

Driving change through innovation



Annual and Sustainability Report 2018-19

Acknowledgment of Country

LandCorp acknowledges the Traditional Custodians across our projects and their continuing connection to the land, waters and community.

We pay our sincerest respects to all members of the Aboriginal communities and their cultures; and to Elders, past and present.

We are committed to fostering long-term relationships with Traditional Custodians as we create new places across Western Australia.

About this report

This report presents our performance for the financial year 1 July 2018 to 30 June 2019, and adheres to the requirements set out in the *Western Australian Land Authority Act 1992* (WALA Act).

In line with the WALA Act, we take account of and balance social, economic and environmental outcomes.

This report has been prepared in accordance with the GRI Standards: Core option. Using the GRI Standards as part of our annual reporting ensures we assess our performance against globally accepted sustainability reporting principles and measures. This is LandCorp's sixth sustainability report since 2013-14.

Guidance provided in the Government of Western Australia Public Sector Commission Annual Reporting Framework has also been used, particularly in the preparation of Section 6, Corporate Governance and Section 7, Financial Statements.



Contents

01 Introduction and Welcome	2
Who we are	3
From the Chairman	4
From the Chief Executive	5
Performance highlights	6
02 Approach	8
Key Results	9
Program areas of activity	10
Value chain	13
Future direction	14
03 Defining the Content of this Report	15
Principal one - stakeholder inclusiveness	16
Principal two - sustainability context	18
Principal three - materiality	20
Principal four - completeness	20
04 Performance highlights	22
Integrated project outcomes	23
Relationships and partnerships	57
Market leadership and innovation	68
Organisational and commercial capacity	75
05 Corporate Governance	87
06 Financial Statements	101
07 GRI Content	145





Introduction and Welcome

01

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

We are the principal agency of the State authorised by the Western Australian Parliament to deliver Government policy objectives with regard to land development.

1.0 About LandCorp

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 Finance; Aboriginal Affairs; 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.

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.

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.

1.1 From the Chair

2018-19 was a significant period for LandCorp on a number of fronts.

As the agency charged with realising the potential of Western Australia's land and infrastructure assets, we have a clear mandate to support the delivery of economic, social and environmental returns for the State - today and for future generations.

To this end, many of our projects across our capital city, and throughout our regions, have a horizon spanning multiple decades.

On the economic front and in the face of challenging marketing conditions, we were able to deliver a sound return for the taxpayers of Western Australia.

While we maintain this strategic focus on the needs of our State into the future, this report outlines our current and near-term projects, which align with Government priorities outlined in its Sharing Prosperity plan.

We contribute to all six outcomes of Sharing Prosperity, however, given the role and nature of our agency, LandCorp is integral to achieving the goals central to A liveable environment, A strong economy, and Regional prosperity.

LandCorp brings a strong track record in leveraging existing land and infrastructure in metropolitan Perth to deliver connected, thriving communities in multi-use precincts. This track record positions us to play a significant role in supporting the successful delivery of projects such as METRONET, the Murdoch Health and Knowledge Precinct and the Ocean Reef Marina, to name a few.

From Middleton Beach in Albany, to the Broome Road Industrial Park in the Kimberley, our projects throughout Western Australia also see us play a major role in increasing the prosperity of our regions.

This year we celebrated the first anniversary of establishment of the Industrial Lands Authority. Formed to encourage economic growth by making it easier, more efficient and therefore more affordable to access and develop industrial land in Western Australia, the ILA, while in its infancy, is already delivering against this mandate.

Its work in the past year is forecast to deliver more than \$3.8 billion in private sector investment, which in turn will deliver more than 6,100 construction jobs, and 11,000 future jobs - contributing to a stronger economy for all Western Australians.

It is apt that this report highlights LandCorp's role in driving change through innovation. While we continually seek to drive change through innovation in land development, design and technology, much of our internal focus in 2018-19 was directed at internal change as we progress the merger of LandCorp and the Metropolitan Redevelopment Authority into a single operating entity.

Under the direction of a unified Board, we continue to work with the respective leadership teams of both agencies to expedite a successful merger, from both a cultural and an operational perspective. It has been especially pleasing to see the work of joint project teams at Subi East, the East Perth Power Station, Waterbank and Forrestdale as working



demonstrations of the capabilities of the two merging agencies.

The merger which will ultimately drive greater efficiencies and improve outcomes for land development across industrial, metropolitan and regional markets.

Against the backdrop of a strengthening economy, these outcomes are increasingly important. Substantial infrastructure and resources projects are currently under consideration or in planning for our State. These projects are essential to support the jobs and communities of tomorrow and we are committed to the efficient, innovative and timely delivery of land to ensure their success.

I would like to thank the Hon Rita Saffioti MLA and the Hon Ben Wyatt MLA for their guidance and support during the past year. I am also grateful to my fellow directors, the staff of LandCorp, under the capable leadership of chief executive Frank Marra, and our many business partners in the public and private sectors for their valued support.

I look forward to working with you in 2019-20.

George McCullagh

1.2 From the CEO

The challenge of change is constant. To achieve meaningful, industry-wide change a commitment to innovation is critical. In 2018-19, we have driven change through innovation across a diverse range of projects.

Our vision for Knutsford East Village takes innovation to the next level. The project, an exciting collaboration between LandCorp, Power Ledger and the Smart Cities and Suburbs initiative, will set new benchmarks for affordable and sustainable living.

East Village will feature our city's first blockchain-ready homes, with residents sharing a micro-grid supply network for water and power and an on-site battery. Residents will also enjoy 50 per cent savings on their energy bills and significant reductions in water use.

This follows our investment in WGV at White Gum Valley – our State's first One Planet Community. WGV is also set to house Australia's first German-inspired "Baugruppe" in which a collective of homebuyers will finance, buy and construct a multi-unit custom-designed and sustainable development. We appreciate the commitment of residents to achieving our shared ambition of creating a community to embrace sustainable, affordable living.

The year we have achieved a range of milestones in the development of several inner city and urban infill projects. At Claremont on the Park, Parkside Walk at Jolimont and Shoreline at Cockburn Coast, we are transforming previously underutilised spaces into liveable and dynamic places and while conditions in the property market remain challenging, we have achieved strong sales across these developments.

At Montario Quarter, redevelopment of the former Shenton Park Rehabilitation Hospital is on track to deliver an urban village and a diverse range of residential options for people of all ages. A commitment to honour the heritage value of the site is testament to our commitment to innovative thinking.

Further inland, transformation of the 35.6 hectare Subiaco stadium site into a connected inner-city residential precinct is a collaboration between a number of stakeholders including the City of Subiaco, Perth Modern School, the WA Football Commission and Subiaco Football Club. The site history is being recognised through the retention of the oval playing surface as a community facility and the stories and heritage of the Whadjuk people celebrated and shared.

Work at Ocean Reef Marina to accommodate commercial, recreational and residential activity on will ultimately provide capacity for 565 boat pens, 200 boat stackers and a diverse mix of 1,000+ new homes. Retail and commercial space will integrate with high-quality public open space and cater for a range of new and expanded businesses such as cafes and restaurants.

The establishment of the Industrial Lands Authority has ensured our economy is supported by the supply of quality, sustainable industrial land. The first stage of the 1000-hectare Peel Business Park at Nambeelup has unlocked critical land in our southern corridor with stage one of the development expected to create more than 300 jobs.



Ongoing investment in Strategic Industrial Areas across the State supports downstream processing and a range of industrial activities. Over the past year, more than 133 hectares of strategic industrial land has been leased to underpin more than \$2.5 billion worth of private sector investment in the local economy. From Kemerton and Pinjarra to Karratha's Gap Ridge in the Pilbara, we are investing in the jobs of tomorrow.

Across regional Western Australia we continue to invest in revitalising town centres and creating new, connected communities. We have made progress in Albany with the final lot of the waterfront precinct contracted and settled. It is also pleasing to see the commencement of a new hotel in the precinct.

We value the partnerships we enjoy with a diverse range of Government and private sector stakeholders. Our achievements are the result of our collective efforts and I pay tribute to the LandCorp Board, my Executive and their talented teams for another busy and successful year.

As our State continues to grow, we stand ready to adapt and respond to the challenges of change with progressive, innovative and modern developments fit for the future.

Thank you all.

Frank Marra

1.3 Performance highlights

Integrated project outcomes

Metropolitan highlights

590

residential dwelling unit equivalents created, with another 117 lots with 117 dwelling unit equivalents available.

76%

of residential land created was **in urban infill developments**.

65%

of lots sold across metropolitan Perth sold at an **affordable price**.



Launched the **sustainability precinct - East Village** at Knutsford in Fremantle.

Regional highlights



1,011

residential dwelling unit equivalents available across our regional projects.

908

lots available for consumers to immediately purchase in all regions within WA, with a combined market value of over **\$320M**.



69%

of lots sold across regional WA sold at an **affordable price**.

Facilitated **Bunbury Waterfront** improvements and marina planning.

Industrial Lands Authority highlights

Industrial Lands Authority marked its **first birthday**.

35

general industrial lots were created, and another 86 developed industrial lots available across the State.

Launch of the **Peel Business Park** at Nambeelup.

\$2.5B

in construction investment and **670 permanent jobs** during operations expected from the four leases at Strategic Industrial Areas.

15 YEARS



The AMC-CUF celebrated its 15 year anniversary in July 2018 and has **generated \$2.5 billion** for the local economy and created more than **40,000 jobs through 440 projects** over the past 15 years.

Relationships and partnerships

Residential purchaser satisfaction rating of

92%

6



active partnering projects.

A **policy** was **developed and endorsed** to address the Commonwealth Government's **Modern Slavery Act 2018**.

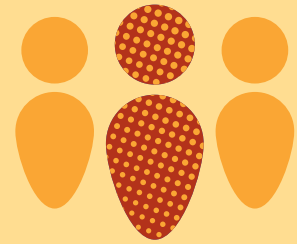
Organisational and commercial capacity



Platinum
Worksafe Plan
Accreditation.

\$89.8m

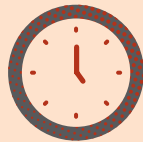
in payments to
Government.



92%

staff retention.

17.7
hours



of learning and development
training per employee.

\$261.3m

in revenue.

Market leadership and innovation



3 new projects achieved
an industry accreditation
(Montario Quarter in
Shenton Park, Alkimos
Vista and Broome North).



LandCorp was
officially recognised as
a **Waterwise Partner**,
in October 2018.

Awards

Planning Institute of Australia (WA) Awards for Planning Excellence

November 2018, Knutsford Precinct
was awarded a Commendation in
the Best Planning Ideas
– Small Project category.

8 projects

in total, with an active
industry **sustainability**
accreditation.

Awards

Australian Institute of Landscape Architecture Awards

October 2018, The Newman Town
Square received the National Civic
Space Award of Excellence. The
Square's place-making strategy
supports many active community
and family events.

Commonwealth Association of Planners Awards

Claremont on the Park has been
nominated for Outstanding Planning
Achievement in the Commonwealth.



41 projects

in innovation pipeline.

Parks & Leisure Australia (PLA) (WA) Awards of Excellence

June 2019, Kinkuna Park at Allara
Estate in Eglinton received the Best
Use of Technology Award.

Australian Institute of Landscape Architects, Western Australia Awards

July 2018. Newman Town Square
in Newman received the Civic
Landscape Architecture Award.

Property Council Awards

2019 Blackmore Park Estate in
Girrawheen won Best Affordable
Housing Development category
in May 2019.



Approach

02

2.0 Key result areas and Government priorities

Our corporate strategy is focussed on achieving outcomes against four Key Result Areas which drive operational priorities and actions across the business in the short to medium term, to build on our unique contribution to Western Australia.

As shown below our strategy is aligned to the focus areas outlined in the Government of Western Australia's 'Our Priorities: Sharing Prosperity' which was released in February 2019. The performance section (Section 4) of this report also identifies where our performance aligns to the priority areas outlined by the Government of Western Australia.

LandCorp's Strategic Key Result Areas	Alignment to the Government of Western Australia's 'Our Priorities: Sharing Prosperity'
What we deliver for Western Australia	
<p>1. Integrated Project Outcomes:</p> <p>We will be agile and responsive, adopting an integrated view across the whole State, a region, a town or market segment to deliver sustainable, market responsive projects and outcomes across Western Australia consistent with Government commitments and policy.</p> <p>We operate across Western Australia and have the following three operational programs of activity:</p> <ul style="list-style-type: none"> • Land for jobs – Industrial Land Authority. • Land for living – Metropolitan cities and centres. • Land for living – Regional cities and centres. 	 A strong economy  A bright future  A liveable environment  A safer community  Aboriginal wellbeing  Regional prosperity
Supporting and enabling our delivery	
<p>2. Relationships and Partnerships</p> <p>We will continue to develop strong relationships and partnerships with other Government departments and agencies, private sector developers and suppliers, communities and customers. We will utilise our property and project management expertise to solve problems and achieve outcomes for Government.</p>	 Aboriginal wellbeing  Regional prosperity
<p>3. Organisational and Commercial Capacity</p> <p>We will act in accordance with commercial principles, secure sufficient capital for our future pipeline of projects and deliver targeted financial returns to the State Government. We will continue to build a highly skilled, engaged and values driven workforce. We will develop robust systems to support our project delivery and to enable sound financial stewardship, operational effectiveness and efficiency</p>	 A strong economy
<p>4. Market Leadership and Innovation</p> <p>We seek to demonstrate leadership and innovation in the land development industry in order to overcome challenges, accelerate the adoption of best practice, achieve Government policy goals in new ways and improve social, economic and environmental outcomes.</p>	 A liveable environment  A bright future

2.1 Program areas of activity

Land for jobs – Industrial Lands Authority

Commitment

The Industrial Lands Authority (ILA) will take a long term and strategic approach to meeting Western Australia's industrial land supply needs. This strategic approach will support Government policy objectives by growing the State's economy, attracting and facilitating new business investment in the State and creating new jobs for WA's growing population.

Alignment to Government priorities

The creation of the ILA was a State Government commitment and it plays an important role in removing barriers to investment and facilitating innovation, economic diversification and jobs growth in industrial areas and technology parks throughout Western Australia.

Challenges and opportunities

During 2018-19, the performance of the ILA was challenged by weak economic and business conditions resulting in comparatively low demand for industrial land. Opportunities for the new ILA included developing strong relationships with government and private sector stakeholders and establishing strategic priorities and a program of work to achieve its objectives. Another opportunity for the ILA is to support future battery materials projects to establish in strategic industrial areas by providing support with project scoping and interagency coordination and offering advice and assistance to address State policies and processes. The ILA have already facilitated land for two lithium facilities. Economic conditions in the coming year are likely to remain weak and the ILA will focus on preparing general and strategic industrial land to meet future requirements, supporting the management of WA's Technology Parks and understanding and delivering opportunities for economic diversification and growth.

Land for living – Metropolitan cities and centres

Commitment

Our commitment in metropolitan Perth is to deliver residential land supply, urban regeneration and revitalisation where opportunities for development are constrained. New and revitalised spaces are created next to existing infrastructure to enrich metropolitan communities and help the State achieve infill targets. We have significant projects which will contribute to METRONET delivery in key centres across Perth.

Alignment to Government priorities

Our metropolitan activities support the Government's priority for a liveable environment where people can easily connect to where they live, work and play and where the natural environment is sustained to support quality of life for future generations. We do this through the delivery of quality transport oriented development, urban regeneration and infill projects, and through our commitment of biodiversity and waste reduction.

Challenges and opportunities

In metropolitan Perth, LandCorp faced significant challenges during 2018-19. The most significant constraints on performance included weak economic conditions, low consumer confidence, tighter lending conditions and low population growth. Opportunities in the metropolitan area included supporting the delivery of METRONET precincts and the Metropolitan Redevelopment Authority (MRA) redevelopment areas, delivering greater density in infill development precincts and leveraging innovation projects to improve cost of living outcomes for customers. In 2019-20 we will remain focused on delivering METRONET precincts and more transit oriented housing in line with the Government's 'Our Priorities: Sharing Prosperity' initiative.

Land for living – Regional cities and centres

Commitment

Our commitment in WA's regions is to grow and revitalise cities and towns through the supply of suitable residential land and infrastructure. We help strengthen communities by creating vibrant places for people to live and socialise while also investing in new spaces for economic activity. Our projects help keep regional communities strong and thriving through the strategic development of great places for business and people.

Alignment to Government priorities

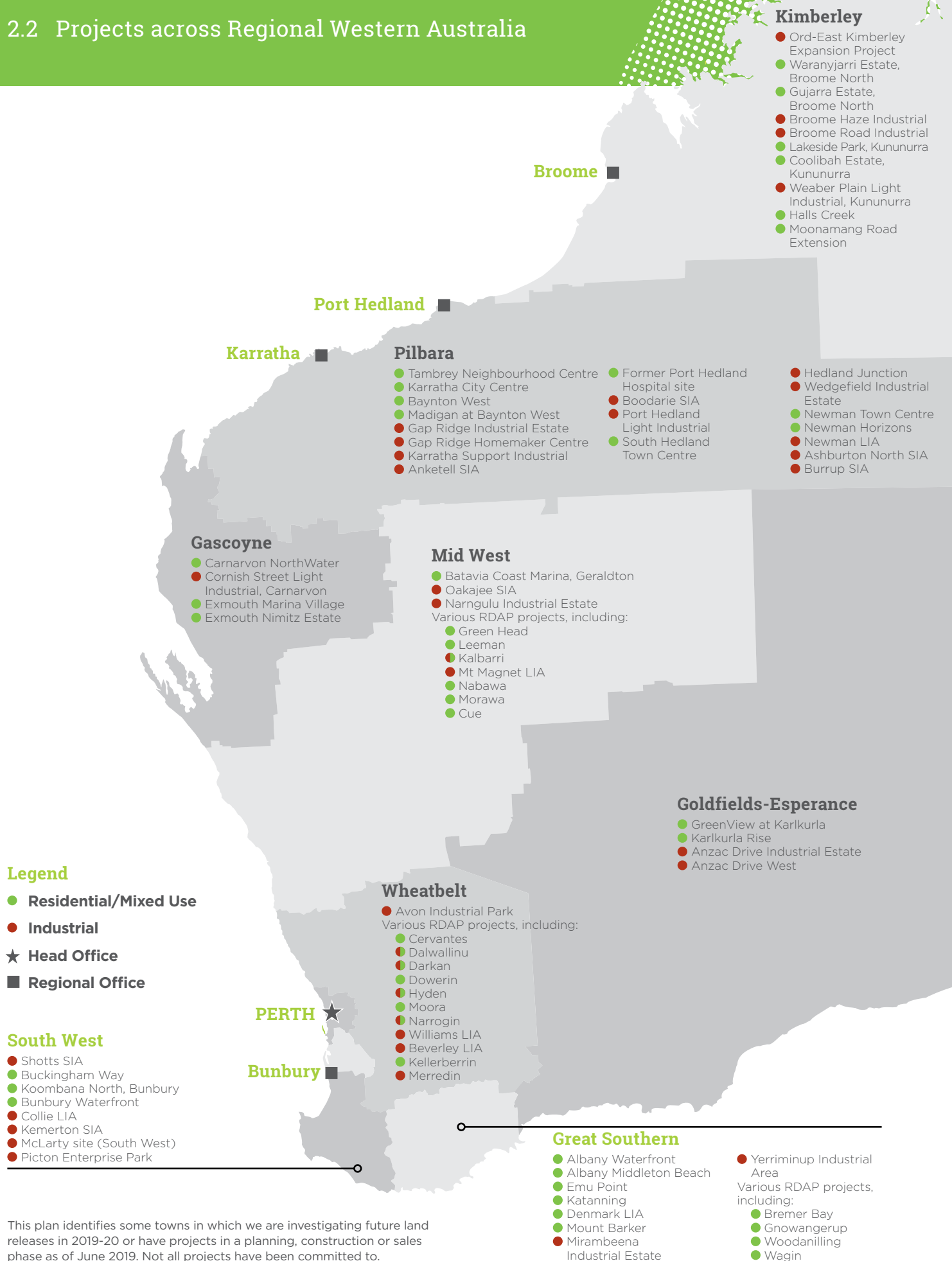
LandCorp has been active in the Regions for over 20 years. Over that time, the Government has tasked LandCorp with undertaking a range of priorities, initially small town land supply, followed by Super Towns and Regional Cities and large scale infrastructure projects such as the Ord Expansion Project.

