbeing - Diversity and Gender Diversity p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Staff diversity and wellbeing - Diversity and Gender Diversity p. 89				-
	404-2 Programs for upgrading employee skills and transition assistance programs	Staff diversity and wellbeing - Diversity and Gender Diversity p. 89				-
	404-3 Percentage of employees receiving regular performance and career development reviews	Staff diversity and wellbeing - Performance Management - p.93				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Social						
Sub-Category: Labor Practices And Decent Work						
Aspect: Diversity And Equal Opportunity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing - Diversity and Gender Equality p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25, Staff diversity and wellbeing - Diversity and Gender Equality p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	Staff diversity and wellbeing - Diversity and Gender Equality p. 89, LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Staff diversity and wellbeing - Diversity and Gender Equality p. 89				-
	405-2 Ratio of basic salary and remuneration of women to men	Staff diversity and wellbeing - Diversity and Gender Equality p. 89				-
Aspect: Supplier Social Assessment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
	103-3 Evaluation of the management approach	Supply chain p. 71-73; LandCorp website - our approach - relationships and partnerships - supply chain: https://www.landcorp.com.au/Our-Work/our-approach/Relationships-and-Partnerships/				-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply chain p. 71-73				-
Sub-Category: Society						
Aspect: Local Communities						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Engaging and building local communities p. 57-62; LandCorp website - our approach - sustainable development - community wellbeing: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24; Value chain p. 23-25; Engaging and building local communities p. 57-62; LandCorp website - our approach - sustainable development - community wellbeing: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
	103-3 Evaluation of the management approach	Engaging and building local communities p. 57-62, LandCorp website - our approach - sustainable development - community wellbeing: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Engaging and building local communities p. 57-62				-
	413-2 Operations with significant actual and potential negative impacts on local communities	Value chain p. 23-25; Engaging and building local communities p. 57-62				-

SPECIFIC STANDARD DISCLOSURES

Specific standard disclosure	Disclosure title	Page number or link	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
Category: Social						
Sub-Category: Society						
Aspect: Anti-Corruption						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Anti-corruption - p. 84, LandCorp website - our approach - governance: https://www.landcorp.com.au/Our-Work/our-approach/Governance/				-
	103-2 The management approach and its components	06 Defining the content of this report p. 15-24, Value chain p. 23-25, Anti-corruption - p. 84, LandCorp website - our approach - governance: https://www.landcorp.com.au/Our-Work/our-approach/Governance/				-
	103-3 Evaluation of the management approach	Anti-corruption - p. 84, LandCorp website - our approach - governance: https://www.landcorp.com.au/Our-Work/our-approach/Governance/				-
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption - p. 84				-
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption - p. 84				-
	205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption in 2017-18 - p. 84				-
G4 Sector Supplement:						
Construction and real estate sector supplement 2011						
G4 Land Degradation, Contamination and remediation 2011	G4-CRE5 Land remediation and land in need of remediation	Waste - Land contamination and remediation p. 52-53				-
G4 Occupational Health and Safety 2011	G4-CRE6 Compliance with internationally recognised health and safety management system	Occupational safety and health p. 85-86				-
G4 Local Communities 2011	G4-CRE7 Number of persons voluntarily and involuntarily displaced or resettled	Engaging and building local communities - community hardship p. 65				-
G4 Product and Service Labeling 2011	G4-CRE8 Type and number of sustainability certification, rating and labeling schemes	Industry assessment and accreditation p. 79				-
G4 Local Communities 2011	G4-SO1 Engagement approach throughout lifecycle	Engaging and building local communities p. 58, LandCorp website - our approach - sustainable development - community wellbeing: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/ LandCorp website - Stakeholder and community engagement: https://www.landcorp.com.au/Our-Work/Stakeholder-Community-Engagement/				-



Feedback or questions on our Annual and Sustainability Report?

We invite your feedback and queries on any aspect of our Annual and Sustainability Report and performance. To provide your comments or ask a question, please contact us:

Sustainability Strategy Coordinator

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