Our projects can be found right across the State, from the Kimberley region to the Great Southern. We work in partnership with regional development commissions, communities and other stakeholders to make Western Australia's regional towns and cities great places to live and work.

Challenges and opportunities

Throughout 2018-19, LandCorp's regional performance remained challenged by weak conditions across almost all regional land markets, after an unprecedented period of growth. Regional opportunities included the delivery of Government priority transformational projects including Bunbury Waterfront and Port Hedland Marina. For 2019-20, LandCorp expects a gradual recovery in some markets, particularly in the Pilbara with emerging mining projects likely to bring increased regional investment and activity. LandCorp will focus on continuing the delivery of priority projects and on ensuring that we are in a strong position to respond to new demand and support the growth of regional industries and communities.

2.2 Projects across Regional Western Australia



2.3 Projects in the Perth Metropolitan Area

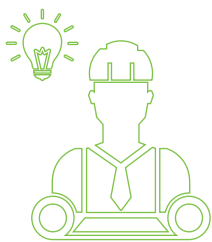


Legend

- Residential/Mixed Use
- Industrial

2.4 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 to deliver a wide-range of small and large development projects to add value to Government and the Western Australian community.



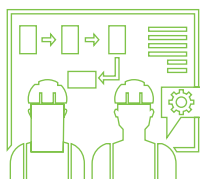
01 Project Start up

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.

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.



02 Definition

Detailed level business case planning.

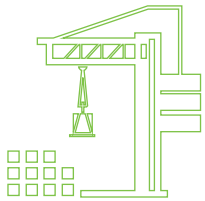
How we add value to realise the potential of land

We define the detailed scope and the opportunity projects have to influence our material issues and achieve Government policy goals. We plan an approach which details how negative social, environmental and economic impacts will be avoided, mitigated or managed and how positive impacts will be optimised.

We formalise Government and private sector partnerships and investment. Private sector partnerships may result in private sector investment in development project/s.

We create detailed plans in collaboration with local communities and stakeholders that are then lodged for planning approval.

Ocean Reef Marina.



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.

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.

This may involve upgrading power, water and other infrastructure, improving traffic flows and parking, beautifying streetscapes and town centres, and providing new community facilities.



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.

Changes facilitated through land delivery may include increases in density, affordable and

social housing, heritage and cultural recognition, liveability, built form quality, biodiversity and public open space.

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, design guidelines, and education materials to influence customer behaviours such as sustainable water and energy use, reducing waste, and sustainable transport choices.

2.5 Future direction – land agency reform

To achieve its commitment to efficient and effective service delivery, in November 2017 the Western Australian Government approved a number of Government land agency reforms that included the merger of LandCorp and the Metropolitan Redevelopment Authority (MRA).

These land agency reforms progressed throughout 2018-19 and achieved:

- alignment of the MRA and the LandCorp Boards, through a common Chairperson and Directors,
- key stakeholder consultation and feedback sessions,
- establishment of the Industrial Lands Authority within LandCorp,
- financial review and agreement with Government on a sustainable funding model,
- implementation of MRA planning reforms,
- alignment of Government policies and project priorities,
- completion of the MRA Act review, and
- LandCorp and the MRA working together on planning and delivery at the Subi East, East Perth Power Station, Waterbank, and Forrestdale Business Park West projects.

The agencies will continue to progress the administrative merger throughout 2019, while also exploring legislative proposals to merge the two entities.



East Perth Power Station.



Shoreline, Cockburn Coast.

Defining the Content of this Report

03

Content for this report was 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 content of the report so we can 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.

3.1 Principle one – stakeholder inclusiveness

This principle involves responding to the reasonable expectations and interests of our stakeholders. The following table outlines our seven key stakeholder groups and the 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. The following stakeholder interests and concerns informed the identification of material issues for this report.

Table 1: Stakeholder interests and concerns by stakeholder group
<p>Government (Federal, State and local government)</p> <ul style="list-style-type: none">• Land agency reform changes to deliver a single operating model.• The development and supply of land and infrastructure for jobs and housing.• Creating jobs, infrastructure, industry investment and expansion for a strong economy.• Collaboration to achieve the Governments of Western Australia’s ‘Our Priorities: Sharing Prosperity’.• Collaboration to achieve land, planning, infrastructure and transport outcomes.• Good governance and transparency, and efficient commercial and operational management.• Land for jobs through the Industrial Lands Authority (ILA) which sits within LandCorp.• Integrated land and transport planning to increase homes close to public transport, 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.• Financial returns to Government.
<p>Customers</p> <ul style="list-style-type: none">• Land for housing and business opportunities.• 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.• Well located land for industry and business that is close to markets, suppliers and labour with excellent transport and service infrastructure.• A smooth and simple purchase process.



Table 1: Stakeholder interests and concerns by stakeholder group cont'd.

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.

Communities (local community)

- 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 concern for environmental impacts, access and connection to amenities, public transport, traffic and parking impacts, and construction impacts such as dust and noise.

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.
- Providing a safe, fair and productive environment with a supportive culture.
- Providing opportunities for learning, development and career progression.
- Leading by example in sustainable development and innovation.
- Changes as a result of the State Government's Land Agency Reform process.

3.2 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. LandCorp adopts this definition and is committed to being a leader in the delivery of land and infrastructure developments which have a lasting and positive impact for Western Australians, today and in the future.

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. The performance section (Section 4) of this report identifies where our performance aligns to the SDGs.



Since 2008, we have adopted four Sustainability Elements which provide a framework for thinking, planning and designing to manage land and infrastructure development impacts and make the most of opportunities for positive impact (Figure 1).

Figure 1 LandCorp's elements of sustainable development

Economic health	Community wellbeing	Environmental responsibility	Design excellence
Maximising economic development opportunity while optimising the environmental, social and economic benefits in accordance with State Government strategies.	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.

Our framework aligns closely with the focus areas in the United Nations SDGs and the industry sustainability frameworks outlined in Table 2. These industry frameworks are adopted by LandCorp and used across a number of our projects. This is outlined in detail in Section 4, page 74.

Table 2 Industry frameworks adopted by LandCorp

Industry sustainability framework	Themes/categories covered
The Green Building Council of Australia's (GBCA) Green Star Communities rating tool, a precinct scale tool that covers six categories.	Environment, Economic Prosperity, Liveability, Design, Governance, Innovation.
The Urban Development Institute of Australia's (UDIA) EnviroDevelopment national compliance based rating tool that consists of six elements or 'leaves'.	Ecosystem, Waste, Energy, Materials, Water, 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 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, Culture and Community.
The Infrastructure Sustainability Council of Australia's Infrastructure Sustainability (IS) is a rating scheme for planning, design, construction and operation of infrastructure assets. It includes four focus areas.	Governance, Economic, Environment, Social.

3.3 Principle three – materiality

This principle requires that we report on significant economic, environmental and social issues that have the potential to impact on the business, and on topics that substantially influence the assessment and decisions of stakeholders. The following section outlines the process we undertook to identify, prioritise and validate a list of material topics to report on in this report.

Identification

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

- social, economic and environmental impacts;
- government regulation, policy and priorities;
- LandCorp policy, procedures, risks, strategy and past material topics;
- material topics and issues of peers;
- sustainability context including sustainability topics covered in the United Nations SDGs and industry frameworks adopted by the development industry;
- sustainability context, future challenges, opportunities and trends;
- media and press;
- relevant topics and issues within the GRI Standard; and
- our understanding of stakeholder

expectations and interests raised through our normal engagement activities.

Prioritisation

The list of material topics were then assessed by a cross section of staff from across the business to determine relative priority. The assessment involved scoring the topics against the two materiality principle parameters: 1) significance of economic, environmental, and social impact; and 2) influence on stakeholder assessment and decisions.

Each parameter had four equally weighted criteria. Higher scores (max of 5) represented higher significance and importance. While scoring involved a level of subjectivity the scoring criteria were designed to ensure consistency.

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 impacts; 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 expectations; and
- level of media, advocacy groups and broad societal interest and expectation.

This scoring resulted in a materiality matrix which plots the relative priority of the material topics (Figure 2).

Validation

All of the material issues were rated highly. They are all important. The materiality matrix simply illustrates relative priority based on the scoring criteria, and provides an indicative view at a point in time. The resulting materiality matrix is shown in Figure 2.

The materiality matrix was presented to our Executive team who validated and approved the prioritised materiality matrix for inclusion in this report.

The content of this report attempts to reflect the relative priority outlined in this materiality matrix.

3.4 Principle four – completeness

This principle requires we sufficiently cover significant economic, environmental and social impacts.

The material issues identified above reflect our significant economic, environmental and or social impacts, and will enable stakeholders to assess our performance.

LandCorp's performance against each material issue is outlined in Section 4 of this report. For each material issue, we outline a 'topic

boundary' which described where the impacts occur and our involvement with those impacts. We also identify the alignment to the United Nations Sustainable Development Goals (SDGs) and the focus areas from the Government of Western Australia "Our Priorities".

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

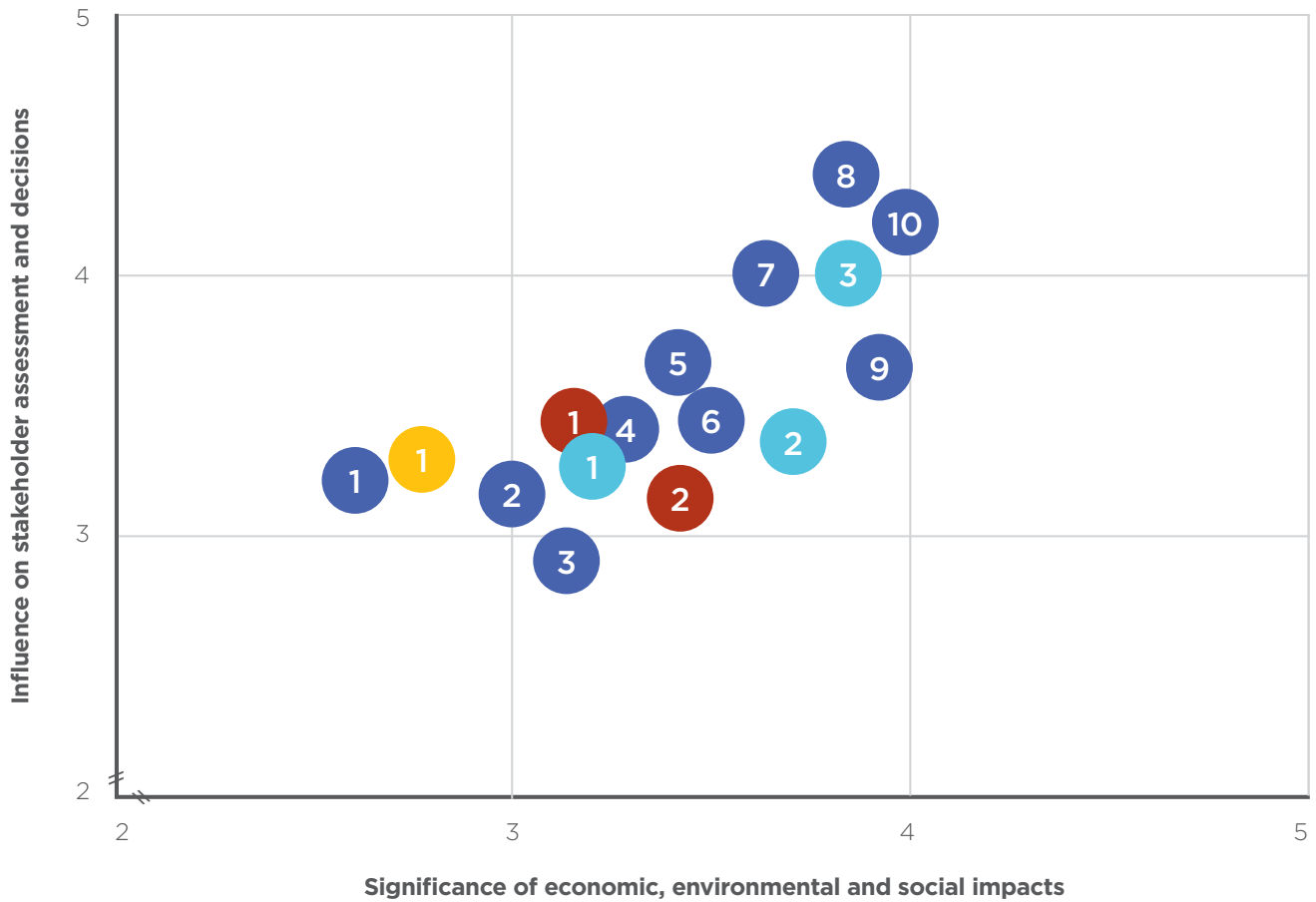
Champion Lakes.





Red Earth Art Precinct, Karratha.

Figure 2: 2018-19 Materiality matrix



Key

Integrated project delivery

- 1 Reconciliation
- 2 Waste
- 3 Water
- 4 Design quality
- 5 Energy
- 6 Climate change
- 7 Community health and wellbeing
- 8 Community engagement
- 9 Economic prosperity
- 10 Biodiversity

Operational and commercial capacity

- 1 People, capability, inclusion, and diversity
- 2 Occupational safety and health
- 3 Ethical and accountable decision making

Relationships and partnerships

- 1 Stakeholder relationships and partnerships
- 2 Supply chain

Market leadership and innovation

- 1 Innovation



The Pocket, Claremont on the Park.

Performance

04

4.1 Integrated project outcomes

Economic prosperity

Topic boundary	Alignment to SDGs and WA Government priorities
<p>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.</p>	<div>    </div> <div>  A strong economy  Regional prosperity </div>

Industrial Lands Authority Performance

Industrial Lands Authority first birthday

In June 2019 the Industrial Lands Authority (ILA) celebrated its first birthday. The creation of the ILA was a State Government commitment and it plays an important role in removing barriers to investment and facilitating innovation, economic diversification and jobs growth in industrial areas and technology parks throughout WA.

Industrial Land Steering Committee

Recognising the importance of a whole of Government approach to industrial land, in 2018, the Government established the Industrial Lands Steering Committee (ILSC). The Committee provides strategic advice and guidance to the governing Board and staff of the ILA and reports biannually to the Jobs and Economic Diversification Committee of Cabinet.

The purpose of the ILSC is to provide improved coordination, advice and action between the Government's agencies with an industrial development responsibility, to deliver the Government's industrial land development objectives. The ILSC is comprised of the Directors General from the Departments of Jobs, Tourism, Science and Innovation (Chair); Department of Transport; Department of Primary Industries and Regional Development; Department of Planning, Lands and Heritage; and

LandCorp (incorporating the ILA).

The Committee has four key objectives:

- remove barriers to industrial land development and investment;
- streamline development approval processes for industrial land;
- coordinate industry attraction and case management, and
- provide lead agency collaboration on industrial land delivery and management.

The key focus areas over 2018-19 included:

- progressed Strategic Industrial Areas across the state (including Kemerton, Collie Shotts and Burrup);
- investigated investment attraction approaches used in the Eastern States;
- progressed the Bentley Curtin Specialized Activity Centre Road Map;
- endorsed the Forrestdale Business Park West business case for submission to Treasury;
- considered and discussed Defence Plan for Australian Marine Complex;
- progressed various policy reviews related to industrial planning;
- monitored the supply and availability of industrial land in Perth and Peel, and
- engaged with other parts of government and the private sector.

General Industrial Land Delivery

In 2018-19, the ILA delivered 40 industrial lots across WA. The releases comprised 35 general industrial lots and five lots at our Strategic Industrial Areas (SIA). Key releases included: the next stage (final 15 lots) Flinders Precinct in Hope Valley; 11 lots at Peel Business Park; eight new lots released to the market at Gap Ridge in Karratha; one lot at Bulbey Road in Bellevue and three lots at Kemerton SIA, one lot at Collie Shotts and one lot at Kwinana SIA.

In addition to the lots released during 2018-19, LandCorp currently has 86 developed industrial lots available across the State. Lots are available at several estates, Forrestdale Business Park, Flinders Precinct, Meridian Park Neerabup, Avon Industrial Park, Pinjarra Industrial, Rockingham Industry Zone, Karratha Gap Ridge, Port Hedland Wedgefield and Broome Road Industrial.



Flinders Precinct,
Latitude 32 Industry Zone.

Table 3: General industrial lots created in 2018-19 (based on land released)

Target	Actual	Developed lots available (excluding lots created in 2018-19)
40 general industrial lots.	35 general industrial lots.	86 developed lots available at 30 June 2018.

With significant stock of general industrial lots on the market, LandCorp released five fewer general industrial lots than initially planned. The next stage at Crossroads Industrial estate was released dependant on pre-sales in late 2018, but was subsequently withdrawn due to lack of demand. However, the release of 35 general industrial lots is the highest number recorded in the past three years, and indicates improvements in the industrial market (Table 3 and 4).

Table 4 General industrial lots created from 2014-15 to 2018-19

General industrial lots created based on land released				
2018-19	2017-18	2016-17	2015-16	2014-15
35	20	9	36	58

Investment in Strategic Industrial Areas

During 2018-19, we secured four leases in Strategic Industrial Areas (SIAs) which are expected to contribute \$2.5 billion in construction investment and 670 permanent jobs during operations. The leases were for Albemarle at Kemerton SIA, Puma at East Rockingham SIA, and BMT Australia Pty Ltd and Kwinana WtE Project Co Pty Ltd at Kwinana SIA.

Launch of the Peel Business Park at Nambeelup

Peel Business Park, is part of the multi-million-dollar Transform Peel project, a strategically located industrial estate designed with a focus on agri-innovation and sustainability that is set to become a major jobs precinct. Transform Peel is a partnership project which includes LandCorp's Industrial Lands Authority, Peel Development Commission, Department of Primary Industries and Regional Development, Department of Water and Environmental Regulation, Shire of Murray and the City of Mandurah.

In October 2018, the first 10 lots were released, which represents the first allotment within the 120 hectare first stage, which forms part of the wider 1,000 hectare precinct. Construction and land development of stage one

is expected to create more than 300 jobs, with a further 160 permanent jobs for the Peel region once the first stage is fully operational.

Unlocking Forrestdale Business Park

On 31 January 2019, the Premier of WA announced \$7.5 million in funding to unlock private development in Forrestdale Business Park West as part of a sod turning media event on site.

Unlocking Kemerton Strategic Industrial Area

During 2018-19, construction of the 2.5km Kemerton Road in the Kemerton Strategic Industrial Area will facilitate the Albemarle lithium project and unlock a further 350 hectares of strategic industrial land.

The Australian Marine Complex 15 year anniversary

The Australian Marine Complex Common User Facility (AMC-CUF) located in Henderson is a world-class centre of excellence for manufacturing, fabrication, assembly, service and repair resulting in a diversity of work ranging from oil and gas operators, Department of Defence, mining companies and ship building.

The State Government-owned asset, by being a common user facility aims to capitalise on the growing potential in marine, defence, mining, and oil and

gas industries by enabling delivery of major engineering projects within WA. It has provided companies the ability to bid for, win and complete work that would otherwise not be possible.

The AMC-CUF celebrated its 15 year anniversary in July 2018 and has generated \$2.5 billion for the local economy and created more than 40,000 jobs through 440 projects over the past 15 years.

The Facilities premier asset, the Floating Dock, also celebrated its 150th evolution in June 2018. An upgrade of the Floating Dock was completed in June 2019 which involved replacement of larger valves to improve efficiency.

Improving the understanding of our Economic Impact

In September 2018, LandCorp and Pracsys successfully finalised an Economic Impact Tool for use in estimating the direct and indirect economic impacts of LandCorp projects (residential, mixed use, general industrial and strategic industrial) in a range of locations (metropolitan and regional). This tool is owned by LandCorp and models the employment and direct and indirect economic output (measured in dollars) of a project during the following three stages of a project lifecycle:

- during LandCorp's land development activities,
- during the subsequent purchaser's construction of built form, and
- the ongoing benefits of the proposed activities in commercial areas.

The tool was informed by past representative land development projects that provide a benchmark. The information input into the model was underpinned by data from the Australian Bureau of Statistics and other publicly available and credible data sources.

LandCorp are using this tool to help better understand the economic impact of its projects and the data in

the following section has been sourced from the Economic Impact Tool.

ILA economic impacts

LandCorp's Economic Impact Tool has been used to estimate the employment and economic output of industrial and commercial land. Using this model, the economic impact of industrial and commercial lots sold

can be estimated. The economic impact is measured during the creation of lots, construction of the buildings and the ongoing activity on the land (operations).

In 2018-19, LandCorp sold 29 hectares of general industrial land across its estates. The economic impact is summarised in Table 5.

Table 5 Forecasted ongoing economic impact of general industrial lots sold* in 2018-19

Stage 1 – Creation of vacant lots	Direct employment	25 jobs (FTE's) [✓]
	Direct expenditure on lot creation (LandCorp)	\$14 M
Stage 2 – Construction of buildings on the vacant land	Direct employment	379 jobs (FTE's) [✓]
	Construction expenditure (private sector)	\$108 M
Stage 3 – Ongoing activity on land	Ongoing employment when fully developed	956 jobs (FTE's) [✓]
	Average worker productivity (annual) [^]	\$345,637
	Output per year when fully developed (annual)	\$330 M

*Analysis includes ILA general industrial sales, and excludes Strategic Industrial Areas (see Table 6 below) and light industrial lots sales that form part of LandCorp's Regional Program.

[✓]FTE's Full Time Equivalents

[^]Worker productivity is calculated as a weighted average of the number of employees and average industry output. Average industry output is estimated from the ABS Input-Output Tables.

Analysis assumptions are based on 1) 100 per cent of land sold is developable; 2) 'Employment floor-space ratio' and 'floor-space by planning land use category' and breakdown of building types are all based on 'Typical Perth Metro Industrial Estate'.

The economic impact of leases initiated in 2018-19 within our Strategic Industrial Areas is outlined in Table 6.

Table 6 Economic impact of leased land initiated in 2018-19

	Albemarle (Kemerton)	Puma (Rockingham)	BMT (Kwinana)	Kwinana WtE plant (Kwinana)
Number of jobs created – construction	500	n/a	30	800
Number of jobs created – operation	500	100	8-10	60
Project value (construction)	\$2,000M	\$135M	\$10M	\$400M

Note: Data presented is based on information provided by the proponents in their business cases.



Australian Marine Complex, Henderson.



Port Hedland.

Metropolitan Performance

Land delivery

In 2018-19, LandCorp released land for 590 dwelling unit equivalents (DUEs) within the metropolitan area. DUEs provide an indication of how many dwellings can be catered for on the lots we create. The final result was down slightly on our target as some releases planned at projects in the North-West corridor have been delayed till 2019-20 due to soft market conditions. Key releases included:

- first release at Highland Range in Jane Brook (23 DUEs),
- release of 90 DUEs at East Village, Knutsford,
- release of the next 4 lots at Murdoch Health and Knowledge Precinct (115 DUEs),
- the next release at Montario Quarter, Shenton Park (30 DUEs),
- additional releases at Alkimos Beach (60 DUEs), Alkimos Vista (40 DUEs) and Allara in Eglinton (44 DUEs),
- the next release at Champion Lakes (29 DUEs),
- additional release at Shoreline, Cockburn Coast (22 DUEs), and
- the release of the final 3 lots at Parkside Walk, Jolimont (137 DUEs).



In addition to the DUEs created during 2018-19, LandCorp has 117 developed lots (117 DUEs) available as at 30 June 2019 (Table 7).

Table 7 Metropolitan residential dwelling unit equivalents created in 2018-19

Target	Actual	Lots and DUEs available (excluding DUEs created in 2018-19)
700 DUEs	590 DUEs created (based on land released)	117 lots with 117 DUEs available as of 30 June 2019

Due to the challenging residential property market, LandCorp released fewer lots across our greenfield residential projects in the North-West than was initially targeted. The number of lots currently on the market is reflective of market conditions, and new stock can be brought to the market if demand improves.

Table 8 Metropolitan residential dwelling unit equivalents created from 2014-15 to 2018-19

Metropolitan residential dwelling unit equivalents created				
2018-19	2017-18	2016-17	2015-16	2014-15
590	615	887	1726	1480

Alkimos Central METRONET precinct

The structure plan for Alkimos Central was approved by the Western Australian Planning Commission in August 2018. A review of the indicative master plan is underway to consider possible locations for key components of the development, including the proposed retail centre. Alkimos Central, located on 212 hectares, will become a mix of residential, retail, recreational, entertainment and commercial uses, providing a hub for the 60,000 projected population in the fully developed Alkimos-Eglinton District. Alkimos will be the home of the first new train station along METRONET's Yanchep Rail Extension, and will form the focal point of the new Alkimos Central community, supporting surrounding residential communities including LandCorp's Alkimos Beach, Alkimos Vista and Allara in Eglinton. Alkimos Central is expected to create around 13,500 local jobs, and more than 1,600 jobs for the construction of the rail extension.

Alkimos Coastal Node

In December 2018, the Western Australian Planning Commission adopted the Alkimos Coastal Node Local Structure Plan. We are now progressing the preparation of the Foreshore Management Plan, updated Bushfire Management Plan, and subdivision to commence the implementation of the Local Structure Plan. The future Alkimos foreshore development is planned to become an oceanfront destination with a mix of residential, retail and tourism developments.

Cockburn Central Town Centre and Cockburn Central West

Cockburn Central Town Centre is an Activity Centre located adjacent to the Cockburn Central Train Station providing a mix of residential, retail and commercial uses. Cockburn Central West, is home to Cockburn ARC a recreation and aquatic centre that is also home to the Fremantle Football Club (Fremantle Dockers). Cockburn Central West is set to complement and enhance the activation of the Cockburn Town Centre development.

To date, 80 per cent of Cockburn Central Town Centre has been developed with apartments, retail and office space. Cockburn Central West, the next phase of the Cockburn Central Activity Centre, has sold out for Stage 1, and construction is underway for Stage 2. The 32 hectare development is expected to cater for a population of 2,000 people and ongoing employment for more than 1,800 people.

Ocean Reef Marina

This project is set to become a world-class waterfront precinct providing recreational, tourism, residential and boating facilities for local residents and visitors. In early 2019 the Ocean Reef Marina Community Reference Group was formed through a ballot process and the first meeting was held in February 2019. This Group will help guide the design of the Marina's public realm. LandCorp continues to progress approvals required to deliver the project, including an Improvement Plan and Public Environmental Review. Construction is expected to begin in late 2020 and create more than 900 jobs for the local community.

East Perth Power Station

The 8.5 hectare East Perth Power Station precinct has the potential to transform into a contemporary waterfront destination for the community to interact with this iconic piece of social history at the Swan River's edge. Future development will deliver a pedestrian-friendly precinct supported by well-established connections to major arterial roads, rail and bus networks and cycle ways. In May 2019, the State Government announced funding to unlock the East Perth Power Station site for redevelopment and relocate the Western Power Switchyard.

LandCorp is responsible for management of the site to ensure its historical significance is maintained and coordinate ongoing maintenance of the buildings, landscaping and a regular security program.

Subi East Redevelopment

This project will see the rejuvenation of 35.6 hectares of land to create a vibrant new north-eastern gateway to Subiaco. In early 2019 LandCorp sought feedback from the community on the Vision Concept, feedback was collated into a report that summarised the issues raised and was made publically available. During 2018-19 planning began for the demolition of Subiaco Oval, which is scheduled to begin in July 2019. A Community Reference Group was established to focus on the demolition and construction of the Subiaco grandstands. The 1935 heritage-listed gates will be protected and restored, the Sandover Medal Walk carefully removed for posterity, and the iconic playing surface reinstated for community use. In 2019-20 LandCorp will begin master planning for the future of the site.

Urban regeneration economic impacts

LandCorp's 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 9 sets out the number and percentage of LandCorp's lots created within the metropolitan infill areas. Our work in infill projects has increased over the last five years, with more than 80 per cent of land for new dwellings delivered on infill projects. The slight decrease in the percentage in 2018-19 is mostly due to the prevailing market conditions across the property market in Perth.

Table 9 LandCorp lots created within metropolitan infill areas

Measure	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Number and percentage of dwelling unit equivalents created by LandCorp in the Metropolitan region via urban infill developments*	446 76%	874 84%	777 88%	1,547 89.6%	931 63%	753 69%

**Note: LandCorp defines urban infill projects as those within the existing urban footprint of the metropolitan area.*

Regional Performance

Land delivery

There were no new residential lots released in 2018-19 across regional WA due to the significant residential land stock available on the market (over 1,000 lots available) as well as subdued market conditions. At 30 June 2019, LandCorp had land for 1,011 DUEs available across our regional projects.

Town centre revitalisation

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 11 identifies active infrastructure and town centre development projects, where construction activity occurred during 2018-19.

Table 11 Active infrastructure and town centre development projects

Project and status	Economic outcomes
<p>The Karratha City Centre</p> <p>The project has encompassed the creation of an iconic four level mixed commercial, residential and hotel development with decked car park (The Quarter) and extensive upgrading of city infrastructure in the form of roads, drainage, power and sewer and provision of development sites for both residential, commercial and public amenity and the Karratha Health Campus. The Quarter precinct opened for business in June 2016. Stage 1 of the infrastructure project was completed in 2018 and Stage 2 completed in March 2019.</p>  <p><i>The Quarter, Karratha.</i></p>	<ul style="list-style-type: none"> • Project area: 77 hectares. • Funding: (a) Karratha City of the North (The Quarter): \$66.7 million from the State Government's Royalties for Regions fund and supported by \$9 million from LandCorp. (b) Karratha City Centre Infrastructure Project, Stage 1: \$74.6 million from the State Government's Royalties for Regions fund. (c) Karratha City Centre Infrastructure Project, Stage 2: \$78.1 million from the State Government's Royalties for Regions fund. • Expected population: 50,000 people by 2030+. • Infrastructure delivery: Realigning road and pedestrian network, upgrading of essential infrastructure services including undergrounding of power supply and delivery of development ready sites for: Karratha Health Campus (opened in September 2018); The Quarter Commercial Building (opened in June 2016); Hotel (construction anticipated to commence in September 2019); Palago Apartments (opened in 2013); Red Earth Arts Centre (opened in 2018); GP Super Clinic (opened in 2018); City Park (anticipated to be completed in September 2019); Commercial Development (two lots sold and two lots under option). • Public open space: 1.12 hectares for 'Welcome Park' and 1.31 hectares for 'Red Earth Arts Centre'. • Dwellings: 46 service-worker apartments at The Quarter. • Commercial and retail space: 6,056sqm at The Quarter and a further 20,592sqm in the CBD. • Short term local employment: \$22 million in contracts for local jobs. • Expected ongoing employment: more than 450 people. • Expected build-out period: 2025-30
<p>Tambrey Neighbourhood Centre in Karratha</p> <p>A neighbourhood styled shopping precinct would support the surrounding established residential area and complement services and infrastructure provided in the City Centre. Civil works on the first stage of the Tambrey Neighbourhood Centre were completed in early June 2019 for settlement in the first half of 2019-20. Construction of the shopping centre is anticipated to commence in late 2019, for opening in 2020.</p>	<ul style="list-style-type: none"> • Project area: 9.4 hectares. • Funding: \$14.7 million funded by LandCorp. • Infrastructure delivery: delivery of land and infrastructure to facilitate a medium density mixed use neighbourhood precinct. • Public open space: upgrades to the drainage reserve (west of the site) are proposed. • Dwellings and expected population: approximately 165 residential dwellings to accommodate up to 410 people. • Commercial and retail space: 8,500sqm of retail space and 3,000sqm of commercial space (catering to a range of land uses, such as small supermarket, medical centre, specialty shops, food and beverage). • Short term local employment: 14. • Expected ongoing employment: 350 (as per Structure Plan) or 150 (as per the Shopping Centre developers forecast for the centre). • Expected build-out period: 10 years (to 2029).

Table 10 Regional residential dwelling unit equivalents created from 2014-15 to 2018-19

Regional residential dwelling unit equivalents created				
2018-19	2017-18	2016-17	2015-16	2014-15
0	315	85	199	397

Table 11 Active infrastructure and town centre development projects cont'd.

Project and status	Economic outcomes
<p>Middleton Beach, infrastructure upgrades, Albany</p> <p>The aim of this part of the project is to complete infrastructure works that will help support the potential for a future activity centre. Land acquisition and Stage 1 (realignment of Flinders Parade) was funded by Government and completed early in 2018. Work is progressing to deliver additional State funded electrical infrastructure upgrades, parking area construction and a contribution to foreshore improvement, which is part of the City of Albany's Foreshore Upgrade Project.</p>	<ul style="list-style-type: none"> • Project scope: Acquire the land and re-align Flinders Parade; electrical infrastructure upgrades, parking area construction and a contribution to foreshore improvement. • Funding: State funded (a) \$4.8 million for acquisition and road realignment, (b) \$3.6 million infrastructure upgrades (electrical infrastructure upgrades, parking area and a contribution to foreshore improvement). • Infrastructure delivery: Expected to be rolled out in 2020-2021. • Potential future economic impact: These infrastructure upgrades will help support the potential for a future activity centre, comprising 12,926sqm. The site would offer the potential for a mix of uses including a hotel, retail, commercial and residential.
<p>Broome Chinatown Revitalisation Project</p> <p>The Revitalisation Project aims to strengthen Broome as a tourist destination and Chinatown as Broome's cultural, entertainment and retail heart. The Project is a partnership between the Shire of Broome, Kimberley Development Commission and LandCorp. As a member of the project Steering Committee LandCorp's role included project management and procurement support. The major construction work for the final sub-project, the upgrade of the public realm in Carnarvon Street and Dampier Terrace, commenced in October 2018 and was completed and opened by the Minister for Regional Development in May 2019.</p>	<ul style="list-style-type: none"> • Project scope: The project included 10 sub-projects all designed to reinforce Chinatown's position as Broome's cultural, entertainment and retail heart. The sub-projects included feasibility studies for larger, potential projects, as well as design and construction of significant street and landscape upgrades to Carnarvon Street and Dampier Terrace to make the precinct more attractive and encourage activity. • Funding: \$13.78 million comprising, \$10.23 million from the State Government's Royalties for Regions fund, \$2.95 million from the Shire of Broome, and \$0.6 million from Tourism WA. • Infrastructure delivery: the following infrastructure sub-projects have been completed: Dampier Terrace and Frederick Street Connection; Roebuck Bay Lookout (Fredrick Street); Dampier Terrace Upgrades; Carnarvon Street Upgrades; Kimberley Centre Feasibility and Tourist Rest Facilities (relocated to Male Oval).



Table 11 Active infrastructure and town centre development projects cont'd.

Project and status	Economic outcomes
<p>Transforming Bunbury's Waterfront</p> <p>A program of public works, delivered over two stages to convert underutilised waterfront land in Bunbury's CBD into a new precinct that delivers jobs and a wide range of commercial and tourism opportunities. The project is a priority overseen by the Bunbury Development Committee, a non-statutory committee of the Western Australian Planning Commission. LandCorp reports to and takes strategic direction from the Committee. LandCorp's role is as Project Manager and has no equity in the project.</p> <p>Stage 2, Jetty Road: Revetment works (improved causeway rock protection) has been completed. Contract for the remainder of works was awarded in July 2019.</p> <p>Stage 2, Casuarina Drive upgrade: detailed design of civil works and landscaping has commenced and will be completed late 2019, construction is expected in 2020. Stage 3: Casuarina Boat Harbour: business case preparation is scheduled for completion and submission to the Bunbury Development Committee in September 2019.</p>	<ul style="list-style-type: none"> • Project area: Casuarina Drive, Jetty Road, Casuarina Harbour and Marina. • Funding: Stage 2: \$20.7 million from the State Government Royalties for Regions fund for Stage 2, including Jetty Road (\$9.88 million) and Casuarina Drive construction (\$10.85 million). Stage 3: \$4.25 million from the State Government's Royalties for Regions fund for Casuarina Boat Harbour Business Case. • Infrastructure delivery: Stage 2, Jetty Road: Involving road reconstruction, increased parking with 164 bays, introduction of shared paths and landscaping, construction of a multipurpose building incorporating public toilets, and improvements to utility services. Stage 2, Casuarina Drive: upgrade involving road reconstruction and landscaping. Stage 3, Casuarina Boat Harbour: business case preparation for the development of the Harbour, which will comprise new breakwaters, marine facilities and a mixed use precinct. The business case will confirm what can be achieved including number of dwellings, space for commercial/ retail and associated ongoing employment. • Expected build-out period: Jetty Road 2019-20; Casuarina Drive 2020-21; Stage 3, marine facilities subject to business case; Stage 4, residential/retail/public domain subject to business case.



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 86 projects in 102 towns, covering the length and breadth of the State and providing for a range of land uses. In 2018-19 the program focussed on economic growth opportunities, resulting in no additional dwelling unit equivalents being created as part of RDAP. We now hold developed land stock of 908 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, RDAP has successfully delivered land across the State to support economic activity, with normalised markets emerging in the larger centres and towns. The program has received no new applications for development, reflecting the amount of work undertaken over the past few years to satisfy demand and to develop a pipeline of projects that can respond to regional investment.

Corporate performance

Figure 3 Economic value generated over the last 3 years

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Direct economic value generated (Revenues)*	225.0	302.2	261.3
Other costs of operation	212.7	209.4	171.2
Land tax, stamp duty, income tax equivalents and Local Government rate equivalents	61.5	54.2	52
Dividend to Government	43.2	53.8	37.9
Salaries and on-costs	25.8	23.8	22.5
Interest charges on loans	6.5	5.5	6.7
Native title payments	0.4	3.6	2.3
Sponsorships	0.1	0.2	0.2
Economic value retained/utilised	-25.2	-48.4	-31.4

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.

Economic value generated

In 2018-19, we achieved sales revenue of \$152.8 million (\$194.6 million in 2017-18), a 21 per cent decrease compared to the prior year, on the back of challenging economic and property market conditions. The most prevalent portfolio that delivered the majority of sales revenue was from the Industrial Lands Authority program with sales of \$77.3 million (51 per cent). The remaining two portfolios made up the balance with the Metropolitan program contributing \$67.9 million in land sales, and the Regional Program \$7.6 million.

Despite subdued market conditions and with 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 \$225.5 million at 30 June 2019. During 2018-19 we paid out \$8.3 million for land acquisitions and \$100.5 million in development expenditure to deliver future land supply.

In 2018-19, we returned to the State finances a total of \$89.8 million, comprising dividend payments to the Government (\$37.9 million) and land tax, stamp duty, income tax equivalents and local government rate equivalents (\$52 million).

Operating subsidy arrangements

We continue to undertake select land development projects on behalf of the Government that either addresses market failure or requires '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 2018-19, we received \$56.2 million in grant funding which was directed across the State for the delivery of a range of projects from Karratha through to Albany. Of this funding, \$9.4 million came from Royalties for Regions including cost recoupments and 'fee for service' projects such as Peel Business Park at Nambeelup, Karratha City

Centre Infrastructure Works, Bunbury Waterfront Transformation, and Albany Middleton Beach. Of the remaining \$46.8 million, \$23.7 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.

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 12.



Table 12 Current active partnering projects

Partner	Project	Partnership summary and status
Lendlease	Alkimos Beach, Alkimos	Partnership started in July 2010 to deliver Alkimos Beach, a 224 hectare residential precinct. To date, 1,039 lots have been created and 962 lots sold, including five commercial sites in the Gateway Commercial Precinct and two schools.
	Alkimos Central	Alkimos Central's Local Structure Plan was approved in August 2018 and with receipt of this planning approval, formal partnership arrangements on Alkimos Central with Lendlease have now concluded. Now, given the METRONET program identifies the delivery of a train station at Alkimos by late 2021, a review of the planning is currently being undertaken to ensure successful integration of the future town centre with the train station and an amended Local Structure Plan is anticipated to be approved by the end of 2019-20.
	Alkimos Vista	The Development Agreement was executed on 12 July 2016, which was effectively the commencement of the partnership. In 2018-19, Stage 2 was constructed and titled, and the Sales and Information Centre, Display Village and Picasso Park were delivered. The second stage of bulk earthworks have commenced and will be completed in 2019-20. 27 lots settled in 2018-19 (11 lots from Stage 1 and 16 from Stage 2).
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 the third quarter of 2019.
Satterley Property Group	Allara, Eglinton	Partnership commenced in 2014 to deliver the northern 120 hectares of Allara Eglinton, delivering on affordable living, urban design and environmental leadership. Once complete, the entire Allara estate will be 240 hectares with approximately 3,400 dwellings. To date, over 330 lots have been sold and settled.
Cedar Woods	Mangles Bay, Rockingham	Partnership commenced in 2009 to jointly deliver Mangles Bay Marina Based Tourist Precinct. The project did not proceed following a State planning decision not to progress a Metropolitan Region Scheme Amendment for the precinct. The partnership for this project has now ceased.
	South Hedland Western Edge	The Heads of Terms Agreement for Western Edge between LandCorp and Cedar Woods Pty Ltd was executed in 2013. The agreement involves a two phase process. Cedar Wood has partially completed Phase 1 securing development planning and statutory approvals, undertaking a feasibility and detailed engineering design for Stage 1, which includes the creation of 615 lots. The next part of Phase 1 involves obtaining conditions of subdivision from the relevant local government, Western Australian Planning Commission and all other authorities.
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 in December 2018. In 2017-18, all 24 single residential lots and four of the seven apartment sites were sold. In 2018-19, two of the three remaining apartment sites were sold.

Climate change

Topic boundary

Alignment to SDGs and WA Government priorities

Working with our stakeholders to implement mitigation strategies to reduce the release of emissions, and adaptation strategies to strengthen the resilience of the build environment to respond to future climate change impacts. Each project delivered by LandCorp is unique and our influence and action on climate varies according to our delivery role and the nature and specific needs of each particular project.

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

**A liveable environment**

Climate Change Policy

An updated Climate Change Policy (the Policy) was accepted by our Executive in March 2019. The policy commits to mitigation and adaption strategies applicable to our development projects, and strategies vary based on each project lifecycle stage.

During development of our business cases we investigate cost considerations of both potential climate change impacts, and potential urban design and development opportunities to mitigate those impacts.

Masterplanning expresses a developments detailed design, and at this stage we plan for inclusions of climate responsive urban and landscape design, design guidelines that include energy and water

efficiency measures, and urban planning that considers future climate change impacts.

During construction of our developments we implement any strategies and practices expressed in the masterplan; to protect biodiversity we ensure retention of vegetation where possible, undertake revegetation and apply offsets; we work to reduce and recycle demolition and construction waste; we apply efficiency measures to reduce potable and non-potable water use; and incorporate renewable energy sources such as wind and solar energy.

The following section of this report outlines performance for how we manage water, energy, waste resources and biodiversity. In 2019-20 LandCorp will investigate opportunities to measure and

monitor climate impacts across our built form assets.

Risk mitigation

LandCorp's ability to effectively prepare for climate change adaption and response is monitored by our corporate risk assessment and management process. This process is managed by our Risk Management and Business Continuity Committee that considers LandCorp's risk profile quarterly, and overseen by our Audit and Risk Management Committee and Board.

Climate change risk is considered and tracked at both a strategic and operational level. The Climate Change Policy responds to potential consequences and impacts identified though the risk assessment process, and is a key control in the management of LandCorp's climate change impacts.



Biodiversity

Topic boundary	Alignment to SDGs and WA Government priorities			
Seeking to minimise impacts, be transparent about the impacts we do have and manage and improve outcomes through protecting and enhancing biodiversity and the tree canopy wherever possible. Land development has inherent environmental impacts with the removal of flora and fragmentation of habitats, and associated impacts on waterways. Protecting and improving biodiversity is important for both current and future generations.	 6 CLEAN WATER AND SANITATION	 11 SUSTAINABLE CITIES AND COMMUNITIES	 13 CLIMATE ACTION	 14 LIFE BELOW WATER
	 15 LIFE ON LAND	 A liveable environment		

Biodiversity impacts

We seek to minimise impacts on biodiversity in line with State and National obligations. During 2018-19 clearing of native vegetation, occurred on the following projects:

- Montario Quarter, Shenton Park 2.34 hectares of native vegetation understorey cleared to reduce the Bushfire Attack Level.
- Allara, Eglington 2.5 hectares of native vegetation cleared to reduce the Bushfire Attack Level.
- Kemerton Industrial Estate, Australind 14.42 hectares cleared to facilitate construction of access road.
- Alkimos Beach, Alkimos 6.85 hectares cleared for land development.
- Alkimos Vista, Alkimos 23.3 hectares cleared for land development.
- Peel Business Park, Nambeelup 2.8 hectares cleared for land development and installation of power infrastructure.

During 2018-19, our leasehold Strategic Industrial Land, had the following native vegetation clearing:

- Kwinana Industrial Estate, Kwinana, Puma Energy completed clearing of 11.8 hectares of vegetation to construct fuel storage facilities.

Of the above, approximately 49 hectares of Black Cockatoo habitat was cleared in 2018-19.

Rehabilitation and fauna relocation programs

We seek to manage and improve outcomes through protecting and enhancing biodiversity and the tree canopy wherever possible. During 2018-19 the following rehabilitation programs were undertaken:

- Alkimos Beach 1,154sqm was revegetated around the lookout in the Regional Open Space.
- Latitude 32 Biodiversity Strategy created in 2007 was adopted, incorporating ecological corridors and wildlife protection areas.
- Ongoing fencing repair, rubbish removal and weeding of 97 hectares of Conservation Area and adjacent properties at Rockingham Industry Zone.
- Montario Quarter, Shenton Park development of Landscaping and Rehabilitation Plan incorporating use of native and non-native species. Seed collection from vegetation occurred prior to clearing for propagation and use in landscaping and rehabilitation on site.
- Mature tree relocation; seven trees, three Ficus, three Norfolk Island Pines and one olive tree were relocated from development lots to the new parkland area at Shoreline, Cockburn.
- Relocation of Paperbark trees from development lots to roadside swales in Rockingham Industrial Zone. In addition, 625 grasstrees were salvaged with the majority of these being sold commercially, with around 50 donated to schools and community groups.

Three fauna relocation programs occurred during 2018-19:

- Cage trapping program prior to, and fauna salvage during vegetation clearing at Montario Quarter, Shenton Park, resulting in 84 individual animals being trapped, captured and relocated (one bird, one mammal and 82 reptiles).
- At Latitude 32, Cockburn a cage trapping program occurred prior to vegetation clearing, where one Bobtail lizard was caught and relocated.
- At Alkimos Vista, Alkimos a cage trapping program resulted in 54 animals, all reptiles, being captured and relocated to Yanchep National Park, Burns Beach Reserve and Yellagonga Regional Park.

Compliance

LandCorp was compliant with State and Commonwealth environmental approvals during 2018-19. The following Table 13 outlines the environmental approvals or referrals received during 2018-19.

Table 13 State and Commonwealth environmental approvals or referrals received during 2018-19.

State	Commonwealth
<ul style="list-style-type: none"> Lot 352 ANZAC Drive, Kalgoorlie Scheme Assessed by the Environmental Protection Authority (EPA) and approved as "Not Assessed" September 2018. Native Vegetation Clearing Permit granted by Department of Water and Environmental Regulation for Broome Motorplex September 2018. Former Port Hedland Hospital site reclassified to Contaminated Restricted Use by the Department of Water and Environmental Regulation (DWER) October 2018. Restriction relates to use of groundwater. 167 Cockburn Road Coogee reclassified as Decontaminated by DWER November 2018. Montario Quarter, Shenton Park drainage basin reclassified to "Decontaminated" by DWER March 2019 consistent with remainder of site. Batavia Coast reclassified to Remediated Restricted Use by DWER March 2019. Restriction relates to use of groundwater. 	<p>Environmental Protection and Biodiversity Act (EPBC) Act Referrals:</p> <ul style="list-style-type: none"> DA3 Latitude 32 EPBC 2016/7695 Final Approval Conditions provided by Department of the Environment and Energy (DotEE) October 2018. DA6 Latitude 32 notified by DotEE of "Not a Controlled Action" Decision July 2018. Kemerton SIA Road and Drainage Project EPBC 2018/8237DoTEE Final Approval Conditions provided by DotEE March 2019. 8 Purvis Street, Hamilton Hill, WA, 6163/ Western Australia/Redevelopment of Purvis Street school site, Hamilton Hill, WA "Not a Controlled Action Decision".

Offsets







In 2012, in consultation with the Western Australian Department of Parks and Wildlife LandCorp 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. 66.5 per cent (2,929 hectares) of the Advanced Offset has been allocated providing an offset for Allara in Eglinton and Alkimos residential development areas and Neerabup Industrial Area. The Advanced Offset is protected as Regional Open Space under the management of the Department of Parks and Wildlife.

Approximately 26 hectares of Lot 51 Walding Road, Carabooda, acquired by the Western Australian Planning Commission in March 2019, has been set aside for the conservation offsets required for the Ocean Reef Marina project.

Tree retention staff survey

In early 2019, LandCorp conducted an internal survey to explore staff thoughts and understanding regarding tree retention, to identify potential challenges, and opportunities for improvement. 91 staff completed this survey. The research found that 76 per cent of staff believe tree retention was either extremely or very important for LandCorp. The research found that there were opportunities to encourage tree retention at a strategic and project level. To follow on from this research, LandCorp intends to hold a workshop to further develop ideas for improvement, explore how business cases could better support tree retention, and host a staff training session on the financial and non-financial benefits of tree retention.

Water

Topic boundary	Alignment to SDGs and WA Government priorities
Managing the total water cycle, holistically considering all aspects of water including water as a shared resource, management of water discharge related impacts, water withdrawal and water consumption. In an urban development context this involves use of groundwater for construction purposes, stormwater and drainage management, water sensitive urban design, groundwater for landscape irrigation and techniques to improve potable water use efficiency and reduce demand in built form and encourage alternative sources e.g. stormwater harvesting, greywater and wastewater recycling.	      A liveable environment

Water Sensitive Urban Design

All projects within Western Australia must comply with State Planning Policies for water resources and Better Urban Water Management guidelines (currently under review). It requires the preparation of a strategy which accompanies the land use plan to achieve a holistic understanding of an urban development project's water balance and issues impacting stormwater recharge and water quality. Detailed design is informed by the Best Management Practices in the Stormwater Manual for WA. Together these policies and guidelines require an integrated water cycle management and Water Sensitive Urban Design (WSUD) approach.

Water initiatives for built form

We use Design Guidelines to help achieve high quality outcomes in the built environment.

This can include mandatory and/ or recommended criteria for reducing water use, and by providing incentives or rebates in some developments for waterwise gardens, dual plumbing and non-potable water sources such as rainwater tanks. Often our Design Guidelines also contain educational material on best practice water use behaviours and recommendations for purchasers to consider. Of the 210 lots sold across 42 projects, 90 per cent of lots had water management initiatives beyond compliance in place.

Total projects and total lot sales figures do not include land transfers for land that will only house servicing infrastructure or where there is no opportunity for built form outcomes as Design Guidelines are not applicable.

Waterwise Partner

LandCorp has been working collaboratively with Water Corporation across a number of its Waterwise programs. Water Corporation have a range of Waterwise programs to reduce demand on water sources and embed liveable and sustainable water sensitive concepts.

LandCorp was officially recognised as a Waterwise Partner at the Waterwise forum on 17 October 2018. The Waterwise Partners program recognises organisations for promoting water efficiency within the community.

Waterwise Development Program

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 from statutory compliance as well as achievement

of the Aquatic Ecosystems criteria. In 2018-19, Broome North has become the sixth LandCorp development (and first in regional Western Australia) to achieve Waterwise Development endorsement. Our projects that have achieved Waterwise Development recognition are:

- Broome North, received June 2019.
- Shoreline, North Coogee, received in 2018.
- Rockingham Industry Zone, received in 2018.
- Parkside Walk, Jolimont, received in 2017.
- Allara, Eglinton, received in 2017.
- WGV @ White Gum Valley, received in 2016.

Former Senior High School Redevelopment in Hamilton Hill – Water Sensitive Partnership Project

The redevelopment of the former Senior High School site is a Water Sensitive Partnership Project with Water Corporation to showcase integrated water management and Water Sensitive Urban Design initiatives, along with stakeholder participation and industry learning. A three-year Memorandum of Understanding between Water Corporation and LandCorp is in place, effective from August 2018.



The partnership project will work with stakeholders to co-create site specific water sensitive outcomes, trial water initiatives and develop communication materials and activities to capture and share learnings with those who seek to implement similar approaches across other developments in Western Australia.

The development is underpinned by strong sustainability principles and will be targeting all six leaves of the Urban Development Institute of Australia's EnviroDevelopment sustainability certification scheme and Waterwise Development endorsement.

Cooperative Research Centre (CRC) for Water Sensitive Cities

LandCorp has been a partner in the CRC for Water Sensitive Cities since its inception in 2012. The CRC brings together interdisciplinary research expertise and thought-leadership to undertake research that will revolutionise water management in Australia and overseas.

With a research budget in excess of \$100 million, the nine year research program concludes in 2020. LandCorp is involved in the development and implementation of research through its involvement in the governance of the CRC, through the Regional Advisory Panel, the Water Sensitive Transition Network and membership on a Research Project Steering Committee.

A key research outcome has been the development of the Vision and Transition Strategy for a Water Sensitive Greater Perth. The report considered Perth's water system from a number of perspectives, including the ways in which water has shaped the development of Perth and how water system services are delivered today. The report presents a vision for how water services might be delivered in the future and a pathway for transitioning from the present to the aspired future city. Together, these elements set out a broad scope of action for coordinating and steering the transition and for guiding Perth's urban water, planning, environment and development sectors.

LandCorp's WGV at White Gum Valley has set a new standard for waterwise development in Western Australia and has been used as a case study for the CRC for Water Sensitive Cities. The case study, which can be accessed online, outlines the project context, drivers, innovations, outcomes, challenges and lessons for transitioning to a waterwise development.

Another CRC for Water Sensitive Cities' case study is being developed for The Knutsford Precinct in Fremantle, which includes LandCorp's East Village project. The case study is for the national infill research project to better understand the adverse impacts of infill that should be avoided; assess the water sensitive performance of infill design options and inform infill design through setting water sensitive performance objectives. The research project is establishing a Mass Water Balance tool, a catalogue of infill typologies and an evaluation framework to assess water sensitivity outcomes, including the urban heat potential of infill projects to better inform policy and decision makers.

Energy

Topic boundary	Alignment to SDGs and WA Government priorities
<p>Identifying strategies to reduce energy use from fossil fuels and increase the uptake of renewable energy as an important carbon emissions mitigation strategy.</p>	<div data-bbox="774 235 928 387"> <p>7 AFFORDABLE AND CLEAN ENERGY</p>  </div> <div data-bbox="941 235 1096 387"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div data-bbox="1109 235 1264 387"> <p>13 CLIMATE ACTION</p>  </div> <div data-bbox="774 405 837 470">  </div> <p>A liveable environment</p>

Built form 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, 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.

During, 2018-19, of the 210 lots sold across 42 projects, 90 per cent of lots had energy management initiatives beyond compliance. Total projects and total lot sales figures do not include land transfers for land that will only house servicing infrastructure or where there is no opportunity for built form outcomes as Design Guidelines are not applicable.

Research of our 2018 residential land purchasers identified that 60 out of 85 purchasers reported that they received a sustainability package and 60 per cent of them believed that it was very or extremely important in their decision to purchase a block.



Solar panel initiatives

During 2018-19, the following projects had solar panel initiatives:

- Alkimos Beach, Alkimos: The Energy Smart Home Package provides a rebate and mandates a minimum 1.5kW solar panel. For non-residential buildings, solar panels are mandated through contracts.
- Alkimos Vista, Alkimos: A \$2,500 rebate is provided to help pay for the mandatory solar panel.
- Allara, Eglinton: A rebate package of \$3,800 is provided to help pay for the mandatory energy initiatives, including the 1.5kW solar panel
- Coolbellup, The Assembly: A \$1,000 rebate is provided to support the installation of the 1kW solar panel.
- Montario Quarter, Shenton Park: Design Guidelines require single residential dwellings to install a solar system with a minimum 1.5kW or an alternative renewable energy system.
- Parkside Walk, Jolimont: The Built Form Guide requires single dwellings install a minimum 1.5kW solar panel, and grouped dwellings a minimum of 1kW per dwelling.
- Shoreline, Cockburn Coast: Single and grouped residential buildings are required to install a minimum 1.5kW solar panel or solar water heater. Apartments are required to install solar panels in residential (1kW per apartment) and commercial (1kW per 100sqm ground floor area).



Waste

Topic boundary	Alignment to SDGs and WA Government priorities
<p>Investigating land for contamination, identifying hazardous waste and undertaking remediation and removal of waste or soil to enable the proposed land-use, or mitigate potential risk to human health or the environment.</p> <p>We manage demolition and construction impacts to minimise waste to landfill with subsequent environmental and financial (landfill levy) impacts. This involves encouraging and working with contractors and consultants to use resources efficiently and reduce, reuse and recycle materials during demolition and construction. In some instances we seek to influence the behaviour of residential and business customers to improve operational waste management practices.</p>	<div> <div>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div>  <p>13 CLIMATE ACTION</p> </div> </div> <div>  <p>A liveable environment</p> </div>

Land contamination and remediation

During our due diligence process we investigate all sites for potential contamination. Any property that may be contaminated is assessed to determine if it poses a risk to the environment or human health. Remediation is completed where required. Table 14 outlines the projects investigated for contamination during 2018-19.

Table 14: Projects investigated for contamination during 2018-19

Project name and location	Project area investigated (hectares)	Intended future use
LandCorp projects		
Subi East Redevelopment, Subiaco Oval	6.34	Residential and commercial
Montario Quarter, former Shenton Park Hospital site	15.8	Residential and commercial
Bunbury Waterfront	8.4	Residential and commercial
Batavia Coast Marina	1.21	Residential and commercial
Shoreline, Cockburn Coast	0.25	Residential
Projects managed for other Agencies		
Former Waste Control Site, Bellevue	0.34	General industrial
Former Lexia liquid waste ponds	8	State forest
Department of Fire and Emergency Services (DFES) Training facility Forrestfield	27.5	DFES training facility ongoing
DFES Fire Station, O'Connor	1.05	DFES maintenance depot ongoing
Pemberton timber mill waste ponds	11.07	Cattle grazing, public open space
Total	79.96	

Table 15 outlines our projects remediated for contamination during 2018-19.

Table 15 LandCorp projects remediated for contamination during 2018-19

Project name and location	Total land area decontaminated/ remediated (hectares)	Intended future land use
Montario Quarter, former Shenton Park Hospital site	1.304	Residential and commercial
Shoreline, Cockburn Coast	0.25	Residential
Total	1.55	

Hazardous waste

Table 16 hazardous waste which was 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 16 Hazardous containing materials removed during 2018-19

Project and location	Source of hazardous waste	Total waste*	Total hazardous waste disposed of to landfill
Kwinana Strategic Industrial Area	Building demolition - asbestos	8.8t	8.8t
Kwinana Strategic Industrial Area	Contaminated soil	40m ³	40m ³
Montario Quarter, former Shenton Park Hospital site	Contaminated soil	545m ³	545m ³
Former Waste Control Site, Bellevue	PFAS (Perfluorooctanesulfonic) Contaminated concrete slab	520t	520t
Latitude 32, Moylan Rd, Wattleup	Dumped asbestos wall sheeting	69kg	69kg
Cockburn Coast, Shoreline	Contaminated soil	0.61t	0.61t
Former Hamilton Hill Senior High School	Asbestos impacted soil, materials and building elements (packers, sheeting etc).	1,465.37t	1,465.37t

Note: The different modes of measurement is due to the variety of material disposed.





Demolition and construction waste initiatives

We had 20 projects with demolition or construction activities in 2018-19. Of these projects, 17 had waste management initiatives for demolition or construction activities, these projects are outlined in Table 17 and 18.

Table 17 Projects with demolition during 2018-19 and waste initiatives.

Project and location	Waste management initiatives and performance
Former Senior High School in Hamilton Hill, demolition of buildings and infrastructure.	<p>Demolition of buildings and infrastructure commenced in August 2018 and was completed in April 2019. Crushing operations and stockpiling of waste material commenced in May 2019 and will reach practical completion in July 2019. A Material Retention Schedule was developed prior to demolition works targeting 90 percent of materials to be salvaged, crushed, reused and repurposed onsite in the future development- setting a new benchmark in construction and demolition waste management.</p> <p>Approximately 6,000 cubic metres of demolition waste was crushed on site consisting of 81 per cent concrete and 19 per cent mixed aggregate (brick, tile, concrete, glass, bitumen). Additional elements including breeze blocks, timber, 20,000 bricks, pebbled panels, 80 cubic metres of brick/ concrete gabion fill and 650 cubic metres of tree mulch will also be used in future civil and landscape works.</p> <p>Research and learnings were captured by a Murdoch University Honors Environmental Engineering Student to quantify findings. Financial performance and material end-use analysis will be reported in the 2020-21 FY.</p>
Kwinana Strategic Industrial Area - demolition of old buildings and infrastructure (Lot 201 Leath Road, Kwinana, former BHP High-Smelt site).	<p>Demolition works commenced on 28 February 2019 and concluded on 22 May 2019. Testing was done on site prior and after demolition, including ground testing for asbestos containing materials. The following was removed from site: building rubble 320 cubic metres of mixed waste with approximately 60 per cent being recyclable, and 440 cubic metres of recyclable concrete and bricks.</p>

Table 18 Projects with construction during 2018-19 and waste initiatives.

Project and location	Waste management initiatives and performance
Alkimos Beach	<p>Civil works commenced in January 2018 and reached practical completion in January 2019. The civil works contractor was required to divert a minimum of 60 per cent (by mass) of civil waste from landfill. In 2018-19, 58 per cent waste diversion was achieved. 89 per cent waste diversion has been achieved for this project to date.</p> <p>A target is in place to recycle/reuse at least 60 per cent of civil and built form construction waste (by mass). The builders' waste recycling program delivered by Earthcare Recycling achieved above industry recycling rates at 92 per cent (based on data from January 2018 to January 2019) for participating builders.</p>
Champion Lakes Stage 7A	<p>Civil works construction commenced on 19 November 2018, with practical completion reached on 24 May 2019. A contractor waste management plan was in place, with an 85 per cent waste recycle target. Total waste removed from site in 2018-19 was 70 cubic metres, of which 99.12 per cent was recycled by weight with 0.88 per cent sent to landfill.</p>
Claremont on the Park	<p>Design Guidelines require the preparation of a waste management strategy in consultation with the Town of Claremont.</p>
Collie Shotts Strategic Industrial Area	<p>Civil construction commenced in April 2019 and is scheduled to reach practical completion in December 2019. No waste was exported from site in 2018-19 as all was cut to fill on site or material was imported for the civil works.</p>
Denmark Light Industrial Area	<p>Civil construction commenced in March 2018 and reached practical completion on 20 December 2018. An Environmental Waste Management Plan was prepared and however there was not a target in place. All landfill material removed from site has been stockpiled on a neighbouring site previously used for sand excavation. This material can be used as fill when this lot is developed in the future. Suitable excavated rock was reused in pavement construction.</p>
Eglington North, Allara	<p>Stage 7 civil works commenced in November 2018 and achieved practical completion in April 2019. A civil works contractor waste management plan is in place, with an 80 per cent waste recycle target. The total waste removed from site in 2018-19 was 30 tonnes, of which 92.48 per cent was recycled and 7.52 per cent (2 tonnes) sent to landfill.</p> <p>Allara is a Master Builders Smart Waste Zone which requires the development of a waste management plan including initiatives to reduce, reuse and recycle. A target in place to recycle or reuse a minimum of 60 per cent of demolition, land clearing or civil works materials/products to be used on site.</p> <p>An onsite Recycling Centre will be trialled for the residents to use in their dwellings. Recycled materials provided will include rock, boulders, sand, mulch and top soil.</p>
Highland Range, Jane Brook	<p>Civil works construction re-commenced in January 2019 and achieved practical completion in June 2019. The civil contractor is required to recycle rocks retrieved during earthworks into drainage basins to incorporate within future public open space within the estate.</p>
McLarty Explosives Reserve	<p>Construction of the McLarty Explosives Reserve project commenced in August 2017 and was completed in July 2018. Construction of the site office was completed in December 2018. The remnant vegetation that was mulched, and sand and rock removed during civil works, were reused on site.</p> <p>Stockpiles of sand not cut for the civil works contract were retained in strategic locations within the reserve allowing use by tenants for their subsequent earthworks. There was no import/export of soil to the site for this project.</p>

Table 18 Projects with construction during 2018-19 and waste initiatives cont'd.

Project and location	Waste management initiatives and performance
Murdoch Health and Knowledge Precinct	Stage 1 civil construction works commenced in October 2017 and reached practical completion in August 2018. Waste management is included as part of the civil contractor's Environmental Management Plan. Over 90 per cent 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	<p>The Waste Management Plan included a target of 60 per cent of waste to be recycled or reused for civil construction and landscape works. Civil works commenced in April 2017 and concluded in November 2018, achieving a 99.7 per cent recycle rate (51,613 tonnes), with 0.3 per cent (143 tonnes) sent to landfill.</p> <p>Landscape works commenced in November 2018 and are anticipated to conclude in July 2019. In the first quarter of 2019 a 97.7 per cent (43 tonnes) recycle rate was achieved, with 2.3 per cent (1 tonne) to landfill. In the second quarter of 2019 a recycle rate of 94 per cent (84 tonnes) was achieved. Reclaimed items from the former hospital are being used in landscaping works.</p>
Flinders Precinct, Latitude 32	Design Guidelines require a waste management plan to be lodged with a Building Licence application to minimise waste to landfill.
Knutsford, East Village	Earthworks commenced in December 2018 and civil works commenced in February 2019, with both works expected to reach practical completion in September 2019. A Waste Management Plan was prepared for civil works, with an 85 per cent waste recycle target. Total waste removed from site in 2018-19 was 37 cubic metres. By volume, 86.67 per cent was recycled (30 cubic metres) and 2.35 per cent went to landfill (7 cubic metres). By weight, 97.65 per cent was recycled.
Shoreline, Cockburn	<p>Civil construction for Stage 3 commenced in November 2018 and reached practical completion in May 2019. A construction management plan was produced by the civil contractor.</p> <p>Built form construction commenced in 2016 and are expected to continue to 2035. Design Guidelines require builders of single homes and multi-unit developments to engage a waste management recycling company to recycle waste material during construction. A target of a minimum of 60 per cent of all built-form construction waste (by volume) is to be either recycled or reused.</p>
Kemerton Strategic Industrial Area	Construction of Kemerton Road commenced in April 2019 and is anticipated to reach practical completion in September 2019. A contractor waste management plan is in place, with an 85 per cent waste recycle target. Performance data will be provided in 2019-20.
Pinjarra Industrial Area	<p>Civil works to service an additional two lots commenced in March 2019, with practical completion anticipated in mid-August 2019.</p> <p>An acid sulphate soil and groundwater management plan is in place to manage and re-use soil and groundwater in-situ. Some clay based soils have been exported from the site due to their unsuitability for backfill and they are being stored by the Shire.</p>


Design quality


Topic boundary

Ensuring our planning and urban design decision-making and procurement leads to a high quality built environment and its responsiveness to the environmental and community needs.

Alignment to SDGs and WA Government priorities

7 AFFORDABLE AND CLEAN ENERGY





A liveable environment

Design reviews for continuous improvement

Our design review process helps us monitor how each project is tracking against the original project objectives and how well the design responds to the site’s context and community. This helps us tailor the design response to the opportunities of the site and allows for continuous evaluation and improvement.

This year our focus has been on aligning our project planning and design review approach to the Department of Planning, Lands and Heritage (DPLH) ‘Design WA’

initiative which was released in May 2019. We are also working closely with the Office of the Government Architect to ensure our procurement processes reflect the requirement for regular design review.

We undertake design reviews for: master planning and concept design during the planning and design phase; built form development proposals prior to the lodgement of Development Applications; and for demonstration built form projects. Design reviews undertaken in 2018-19 are outlined in Table 19.



Table 19 Design reviews undertaken in 2018-19

Design review type	Project and location
Masterplan and concept design	Salt Lane, Shoreline Former Senior High School in Hamilton Hill Ocean Reef Marina Subi East Redevelopment
Built form development proposal	Montario Quarter, Shenton Park Cockburn Central, Cockburn Cockburn Central West, Cockburn Murdoch Health and Knowledge Precinct Parkside Walk, Jolimont
Demonstration built form projects	Salt Lane, Shoreline Former Senior High School in Hamilton Hill



Design guidelines

Our design guidelines help establish consistency and high quality design outcomes in the built environment. With the release of the Western Australian Planning Commission State Planning Policy 7 and the adoption of the new Apartment Guide, we have taken a performance based approach and have been reviewing our current Metropolitan and Regional design guideline templates to ensure alignment with policy.

We have 'Estate Architects' for key projects including: Montario Quarter in Shenton Park; Murdoch Health and Knowledge Precinct; Claremont on the Park; Shoreline at Cockburn Coast, and Cockburn Central West to ensure a thorough review of built form is undertaken against the project's design guidelines prior to design reviews taking place. This process ensures that our design review process is well informed and provides a streamlined process.

Collaborative research with the Australian Urban Design Research Centre

In July 2017, a three-year collaborative research agreement between the Australian Urban Design Research Centre (AUDRC), the Western Australian Planning Commission, the Housing Authority and LandCorp was established to support a more coordinated approach to urban design research. During 2018-19, a number of research projects have been completed or are progressing.

During 2018-19, the 'Overcoming the barriers to medium density development' research project was completed and a report titled 'Strategies for Delivering the Missing Middle' published. The research identified three main barriers to medium density development: community, economic and regulatory. The outcomes of the research will inform future community and stakeholder engagement.

The following research projects are currently underway:

- Healthways Grant (Highlife) – Mental Health and Apartment Design: this project will provide evidence-informed data on the design of apartments on resident's health and wellbeing, with the findings directly applicable for future LandCorp developments and design guides.
- Urban Performance Planning and Design Support System: this tool will provide evidence-based, quantifiable information about how planning decisions might affect design outcomes and community health. This will help strategic decision-making and prioritisation of design solutions that optimise outcomes for healthy, liveable communities.
- METRONET research: this project will provide research for METRONET projects, Alkimos Central and Morley East. Alkimos Central research will focus smart precincts and community engagement, which will include co-design tools and the Planning Support Tool to assess different iterations of the new structure plan.

*Alkimos Central.
Artist impression for illustrative
purposes only.*



Community engagement

Topic boundary	Alignment to SDGs and WA Government priorities
Engaging with the community to identify needs, aspirations, expectations and concerns to provide the local community with opportunities to positively influence development outcomes, and to ensure we deliver places that maximise community benefit	<div> <div>  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div>  <p>4 QUALITY EDUCATION</p> </div> <div>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div>  <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div> <div>  <p>Aboriginal wellbeing</p> </div>

Strategic Engagement Strategy

In 2018, LandCorp began a strategic engagement assessment to understand how engagement is undertaken and embedded within the organisation. The assessment has helped to define our current and future goals.

The assessment showed that we currently recognise the importance and value of engagement. This was based on commitment from staff, LandCorp's strong track record in engagement, and the existence of best practice guides, tools, and templates for delivering and evaluating engagement.

A stretch goal was endorsed to ensure engagement is a core part of how we do business and to continue the journey of being a leader in this space. The following key indicators have been identified for achievement by 2021: increase resources within the engagement team; become a recognised industry leader in engagement; deliver engagement training for staff; and ensure social risk assessments are undertaken earlier in the project lifecycle.

In 2018-19, we made progress towards this goal and have increased resourcing in our Community Relations team and structural

changes have resulted in improved alignment between the Community Relations function and other communication functions. In 2019-20, we will deliver staff training and continue to undertake best practice engagement with a focus on priority projects.

Improving our metropolitan aboriginal engagement

In preparation for the merger with the Metropolitan Redevelopment Authority (MRA), LandCorp became party to the Cultural Compact Agreement that was established between the MRA, South West Aboriginal Land and Sea Council, and the Whadjuk People of the Noongar Nation in 2017.

The Cultural Compact formally acknowledges the Whadjuk People as the Traditional Custodians of the Country on which MRA undertakes its projects in metropolitan Perth, and sets the scene and the boundaries of the working relationship between Whadjuk People and MRA - and now LandCorp.

LandCorp also adopted the MRA's Kaart Koort Waarnginy (Head, Heart, Talking) Engagement Framework. Kaart Koort Waarnginy was created with the purpose of fostering a

straight forward way to communicate and collaboratively deliver projects and places with authentic Aboriginal participation. Kaart Koort Waarnginy is based on the six Noongar seasons that shape and influence all cycles of life, and applies them to the six phases of a traditional project delivery model.

Kaart Koort Waarnginy was developed with the Whadjuk community as an authentic cultural engagement process to foster strong collaborative partnerships and involvement of Aboriginal people in projects that are being developed on Country - Whadjuk Noongar boodja.

Kaart Koort Waarnginy is currently being implemented by LandCorp at the Subi East Redevelopment. A working group of Whadjuk representatives has been established and meets regularly with the project team to embed culture and economic opportunities within the development.

In 2019-20, LandCorp will investigate opportunities to further build on Kaart Koort Waarnginy and embed Aboriginal Project Managers into the Ocean Reef Project to assist in identifying cultural and economic opportunities for Aboriginal people on LandCorp projects.



Ocean Reef Marina Open Day.

Community consultation and engagement

We undertake community engagement across all projects, this includes the public consultation required for development approvals. We also undertake a level of social risk assessment during early phases for all projects and develop stakeholder engagement strategies. Our processes are based on the International Association for Public Participation (IAP2) practices including the IAP2 spectrum and evaluation frameworks.

We undertake assessments to understand the stakeholders and communities that may have an interest, or may be impacted by our projects. We seek to understand what matters to our stakeholders and the community, so we can design fit-for-purpose engagement strategies, manage social risks and involve stakeholders and communities in our decision-making processes, providing a foundation of trust and transparency.

During 2018-19, we prepared strategic engagement strategies for Alkimos City Centre, Bushmead, Kensington and Ocean Reef Marina.

Ocean Reef Marina community engagement

The refined Ocean Reef Marina concept plan was presented to key stakeholders, followed by a Community Open Day held at the Ocean Reef Sea Sports Club in October 2018. Over 2,000 interested community members and stakeholders attended, with the vast majority in support of the overall project.

Other key engagement activities have included:

- Individual meetings with immediate residents regarding potential views of the development from their residences (November 2018).
- Community Reference Group formed to help determine landscaping. Four meetings held with 20 members (February 2019).
- Broad engagement on Landscaping plan – 116 survey responses received, 66 questions raised and over 6,000 visitors to the engagement website (February – March 2019).
- Communications Plan tailored to address project myths identified during engagement process (April 2019).



Ocean Reef Marina Open Day.

- Ongoing meetings with users of the current Marina regarding locations within the future Marina.
- Ongoing meetings with key stakeholders regarding environmental impacts including beach impacts, abalone, surfing breaks and the protection of Bush Forever sites.
- 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 detailed design phase.
- Working with our partners, the City of Joondalup, we continue to keep the community informed through traditional and digital communication channels.

Subi East Redevelopment community engagement

In July 2018, LandCorp commissioned qualitative and quantitative research with residents and businesses in the City of Subiaco, as well as neighbouring areas and visitors. 1,524 participants overall were involved in the research. The research found that participants felt the new development should leverage the key strengths of Subiaco, and create a hub that can foster community connection, pedestrian activity and a thriving economy – a vibrant community with a village feel. The community also had concerns about traffic congestion and the developments compatibility with the existing suburbs. The research results have been used to inform the business case for Subi East Redevelopment, and associated visioning and high-level concept planning.

Key engagement activities have included:

- Cross government agency meetings established to ensure shared understanding of project through Communications Working Group (ongoing).
- Engagement with Whadjuk Working Party throughout 2018-2018 regarding project (ongoing).
- Vision Pillar consultation – multiple pop up sessions, online engagement platform with approximately 900 visitors to the site (October 2018).
- Vision Concept released resulting in 505 responses and 6,000 visitors to the website, café pop-ups, and market pop ups (March 2019)
- Local business door knock and pop up sessions to focus on business

feedback for initial concepts (March 2019).

- Community and stakeholder groups engaged as we develop the initial concept to reflect community feedback (ongoing).
- Demolition Community Reference Group established for demolition of Subiaco Oval grandstands (May 2019).
- Farewell Subiaco Oval ‘the final siren’ to provide an opportunity for community questions at a LandCorp booth regarding the project and demolition processes. 2,222 people attended the event (June 2019).
- Dedicated engagement personnel assigned to the demolition phase to assist in reducing impact on immediate residents, businesses and stakeholders (June 2019).
- 24/7 project information line established for the project (June 2019).

Montario Quarter, Shenton Park

In January 2019, civil works began onsite and engagement of immediate neighbours and key stakeholders was undertaken. Through a range of communication channels we provided updates on the redevelopment including first land sales and the new amenity for the local area, which was a key aspiration of the community during the consultation period.

Transforming Bunbury Waterfront

In September 2018, as part of Stage 2 of the Transforming Bunbury's Waterfront initiative, LandCorp sought community input on amenity and landscaping ideas to help ensure a community driven transformation

of the precinct was delivered. 141 community members participated in the quantitative survey run by LandCorp, outlining current use of the area, as well as identifying a range of possible improvements for the area. These results have been used by LandCorp and partners, the South West Development Commission and the City of Bunbury to inform the planning of the area.

What we are hearing from local communities

Over the past 12 months there has been a significant amount of feedback sought from the community through our projects. Throughout the course of the year, communities have typically provided feedback across the following areas: environmental impacts associated with the proposed development; type and level of amenity that will be delivered by a proposed development; resistance to infill development, and short term construction impacts.

Some of the reoccurring concerns around environmental impacts include the removal or relocation of established trees, changes to existing open space and the potential impact on flora and fauna. The community has also provided considerable feedback around the impacts likely to be experienced by existing residents during the construction phase, including dust, noise, roadworks, traffic and reduced privacy. Lastly, infill development has typically been met with some resistance by members of existing communities with a key focus on retaining existing heritage values within new developments.



Community health and wellbeing

Topic boundary	Alignment to SDGs and WA Government priorities			
Building safe and healthy communities includes providing access to affordable land for housing, business and employment, creating liveable and safe public spaces, providing places that support physical and mental health and wellbeing, creating equitable and inclusive places, and investing in and supporting community development.	 1 NO POVERTY	 2 ZERO HUNGER	 3 GOOD HEALTH AND WELL-BEING	 7 AFFORDABLE AND CLEAN ENERGY
	 10 REDUCED INEQUALITIES	 11 SUSTAINABLE CITIES AND COMMUNITIES	 Aboriginal wellbeing	 A safer community

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 community health and wellbeing. 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 20 outlines LandCorp's affordability performance across several measures for single residential lot sales.

Table 20: Single residential lot sales - affordability measures and performance

Measures	Metropolitan performance	Regional performance
Percentage of lots sold in 2018-19 at an affordable price using the Department of Communities affordability price points for the sub regions of the metropolitan area and regional WA.	65.5 per cent of lots sold across metropolitan Perth in 2018-19 sold at an affordable price.	69.2 per cent of lots sold across regional WA in 2018-19 sold at an affordable price.
Percentage of lots sold in 2018-19 at or below the REIWA median lot price.	56.9 per cent of LandCorp lots were sold at or below the REIWA metropolitan median lot price of \$240,000.	38.5 per cent of LandCorp lots were sold at or below the REIWA regional median lot price of \$147,000.
Percentage of lots sold in 2018-19 at or below the REIWA lower quartile lot price.	29.1 per cent of LandCorp lots were sold at or below the REIWA metropolitan lower quartile lot price of \$185,000.	23.1 per cent of LandCorp lots were sold at or below the REIWA regional lower quartile lot price of \$73,750.

Note: Real Estate Institute of Western Australia (REIWA) December 2018 (mid-point) data sourced directly from REIWA on 10 July 2019.

The key metropolitan projects that delivered affordable outcomes in 2018-19 included: Alkimos Beach and Alkimos Vista in Alkimos; Allara, Eglinton; Champion Lakes and Seville Grove. Regionally the projects delivering affordability outcomes were: Eucla; Moora; Buckingham Way in Collie; and Dalwallinu and Greenview in Kalgoorlie.

Since 2016, LandCorp has sought to measure its affordability performance in relation to multi residential lot sales. LandCorp calculates 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 to be constructed on the lot. This is measured against the Affordable Land Price Point for metropolitan and regional sub-regions provided by Department of Communities (Housing). Using this calculation, LandCorp sold five multi residential lots in 2018-19, of which 100 per cent were affordable. These affordable multi residential sales were located in: Montario Quarter, Shenton Park; Parkside Walk, Jolimont; Shoreline, Cockburn Coast; and Bremer Bay.



Working with others to facilitate affordable outcomes

LandCorp has agreed to trial the implementation of the 'Homes For Homes' initiative at its Montario Quarter, Shenton project. Homes for Homes is an initiative established by a not for profit social enterprise to generate additional ongoing funding for affordable housing projects across Australia. Home for Homes uses caveats on property titles to encourage tax deductible donations to Homes For Homes, of 0.1 per cent of the sale price, each time the property is sold. LandCorp will encourage built form developers to implement the Homes For Homes initiative as it works through the multi-residential lot sales process.

LandCorp has been working with the Department of Communities as a member of the 'Supporting Communities Forum Homelessness Working Group'. The Group is working on a ten year State Strategy on Homelessness that will also involve actions for LandCorp to implement to support the delivery of the Strategy.



Shoreline, Cockburn Coast.

Best Affordable Housing Development 2019 - Blackmore Park Estate

In May 2019, LandCorp's Blackmore Park Estate, completed in partnership with Now Living, was recognised nationally, winning the Property Council of Australia award for the Best Affordable Housing Development. Blackmore Park in Girrawheen is a 72-lot residential community which has opened up new opportunities for affordable home ownership in an established suburb. The project's vision was to inject new life and vitality into the Girrawheen area, delivering new affordable housing models and genuine choice for buyers, close to established retail centres, transport networks and recreational spaces.

Affordable living initiatives

Affordability includes the costs of living in a dwelling after purchase or rental and LandCorp has introduced a range of initiatives to reduce the ongoing living costs of residents in LandCorp estates. These include sustainable climate responsive design, renewable energy packages and water saving initiatives. Key projects offering affordable living initiatives include: Alkimos Beach; Alkimos Vista, Allara in Eglinton; The Assembly, Coolbellup; Montario Quarter, Shenton Park; Parkside Walk, Jolimont; and Shoreline, Cockburn Coast.

Aging with choice

The Department of Communities Seniors Housing Strategy entitled '*Ageing with choice: future directions for seniors housing 2019-2024*' was endorsed by Cabinet in June 2019. LandCorp provided feedback on the draft Strategy in November 2018 and committed to a number of actions, including: participating in the development of liveable design standards; trailing innovative and affordable housing options; encouraging housing diversity; encouraging affordable living; promoting liveable design; delivering mixed-use developments that enable interaction between people of all generations; engaging with aged care providers to identify opportunities to integrate aged care into developments; undertaking inclusive community engagement; and using research to assess and improve multi-generational connections.



Multi-aged-precinct at Claremont on the Park

In 2015, to support opportunities for 'aging in place' and after engagement with PerthALIVE (All Ages Living in Vibrant Environments) an independent not-for-profit, LandCorp included a goal for a multi-aged precinct in its Request for Proposals for Stage three of Claremont of the Park. This has set Claremont on the Park to become a multi-age precinct.

For lot 509 in Claremont in the Park, Developer Blackburne and Amana Living have formed a partnership, where Blackburne's development, known as 'Essence' will offer home care and concierge-type services to its residents. The offering will include health care services such as nursing, physiotherapy and podiatry as well as domestic services like cleaning, laundry, shopping and dog walking. Essence is expected to be completed in late-2019, and Amana are expected to be in a position to provide services late 2019 to early 2020.

Oryx Communities, developer of Lot 506 is set to deliver an integrated aged care development. Known as 'The Queenslea', the development will provide aged care for about 115 residents and offer a variety of housing options and support services. It will include around 60 fully serviced independent and assisted living units with the capacity to respond to WA'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. The development will also include an innovative model for intergenerational childcare. Oryx received Development Approval in December 2018, construction commenced mid-2019, and it is expected to open in 2021.



Claremont on the Park.

Healthy 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.

The following projects are featured as case studies for healthy and active design: Sprout Alkimos Beach, Karratha Vernacular Design Principles, Knutsford Fremantle, WGV at White Gum Valley and Newman Town Square. In 2018-19, we developed case studies for Allara, Eglinton and Montario Quarter, Shenton Park.

Alkimos Beach community development initiatives

In June 2019, LandCorp with development partner Lendlease launched the Alkimos Beach interpretive signage trails, along with the Minister for Lands, the Alkimos Beach community and Aboriginal elders, their families and those who shared their audio stories for the Interpretive Signage Trails. The network of three trails with embedded audio stories features information about Noongar history, recent history, sustainability and local flora and fauna. The event featured Aboriginal song and didgeridoo performances, traditional face painting, a bush tucker themed morning tea and guided walking tours by Noongar Man, Danny Ford. 80 people attended the event.

In November 2018, LandCorp and Lendlease held the inaugural Alkimos Active Day event. Hundreds of people attended to experience the new fitness precinct with free activities including boot camp, yoga and parkour, and participate in the 3km fun run from Leatherback Oval to Alkimos Surf Life Saving Club.



Sprout Hub, Alkimos Beach.



Allara, Eglinton.

Alkimos Beach was home to the Sprout Community Hub from June 2014 to December 2018. Sprout Hub is a partnership between Sprout Ventures, Lendlease and LandCorp to deliver early social infrastructure and a model for creating ground-up community development. This involved facilitating social connection, supporting community groups, supporting small business and enabling community participation through its café, co working space, event space, events and activities and community fund. During this time the initiative resulted in:

- 15,467 people visited the Sprout Hub.
- 63 per cent of patrons made a new friend.
- 118 activities occurred with a combined attendance of 2,226 people.
- 85 per cent of events at Sprout were community led.
- 18 per cent said the Hub helped them access more business support and enabled them to work locally.
- The retail wall made \$3,075 in 120 sales for nine local retailers.
- \$23,400 was donated to community groups through the Sprout seedling fund.
- 250 people subscribed to the Sprout Hub email list and had 2,001 facebook likes.

As of April 2019 Sprout Hub has found a new home in Alkimos Vista.

Alkimos Vista grand opening

In April 2019, Alkimos Vista celebrated its grand opening with a 'Colour Festival'. Around 2,000 people attended the event which showcased the 2.5 hectare architecturally designed Picasso Park, the relocation and refreshed Sprout Hub, new sales and information centre and 12 home Display Village.

Allara at Eglinton community development initiatives

Acknowledging that so many Allara residents are business owners, both mobile and based from home, Allara created the Allara Share Place. Utilising the Allara Sales Office, modifications were made to transform the office to an innovative co-use share space to be used by residents, local community groups and local businesses.

Allara Share Place aims to enhance community life and connections within Allara by making available a temporary indoor space for small group gatherings, meetings, hot-desking, workshops and community functions outside of regular Sales Office opening times. The initiative supports local business owners by providing a space separate to their normal working environment, which may be from home or mobile.

The Allara Share Place includes: indoor space with existing furniture; kitchenette; hot desks; workshop/

function equipment (trestle tables, chairs etc.); accessible toilet; outdoor covered seating area; grassed area and parking, including ACROD bays. Allara Estate does not collect any fees for the use of the Share Place but requests a donation to the Channel 7 Telethon Trust to help sick and disadvantaged children in WA. Community members have used the space for yoga classes, playgroup, knitting circles, and potluck dinners.

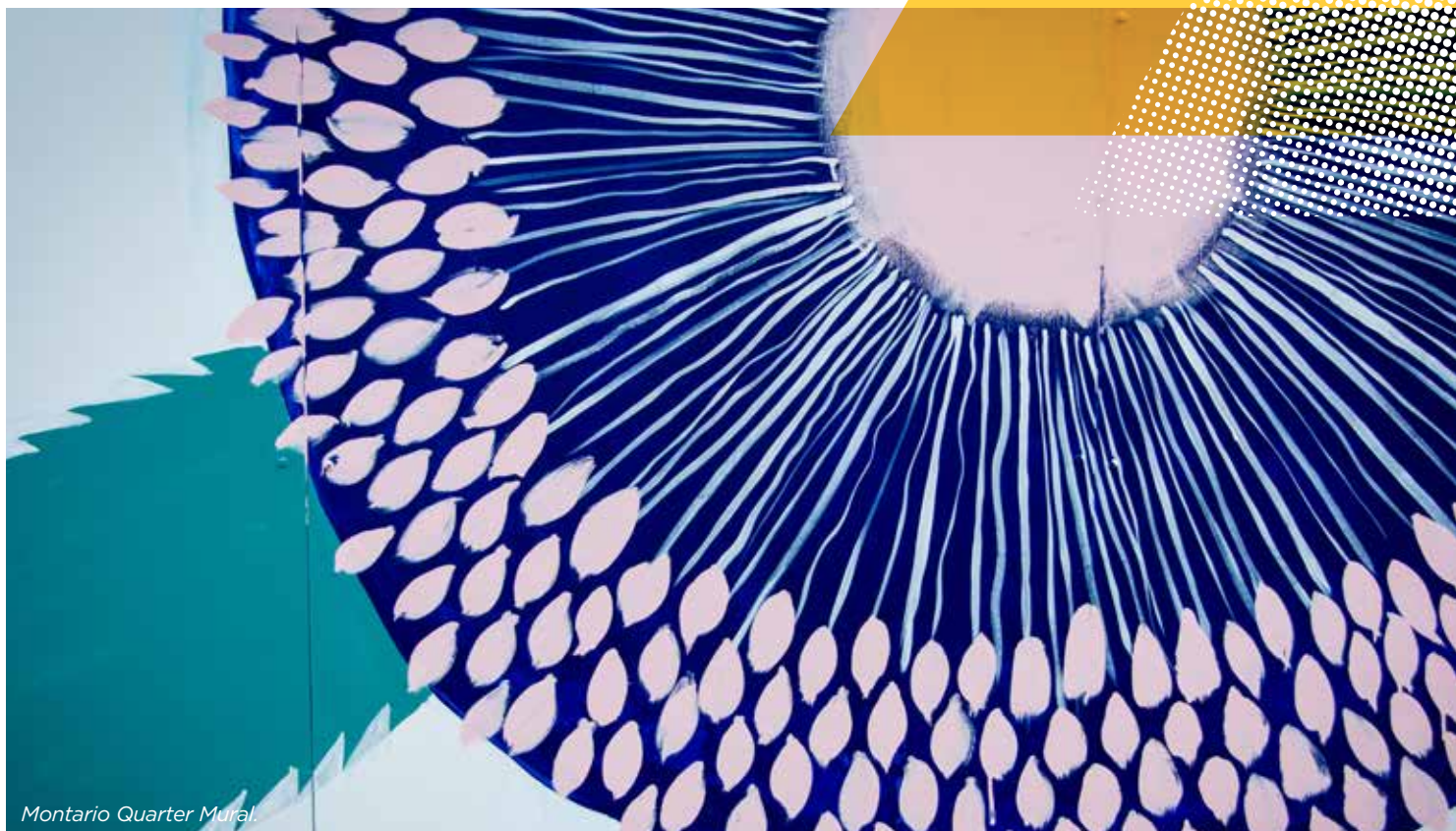
Community events continue to be run and located in Kinkuna Park. In January 2019, 900 people attended the Summer Splashdown event, as part of the Klub Kinkuna holiday event series. In March 2019, an Outdoor Family Flicks community event was held and in April 2019, 'Just Ballin' a school holiday event took place.

The Goods Shed, Claremont on the Park

A gap in cultural activity offerings was identified in Claremont which evolved into a partnership with FORM to establish the Goods Shed in a restored heritage building. FORM have been activating the Goods Shed with over 30 community events per year. From 2016 to May 2019 the Goods Shed has delivered: 205 international, national and WA artists exhibited; 119,401 visitors; 101 Aboriginal artists represented and 106,000 coffees sold.



The Goods Shed.



Montario Quarter Mural

Champion Lakes ‘Live Life Get Active’

In May 2019, ‘Live Life Get Active’ free fitness classes were launched in Champion Lakes, held on Joe Saunders Reserve every week day for residents and the surrounding community. Sponsored by LandCorp, the Live Life Get Active fitness classes, spearheaded by gold medallist Jane Flemming, are designed to get everyday people exercising so they can change their lives both physically and mentally for the better.

Newman Town Centre Revitalisation “The Square”

The Square comprising 3,356sqm was completed and handed over to the Shire of East Pilbara at a public launch event in July 2017. The Square includes a civic gathering place, landscaping, shaded walkways, public art and media screen, as well as a new business incubator facility called ‘The Edge’ that includes a commercial kitchen.

The square’s place-making strategy supports many active community and family events. In 2018-19 activities such as yoga, markets, twilight movies and Australia Day celebrations took place.

In order to optimise the place making potential for the Town Square, LandCorp in consultation with the Shire of East Pilbara has provided a 360 review of the place plan which will be used to identify any opportunities for improvement.

At the July 2018 Australian Institute of Landscape Architects, Western Australian Landscape Architects Awards, the Newman Town Square was awarded the ‘Civil Landscape Architecture Award’. The Newman Town Square also received the National Civic Space Award of Excellence at the October 2018 Australian Institute of Landscape Architecture Awards.

Montario Quarter, Shenton Park mural

As part of an engagement exercise with the local community, a mural along the boundary of Montario Quarter in Shenton Park was completed in September 2018. The mural was painted by a local artist, along with students from nearby Shenton College.

Community hardship cases

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.

In June 2019, LandCorp sold 15 Latitude 32 properties in Wattleup to the Western Australian Planning Commission. The funds received from selling these properties, will be used to purchase further ‘hardship’ properties within the Latitude 32 project area. LandCorp currently has 22 hardship requests on its register.

Workplace Giving Program and volunteering

During 2018 our program 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 41 staff participated in the workplace giving program and contributed over \$13,000 in 2018. In addition to the financial contribution from staff, other useful items were also donated.

Five staff volunteered at ERCs 'Eddie on the Road' camp in Collie in September 2018. Eddie on the Road camps allow ERC to provide services for children outside of the metropolitan area. Other staff participated in fundraising events and by volunteering their time.

Hope Community Services Ltd. (HOPE) was chosen as our workplace giving recipient for 2019. HOPE is a community services organisation supporting people from all demographics and from all suburbs across Perth who are in crisis or at risk of homelessness. In 2018, HOPE assisted 73 people per week and provided food for 2500 individuals/families.

We are aiming to raise over \$10,000 from workplace giving and other fundraising during the year, as well as participating in food drives, community projects, and volunteering at the Northbridge Drop In Centre.

As part of LandCorp's sponsorship agreement with Landcare, in September 2018 eight staff members volunteered to assist the Swan Estuary Reserves Action Group during Landcare week to help protect special areas around the Swan Estuary.

Big Issue Campaign

The annual Big Issue CEO Selling Campaign forms a part of International Vendor Week. In February 2019, our CEO again joined more than 90 leaders from across Australia who spent a short while in a Big Issue vendor's shoes selling the street magazine. The campaign raises awareness of Big Issue vendors who are working hard to change their lives.





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 to and matter to our stakeholders and the communities in which we operate, we are able to reinforce key messages, values and objectives. In 2018-19, we delivered over \$178,000 in sponsorships to support community and industry groups across the State.



The Vive, Craigie.

Reconciliation

Topic boundary	Alignment to SDGs and WA Government priorities
As a land development agency, LandCorp's work can disturb or change the natural environment and as a result, can impact Aboriginal heritage and cultural links to land. LandCorp addresses these impacts by working with Aboriginal people and communities, and other stakeholders, toward reconciliation efforts that will provide benefit to all and the closing of gaps that currently exist between Aboriginal and non-Aboriginal peoples.	    Aboriginal wellbeing

2018-19 Reconciliation Journey

LandCorp works toward improving our reconciliation performance and mitigating our impacts on Aboriginal peoples and communities in a number of ways that have been captured in a series of Reconciliation Action Plans since 2009.

LandCorp has been committed to the Reconciliation Action Plan (RAP) program since 2008, delivering six Plans between 2009 and 2018. The sixth Plan expired in June 2018. Plans are reviewed and approved by peak body, Reconciliation Australia.

The merger of LandCorp and MRA provided an opportunity to leverage each agency's strengths relating to reconciliation. To signal the continuing importance to both agencies of their existing and future relationships with Aboriginal people and communities, LandCorp and MRA are collaborating, with guidance from Reconciliation Australia, to develop an Australian first joint agency RAP.

Collaborating on the joint RAP has enabled both agencies to share, learn, develop and plan new reconciliation approaches and the result is leading to a more ambitious plan for both agencies. The joint RAP is expected to be submitted to Reconciliation

Australia for approval, and published and launched during 2019-20.

During 2018-19, while the joint RAP was in development, reconciliation activities continued to take place throughout LandCorp, including on our land development projects.

The Reconciliation Action Plan Framework provides four areas of activity: relationships, respect, opportunity and governance. In consultation with Reconciliation Australia, to reflect the type of work LandCorp and MRA do, a fifth area of activity was added: major projects.

Key achievements during 2018-19, across these five areas are outlined in the following sections.

Relationships

- Actively engaged with NAIDOC Week in July 2018 by hosting, attending and supporting events during the week that reflected the theme "Because Of Her We Can". The majority of staff attended an event.
- Actively engaged with National Reconciliation Week in May 2019 by hosting, attending and supporting events during the week that reflected the theme "Grounded in Truth: Walk Together with Courage". The majority of staff attended an event.
- Hosted a Reconciliation WA Yokai quarterly employment forum at LandCorp offices in July 2018.
- Completed three year membership of Reconciliation WA.
- Entered into annual sponsorship with Supply Nation.
- Met with other RAP organisations to discuss RAP learnings and challenges, including private and government organisations.



Cable Beach, Broome.

Respect

- \$2,324,395 was paid to 5 Traditional Owner groups pursuant to Native Title Agreements, via respective Aboriginal corporations or trustees associated with the agreements; and \$275,422 is held in trust for Native Title Claimants that have not as yet established the required Body Corporates.
- Established regular meetings with South West Aboriginal Land and Sea Council to ensure our Heritage and Native Title obligations on projects in the South West are being met.
- Modified LandCorp's internal Procedures Manual to incorporate the Noongar Standard Heritage Agreement, which governs LandCorp's approach to project delivery and engagement with the Noongar people on aboriginal heritage matters and processes.
- Delivered - Acknowledgement of Country at events both internal and external.

Opportunities

- Achieved the State's Aboriginal Procurement Policy target for 2018-19 of 1 per cent of contracts to be awarded to registered Aboriginal Businesses.
- Direct engagement of eight Aboriginal businesses to a value of \$340,715, including but not limited to site works and repairs in South Hedland and Karratha; landscape works throughout the metropolitan area; the review and facilitation of community consultation of the RAP; and project consultancy services.
- Aboriginal participation plans that facilitate employment, training and sub-contracting opportunities for Aboriginal businesses were successfully implemented on two projects:
 - Subiaco East Demolition Project: the head contractor committed to awarding 1 per cent of the total contract value (approximately \$200,000) to Aboriginal businesses. Four Aboriginal sub-contractors are engaged on this project.
 - Peel Business Park: The local civil contractor on site increased its rate of Aboriginal employment to over 10 per cent. In addition, LandCorp are working with the Peel Development Commission regarding direct engagement of contractors to undertake multiple packages of landscaping works on site.
- Initiated a review of the Aboriginal Engagement Guide for the WA Civil Construction Industry with Civil Contractors Federation WA.



Kununurra, Coolibah Estate.

Governance

- Established a joint agency RAP Working Group, interim governance framework and Terms of Reference.
- Met with Reconciliation Australia twice to progress RAP development.

Major projects

- Alkimos Beach: installation and launch of three interpretive signage trails that span 224 hectares, developed in partnership with Lendlease, Kambarang Aboriginal Corporation and Ecoscape. The interpretive signage trails were specifically designed to create a permanent learning trail around the community, and incorporate four key themes - Noongar history, recent history, sustainability, and flora and fauna. The interpretive signage features eight inbuilt audio stories designed to enhance the residents' experience of the local Alkimos area, and help provide a connection to pride and place through storytelling and celebrating the importance of Noongar history.
- Broome: in collaboration with Yawuru, LandCorp reviewed and updated the Welcome Brochure for new buyers in Warranyjarri Estate.
- Shoreline: in July 2018, the project team undertook an onsite survey with nominated Traditional Custodians. LandCorp agreed with the recommendations proposed in the resulting report, including areas of disturbed vegetation to be revegetated with native plants where possible, interpretive material to accompany the pedestrian bridge delivery, and employment of monitors during ground disturbing works. In April 2019, two Aboriginal monitors were employed to oversee geotechnical soil investigations to guide the design of the future pedestrian bridge.
- Subi East Redevelopment: throughout 2018-19, the project team continued to collaborate with the Whadjuk Working Party which provided cultural feedback that informed costings in the Detailed Business Case and will inform consultant briefs in the future master planning phase.



The Goods Shed, Claremont on the Park.

4.2 Relationships and partnerships

Stakeholder relationships and partnerships

Topic boundary	Alignment to SDGs and WA Government priorities		
Ensuring effective stakeholder and customer management so we can create positive relationships, build mutual respect, improve communication and knowledge sharing, help establish common understanding and create opportunities for corporation and collaboration.	  Aboriginal wellbeing		  Regional prosperity

Stakeholder engagement

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 as follows:

- **Government (Federal, State and local government):** 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. We have State Government, and Local Government Stakeholder Engagement Schedules that are reviewed every six months and updated as required.
- **Customers:** we engage with potential customers through our community engagement program 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 our private sector stakeholder engagement schedules every six months and engage with the private sector frequently. This occurs formally through initiatives such as Expressions of Interest, 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.

- **Communities (local community):** in the locations in which we operate, we regularly engage with the local community through community consultation and engagement tailored to the local community, and through community development programs, including events and initiatives that respond to community needs. We engage with Aboriginal communities, Traditional Owners and Aboriginal Corporations about our projects and to support the development and implementation of our Reconciliation Action Plan. We also engage with the broader community through general communication that include media releases and promotional information about our projects.



- **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, 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 also undertake internal surveys to understand staff views.

Customer Relationship Management

We have a Customer Relationship Management (CRM) system that helps us to monitor, manage and capture public feedback and stakeholder interactions. It also assists us with managing several administrative functions, such as, corporate membership, sponsorship, external invitations, and representation on external industry/project committees. The system helps us to improve our understanding of stakeholders and their interests, networks, connections, and the interactions that are occurring across the business.

Through this understanding and management, we hope to plan and record successful stakeholder engagement and target our communication appropriately. Public feedback and complaints are captured in our CRM system and are linked to the relevant project. We aim to respond in a timely and appropriate manner as reflected in LandCorp's Handling Public Feedback Policy.

The expected response time to resolve a complaint is five working days. CRM provides visibility and reporting mechanisms to monitor complaints logged and report these to Executive. Table 21 outlines our response time to resolve complaints from 2016-17 to 2018-19



Table 21: Response time to resolve complaints from 2016-17 to 2018-19

Year	Target expected response time to resolve complaint (days)	Average response time to resolve complaint (days)
2018-19	5	2.86
2017-18	5	2.55
2016-17	5	5.45

During 2018-19, there were 42 recorded complaints (see table 22). Of those complaints, all were listed as 'normal' priority. The reasons for complaints

were varied, however dust was a key issue, along with changes to footpaths, safety issues, clearing of trees, potholes and water pooling all being referenced.

Table 22: Number of complaints by priority from 2016-17 to 2018-19

Year	Priority level for complaints			Total
	High priority	Normal priority	Low priority	
2018-19	-	42	-	42
2017-18	1	55	1	57
2016-17	1	19	2	22

Our property services to government

We provide property advice to 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; and by providing property and project management services that include rezoning and the remediation of contaminated sites.

As part of LandCorp's Government Asset Services Program, LandCorp has provided its services to the Land Asset Management Unit (LAMU) within the Department of Planning Lands and Heritage (DPLH). The unit is responsible for the identification and sale of surplus Government land assets. LandCorp has assisted by providing the sale/divestment component to the program.

From July 2018 to January 2019, LandCorp provided a broad range of property services to Government, at cost recovery rates. DPLH now has a team of staff who manage the disposal of surplus Crown land. Going forward we will focus on de-constraining and disposing of surplus freehold Government assets on behalf of stakeholders.

During 2018-19, this program of work resulted in receiving \$252,790 of its total operating revenue from advisory services and recovered \$305,115 in project expenditure; sold eight properties for Government grossing \$964,500; the management of various tenders and EOI's, including the Cottesloe Deaf School.



Residential land purchaser satisfaction research
 Since 2012, we have commissioned a quarterly purchaser satisfaction survey 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 a LandCorp estate, typically within the three months prior to being contacted. In 2018, the research was conducted with 85 LandCorp customers. The results from the research are used to measure performance across years and across estates, to identify drivers of satisfaction and dissatisfaction to identify areas of improvement.

In 2018, we achieved an excellent overall purchaser satisfaction rating of 92 per cent (Table 23), a rating that has improved significantly since the research began in 2012. The majority of purchasers were highly satisfied with our processes and highly likely to recommend purchasing land with LandCorp. The research found high levels of satisfaction across all touchpoints including engagement with sales offices, sales agents and conveyancing. Residential purchasers were also happy with our service, in terms of being helpful, resolving

issues, making customers feel valued, keeping promises and minimising delays. The research also found that of those who were familiar with estate design guidelines developed by LandCorp, the majority believe that these guidelines contributed to better build quality and design outcomes in the area.

In 2017, through this research, LandCorp identified that it could further improve satisfaction with marketing materials and design guidelines. This was achieved in 2018 with improvements in both areas, in particular satisfaction with design guidelines which rose to 80 per cent overall. We are also using this research to ensure that the purchase process remains as transparent as possible for customers.

Table 23: Residential land purchaser satisfaction with overall purchase process from 2015-16 to 2018-19

Year	Target	Result
2018-19	>80%	92%
2017-18	>80%	90%
2016-17	>80%	93%
2015-16	>80%	92%



The Vive, Craigie.



Broome Road, Industrial.

Future satisfaction research

In 2018-19, we identified the opportunity to undertake further research to improve our understanding of stakeholder satisfaction in a number of key areas. We identified a gap in understanding satisfaction with our sales to builders and developers. Over the last few years, LandCorp have increased the number of larger residential, mixed-use and commercial lots available to builders and developers. We also identified a gap in understanding how satisfied residents of established LandCorp estates are with the liveability of the area. LandCorp plans to undertake research in both of these areas in 2019-20.

Small Business Development Corporation – a guide for State agencies during works

In late 2018, the Small Business Development Corporation (SBDC) produced a set of guidelines to assist Small Business, Local and

State Governments better work together on projects that have an impact on local businesses. LandCorp reviewed the guide, which was endorsed by State Government in September 2018.

In March 2019, LandCorp formed a working group with WaterCorp, Western Power, Main Roads and the SBDC to discuss the guide and its implications on Government agency engagement practices. This resulted in a knowledge sharing session in May 2019, attended by 10 Government agencies. The session included discussion of agency good practice examples, and opportunities for improvement. LandCorp will be using the SBDC guidelines for Subi East Redevelopment to ensure best practices during the demolition of the grandstands commencing in July 2019. In 2019-20 the working group will focus on investigating how the SBDC guidelines are currently reflected in contract arrangements within organisations.

Broome Industries research

In late 2018, LandCorp and the Broome Chamber of Commerce and Industry (BCCI) completed joint community research to understand the current and potential future challenges for business in Broome, with a focus on sourcing of goods and services. LandCorp and BCCI jointly developed and promoted an online survey that was completed by 63 respondents, mainly business owners and managers, in the local area. The research found that there should be further consideration given to how to support improvements in the transport of goods in and out of Broome, as well as how to facilitate greater cooperation and collaboration between businesses in Broome. LandCorp and BCCI continue to work collaboratively following this research to support the further attraction and development of business in Broome.

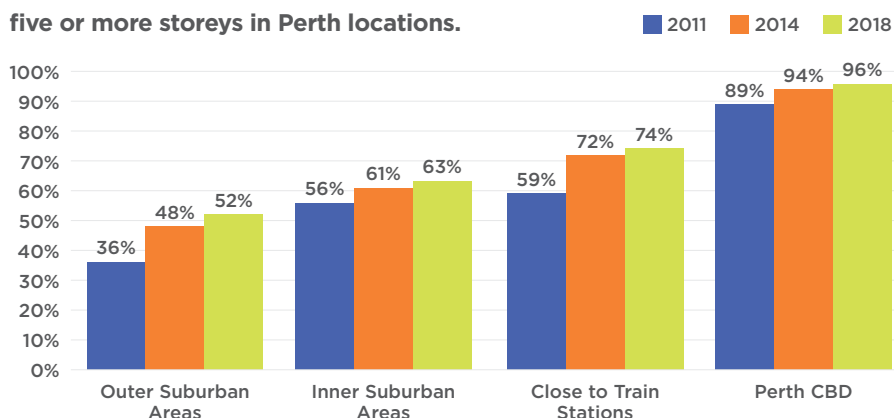
Perceptions of density research

The Western Australian Government's Directions 2031 planning framework for Perth and Peel provides a vision and strategic plan for the future development of Perth. LandCorp supports the Directions 2031 planning framework by delivering infill and higher density housing projects across the Perth and Peel regions. To guide planning for future infill and higher density housing projects, in 2018 LandCorp conducted research to understand Perth resident's perceptions of density. The research was conducted with 606 Perth residents via telephone interview and an online survey. It was conducted with people living across Perth and with varied demographics, to ensure a sample representative of the Perth metropolitan region. As this research has previously been conducted in 2011 and 2014,

it provides an understanding of how perceptions have changed over time. It is anticipated that LandCorp will continue to undertake this research in the future.

The research found that there had been a notable increase in the acceptance of higher densities around many locations in Perth, as shown in figure 4 below. The research identified that traffic and overcrowding remain significant concerns associated with higher density development. The research also found that there were clear segments of the population that were more or less likely to consider living in an apartment. 18-39 year olds and people living in non-detached dwellings were more likely to consider living in apartments, and 40-59 year olds and those living on larger blocks of land (over 700sqm) were less likely.

Figure 4: Perceptions of density research: acceptability of apartments with five or more storeys in Perth locations.



The research also found that the majority of people did not believe Perth was too spread out. This perception remained consistent since 2011. It also found that there was continued strong support for affordable housing within developments, and that greater amenity in buildings and the local areas were both seen as very important to the acceptance of higher density housing.

As part of this project, LandCorp held an internal workshop to

facilitate further understanding of the research, to identify implications of the research, and potential actions for LandCorp to reduce negative perceptions towards density. This internal workshop led to the development of a report identifying actions for business managers, project teams and divisions within LandCorp. This workshop identified the need to undertake further project level research to debunk myths about density, which LandCorp intends to commence through its further research in 2019-20.



Industry committee participation

Our staff participate on several industry committees, as outlined below:

- Chamber of Commerce and Industry Infrastructure Forum;
- Green Building Council's State Industry Group;
- Master Builders Association Housing Committee;
- Property Council's Industrial Lands and Infrastructure; Sustainable Development; and Planning committees; and
- Urban Development Institute of Australia (UDIA) Land Use Planning; Infrastructure; Housing Diversity and Environmental committees.

Membership of associations

LandCorp holds memberships with the following industry and business associations:

- Albany Chamber of Commerce and Industry
- Australian Institute of Company Directors
- Australian Institute of Conveyancers
- Australian Institute of Management
- Australian Marketing Institute
- BioRegional Australia
- Broome Chamber of Commerce
- Bunbury Geographe Chamber of Commerce and Industry
- Chamber of Commerce and Industry (CCI)
- Civil Contractors Federation
- Collie Chamber of Commerce and Industry
- Committee for Economic Development of Australia
- Committee for Perth
- Diversity Council Australia
- Housing Institute of Australia (HIA)
- Institute of Public Administration Australia WA
- International Association for Public Participation
- Joondalup Business Association
- Karratha and Districts Chamber of Commerce and Industry
- Melville Cockburn Chamber of Commerce
- Newman Chamber of Commerce and Industry
- Onslow Chamber of Commerce and Industry
- Peel Chamber of Commerce and Industry
- Port Hedland Chamber of Commerce
- Property Council Australia
- Real Estate Institute of Western Australia (REIWA)
- Rockingham Kwinana Chamber of Commerce
- Supply Nation
- the Green Building Council of Australia
- the Master Builders Association (MBA)
- Urban Development Institute of Australia (UDIA)
- Wanneroo Business Association

Supply chain

Topic boundary	Alignment to SDGs and WA Government priorities
Ensuring we use the influence within our supply chain to achieve best practice procurement for all goods and services. This involves selecting goods and services with no or lower negative environmental, social and economic impacts, and requiring and encouraging suppliers to adopt responsible practices that optimise positive environmental, social and economic outcomes.	     Aboriginal wellbeing  Regional prosperity

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 Aboriginal

engagement. By procuring from panels, registers and preferred supplier lists we seek to mitigate potential negative labour, social and environmental impacts. To achieve balanced environmental, social and economic outcomes we rely on our network of diverse and multi-disciplinary suppliers.

The panels, registers and preferred supplier lists in place in 2018-19 are outlined in table 24. Over 47 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.

Table 24 Panels, preferred supplier lists and registers in place in 2018-19

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"> • 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.

The *Western Australian Jobs Act 2017* (the Act) overhauled the State's approach to local content in Government procurement to promote diversification and growth of the Western Australian economy.

Under the policy, prospective suppliers submit local industry participation plans when participating in tenders above thresholds defined in table 25, and outline local economic benefits of supply. LandCorp began implementation of the Act's requirements from 1 October 2018. Reporting of local procurement achievements is aligned to the policy and provided to the Department of Jobs, Tourism, Science and Innovation annually.

Table 25: Participation Plan Thresholds

Form of procurement	Region	Contract value threshold at which a local industry participation plan is required
Goods and services	Metropolitan Area	\$1 million and above
Goods and services	Regional Area	\$500,000 and above
Housing and works	Metropolitan Area	\$3 million and above
Housing and works	Regional Area	\$500,000 and above

During 2018-19 local industry participation plans were applied to the following construction projects:

- Broome Motor-cross Track Relocation (Regional).
- Joondalup Business Park Bridge Construction (Metropolitan).
- Peel Business Park Trunk Infrastructure (Metropolitan).
- Pinjarra Industrial Estate (Regional).
- Subiaco Stadium Demolition (Metropolitan).

Participation of Aboriginal Business

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

The 2018-19 target is 1 per cent of the total number of contracts awarded over the value of \$50,000



with yearly 1 per cent increments to 2021. In 2018-19, we achieved 1.16 per cent of contracts awarded to Aboriginal businesses.

In accordance with LandCorp's direct appointment procurement protocol, for all procurements below \$250,000, LandCorp employees are encouraged to directly engage and procure from aboriginal business for the provision of goods or services, without following the ordinary procurement processes. This may involve identifying packages of works that can be isolated so that the project can opt to award directly to an Aboriginal business.





Baynton West, Karratha.

During 2018-19, 14 contracts with a total value of \$340,715 were awarded to Aboriginal businesses; refer to table 26 which outlines our direct Aboriginal business procurement for 2018-19.

Table 26: Direct Aboriginal business procurement for 2018-19

Administration, goods and services, project consultants and works	Number of business	Number of contracts	2018-2019 amount (inc GST)
Consultants	5	5	\$ 46,497
Contractors	3	9	\$294,218
Total	8	14	\$340,715

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

Table 27 below shows statistics of direct Aboriginal business procurement between 2014-15 to 2018-19. In 2018-19, the value of contracts to Aboriginal businesses was substantially lower when compared to previous years. This is due to the reduction in scale of works programs in regional Western Australia, resulting in less opportunities for contractors compared to previous years.

Table 27: Direct Aboriginal business procurement between 2014-15 to 2018-19

	Number of business	Number of contracts	Value of contracts* (inc GST)
2018-19	8	14	\$340,715
2017-18	8	11	\$1,223,459
2016-17	8	17	\$4,330,756
2015-16	10	13	\$1,102,354
2014-15	11	12	\$2,172,500

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

In order to continue to achieve the established Aboriginal participation target, we are currently reviewing and updating our Aboriginal business procurement strategy. We aim to adopt a continuous improvement approach to support the economic development of Aboriginal communities and to increase participation levels of LandCorp employees and contractors in the immediate and longer term.





Aboriginal subcontractors

LandCorp have developed and implemented tendering and contracting arrangements that allow for subcontracting to registered Aboriginal owned businesses. In 2018-19, two LandCorp projects successfully implemented an Aboriginal participation plan or strategy to facilitate employment, training and sub-contracting, or supply opportunities for Aboriginal businesses:

- Subi East Redevelopment Demolition Project: the head contractor committed to awarding 1 per cent of the total contract value (approximately \$200,000) to Aboriginal businesses. Four Aboriginal sub-contractors are engaged on this project.
- Peel Business Park: the local civil contractor on site increased its rate of Aboriginal employment to over 10 per cent during 2018-19. In addition, LandCorp are working with the Peel Development Commission regarding direct engagement of contractors to undertake multiple packages of landscaping works on site.

Collaboration with key government stakeholders and Aboriginal community

We are working collaboratively with key government stakeholders and Aboriginal business advocacy groups to explore, investigate and develop ideas and opportunities for the engagement of Aboriginal contractors and suppliers by sharing strategic initiatives, trial models, case studies of success and lessons learned.

We are also consulting with the Noongar Chamber of Commerce and Industry (NCCI) for the engagement of an Aboriginal Development Manager and Aboriginal Project Officer to work as part of a project team on key projects. The aim is to facilitate rich cultural heritage input, cross-cultural relationships, and navigate cultural compliance.

Modern Slavery Act

The Commonwealth Government's *Modern Slavery Act 2018* (The Act) passed Parliament on 10 December 2018, requiring organisations and entities operating in Australia to publish annual Modern Slavery Statements.

The Act requires commercial organisations including government agencies, charities, not for profit organisations and universities conducting business in Australia with a minimum annual consolidated revenue of \$100 million, to publish annual modern slavery statements, setting out steps taken to minimise modern slavery in business operations and supply chains with the first Modern Slavery statement due in January 2020

LandCorp is committed to acting ethically and with integrity in all its business dealings and relationships, and to implement and enforce effective systems and controls to ensure Modern Slavery is not taking place in its own business or in any of its supply chains.

LandCorp has a zero-tolerance approach and prohibits all forms of Modern Slavery within its business and supply chain. LandCorp employees, contractors, subcontractors, vendors, suppliers, partners, representatives, agents and others through whom LandCorp conducts business must not engage in any practice that constitutes any form of Modern Slavery.

Our Board are committed to the Policy and is diligently putting measures in place that are designed to prevent and detect Modern Slavery in our business and supply chain. LandCorp's approach includes the following element:

- A Policy was developed and will be endorsed by Board in 2019 that articulates LandCorp's commitment to prevent violations of the Modern Slavery Act and the Modern Slavery offences within the *Criminal Code 1995* (Cth) within our operations and supply chain.
- Communication of the Policy and all relevant elements of the approach will be provided to all employees throughout LandCorp and to our business partners and supply chain in August 2019.
- Ongoing assessment of Modern Slavery risks within LandCorp's operations and its supply chain and the development of effective, efficient and transparent controls to reduce exposure to those risks.
- The adoption of anti-slavery requirement clauses has been embedded in tendering documents, standard and general condition contracts.
- Ongoing due diligence on business partners, agents, contractors, consultants, subcontractors and suppliers has been coupled with a requirement that they implement procedures which incorporate the principles of the Modern Slavery Act.
- Training of all relevant individuals at all levels throughout LandCorp will commence in August 2019. Training will be provided to ensure that compliance with the Policy, and allow individuals to recognise and avoid Modern Slavery practices.

LandCorp is committed to ensuring there is transparency in our business operations and in our approach to tackling Modern Slavery throughout our

supply chains, consistent with our disclosure obligations under the Modern Slavery Act.

In addition, LandCorp provides safe and fair working conditions for all its employees and ensures that no child labour is employed, in line with minimum age laws. LandCorp expects the same standards from all of its contractors, suppliers and other business partners and as part of its contracting processes, includes specific prohibitions against the use of forced, compulsory or trafficked labour or anyone held in slavery or servitude, whether adults or children and we expect that our suppliers will hold their own suppliers to the same standards

A forensic review on LandCorp's Tier 1 contractors was completed for the period of 1 July 2017 to 31 December 2018. Findings of this review identified that 99.9 per cent (\$476,866,861) of spend during the period of review is within Australia. Furthermore, the majority of this procurement is services and not goods which are also at a lower risk of modern slavery. Therefore, the risk of modern slavery in LandCorp's first tier supply chain is low.

Priority Start

LandCorp has implemented The Priority Start Policy which came into effect in Western Australia on 1 April 2019, replacing the previous Government Building Training (GBT) policy. The new Policy meets the State Government's Plan for Jobs commitment to maximise opportunities for apprentices and trainees on all major State Government funded building, construction and maintenance contracts.

The Policy aims to ensure a sustainable construction trades workforce for Western Australia by increasing the overall numbers of apprentices and trainees in the building and construction industry. To achieve this, the Policy requires companies awarded State

Government building construction, civil construction and maintenance contracts valued over \$5 million (including GST) meet the industry's average target training rate for apprentices and trainees.

The Policy is based on the following principles and responsibilities:

- State Government agencies are responsible for ensuring they award contracts and monitor compliance in accordance with the Policy.
- Head contractors are responsible for ensuring the target training rate is achieved in accordance with the Policy.
- Separate target training rates for general construction (11.5 per cent), and civil construction (5 per cent).
- Expanded range of in-scope qualifications and construction trades worker occupations.
- Probationary apprentices/trainees are now included in the training rate calculation.
- Stronger monitoring and compliance.
- Panels established to consider head contractor requests to vary their training rate.

LandCorp will monitor and consult with head contractors to ensure compliance in line with the Priority Start Compliance and Audit Framework.



4.3 Market leadership and innovation

Innovation

Topic boundary	Alignment to SDGs and WA Government priorities			
Creating a culture of innovation so that we can address industry challenges and deliver improved outcomes. This involves running staff culture initiatives and managing a pipeline of innovation projects.				
		 A liveable environment  A bright future		

Innovation process

We understand Western Australia’s unique environment and the pressures that are placed on our natural resources as our population continues to grow. The challenge is to create new, smarter ways to live, to save water and energy and reduce the pressure on our natural environment.

For developers, this means creating sustainable communities that balance resource efficient design and quality of life for residents. By investing in and demonstrating new technologies, we take on the potential risks of these technologies so industry can confidently implement sustainable practices.

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 – as we see this as the area where we can have the most impact. We seek to demonstrate innovation in the land development industry in order to provide leadership in overcoming development challenges, to pursue opportunities, achieve development and Government policy goals in new ways, and to introduce efficiencies and improved outcomes.

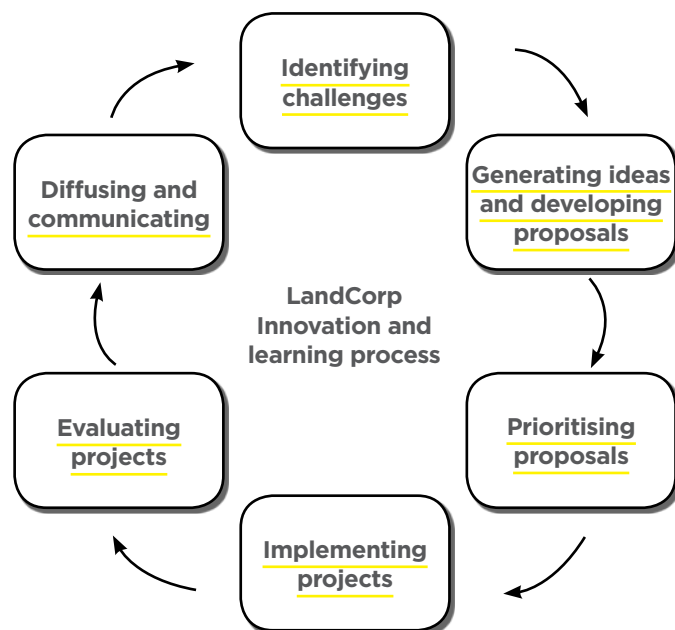


Our innovation approach involves following a cyclical learning process as outlined below. Our Executive team provide strategic oversight over our pipeline of innovation projects though quarterly Innovation Project Control Group meetings where they review and approve new ideas and monitor the pipeline.

Staff innovation survey results

In mid-2018, we conducted an internal survey to explore staff thoughts on how well LandCorp supports and encourages innovation across the organisation. Forty-nine staff complete this survey. This research assessed perceptions on the innovation culture at LandCorp,

the costs and benefits of innovation, and the impact Innovation Week (a LandCorp held week-long event of innovative thinking activities) had on further encouraging staff to innovate. The survey found that 63 per cent of staff believed LandCorp had a strong culture of innovation and 75 percent of staff believed LandCorp was known by others to lead innovation. It found that staff could be provided more support and encouragement to be innovative. The results from the survey have informed changes to LandCorp's approach, including plans to provide staff access to training on innovation tools and concepts during 2019-20.



Innovation through demonstration pipeline

A selection of our innovation through demonstration projects can be found [online](#). To ensure we continue to deliver innovation projects in the future, we work to maintain a healthy pipeline of innovation projects, knowing that not all projects will be successful.

As at 30 June 2019, we had 41 innovation ideas in the pipeline: 12 ideas in the early idea phase; seven ideas in the planning phase, 10 innovation ideas in the delivery phase and 12 in the monitoring and evaluation phase. The innovation projects that have substantially progressed during the year are featured below.

WGV at White Gum Valley – Waterwise Development Exemplar

WGV is a Waterwise Development Exemplar, and various water initiatives and savings are being monitored into the occupation phase across all built-form typologies funded by the WaterCorporation. Water initiatives implemented at WGV included:

- Community groundwater bore for all public and private external irrigation;
- Rain water tanks plumbed to toilet and cold water washing on detached dwellings and townhouses;
- Waterwise fixtures and fittings;
- Waterwise front verge landscapes; and
- Wevitalised water sensitive stormwater sump as a habitat park.

In February 2019, an interim report developed by Josh Byrne & Associates, provided an early insight into whether the mains water savings initiatives at WGV are performing as expected and if the 60 – 70 per cent mains water reduction goals set out in the initial stages of the project are being achieved.

Data was available for 45 per cent of dwellings, with others being either in construction or with an occupancy period too short to have formed reliable trends. Data gathering will continue and results will firm up as more sites and longer sample periods are available. The interim report, confirmed significant mains water reduction in comparison to the 'average Perth home' (106 kL per person per year) across all typologies (Table 28).



Table 28: WGV interim mains water consumption and reduction compared to average Perth home

Dwelling typology	Mains water consumption (kL/person/year)	Reduction on average Perth home resident (%)
Detached	53	50%
Attached	33	69%
Apartments	30	72%
Average	36	66%

Note: the average Perth home mains water consumption is 106 kL per person per year (source: Perth Residential Water Use Study, Water Corporation, 2010).

East Village, Knutsford

East Village, is 1.5 hectares, part of a former industrial area that is being redeveloped into a sustainable precinct that will include residential and mixed use dwellings

The project was launched in April 2019. Over 100 stakeholders attended this event, which was attended by the Minister for Lands. The event was widely reported across multiple media outlets.

The 670kWh battery provided by Power Ledger and the Fremantle Smart Cities and Suburbs funding was also unveiled. The battery will store energy from 36 town homes to be constructed onsite featuring 5kW solar systems.

The project will result in 100 per cent renewable energy and 80 per cent saving on scheme water.

Other features will include electric vehicle fast charging, provision for an electric vehicle car share scheme, waterwise homes and private and public gardens. The project will deliver Australia's first blockchain ready homes, with new residents participating in leading trials of this new technology.

There will also be a physical 'Legacy Living Laboratory' onsite through a partnership with Curtin University.

The Lab will feature a learning space, commercial kitchen, meeting spaces and real time data display. The data display will feature WGV 'Living Lab' research and East Village data. More information about this exciting project is available [online](#).

Smart Sun trial at Broome North, Warranyjarri Estate

Broome North is home to a ground breaking solar pilot program called 'Smart Sun' that was launched in November 2017. The pilot is a partnership between LandCorp and Horizon Power, the WA government owned electricity generator and retailer for regional and remote WA.

The Smart Sun pilot will allow us to investigate and test an integrated energy solution that aims to:

- Understand how to integrate higher levels of solar energy generation into the electricity network while also reducing the amount of high-cost infrastructure required in new housing developments.
- Understand how to make the network stable and stop intermittency that arises from high levels of solar generation.
- Provide participating residents greater access to renewable energy, more control over their energy use and significant reductions in power bills.

The trial includes the following key components:

- A Smart Sun package offered to 17 residents (12 existing residents at Broome North and five new residents purchasing in stage ten of Warranyjarri Estate.
- The Smart Sun package costs participants \$5,000 (the retail value is between \$30,000 to \$40,000 depending on the home), providing a heavily discounted package that includes:
 - the supply and installation of solar panels to generate renewable energy;
 - a solar inverter which converts the energy from the solar panels into electricity for use in the home;
 - a battery to store excess electricity generated by the solar panels that can be used when the panels cannot produce enough electricity;
 - an energy management system which maximises the use of solar-generated electricity and minimises the use of purchased electricity from the grid. The system also manages energy-hungry appliances, such as air conditioners and pool pumps, to minimise energy consumption while maintaining performance, and
 - An optional hot water heat pump which is an energy efficient method of heating water that has been designed for the harsh conditions of WA. The pump also has a special feature where excess solar power can be used to increase the temperature of the water so less power is needed from the grid.
- Participating residents will be able to track and manage their power consumption through an energy management system mobile application, which can lead to significant reductions in living costs.

Horizon Power has completed the installation and commissioning of Smart Sun packages to 11 homes. The remaining six Smart Home packages will be installed by September 2019.

It is anticipated participants will save on average around \$2,000 every year on energy bills based on Horizon Power consumption research. Research to assess the effectiveness of the pilot and actual savings delivered to participants will be carried out in partnership with the CSIRO. This research commenced in March 2019 and will conclude by March 2021, aiming to collect data over two full climatic cycles including two wet seasons in order to measure demand at peak times. Feedback from the pilot will help Horizon Power and LandCorp work toward solving grid and land development challenges for projects in the future.

While the trial is not complete, it has already had a positive impact on energy supply to the regions. Based on the learnings from Smart Sun and other research projects to date, in June 2019 the WA State Government **announced** that from July 1, 2019 an additional 10 megawatts of small scale renewable energy systems will be able to connect to Horizon Power systems. Towns that will benefit include the regional centres of Karratha, Port Hedland, Kununurra, Derby, Carnarvon, Esperance – and Broome.

Alkimos Beach Energy Storage Trial

The four year, \$6.7 million trial, launched in April 2016, is thought to be the first of its kind in Australia. The trial is a collaboration between Synergy, the WA government owned electricity generator and retailer, and Alkimos Beach development partners LandCorp and Lend Lease. The Australian Renewable Energy Agency (ARENA) provided part-funding of \$3.3 million towards the trial.

The trial has been designed to provide insight into the benefits of integrating renewable generation, energy storage and dispatch into a traditional electricity network, with a view to setting new standards in future infrastructure design, management of 'peak demand' where people are using more power at certain times, and to help consumers save money and drive long-term behavioural changes in energy usage.

The trial includes the following key elements:

- Alkimos Beach has a high concentration of solar, as every property has a solar PV system size of 1.5KW or higher. This was achieved through LandCorp's Alkimos Beach Design Guidelines and Energy Smart Package which provided a rebate and mandates a minimum 1KM solar panel system, solar hot water system, other energy efficient appliances and an in-home energy display unit monitoring generation and usage.
- A 1.1 MWh community scale lithium ion energy storage device which has been running since April 2016.
- People living in Alkimos Beach can opt into the trial, where they are charged for their electricity based on the time of day they use it (known as time-of-use pricing). This 'Peak Demand Saver plan' (created specifically for the trial) allows residents to make the most of their solar panel system by 'virtually' storing the excess energy generated in the energy storage device, and the solar credits they accrue on a daily basis are deducted from their power bill leading to saving money on energy bills.
- Alkimos Beach residents also have access to an educational program to help residents maximise their energy efficiency and money saving potential.



Out of a trial target of 100 participants, there are currently more than 50 households that are signed up to the Peak Demand Saver plan. Participating households have been experiencing cost savings off their energy bills since the trial started. On average, per month, single occupancy homes have saved \$27.43; two-member homes have saved \$29.30; and households of four have saved \$37.37.

In late 2018, Synergy, LandCorp and Lendlease completed joint community research to gain an understanding of community perspectives and experiences of the trial. 56 residents of Alkimos Beach participated in the community research. While many research participants felt there was room for improvement with the operation of the trial, particularly in terms of information dissemination, the research confirmed the general feeling about the trial was positive and the vast majority of respondents on the trial were satisfied. The learnings from this research will be used to inform the planning of future innovation initiatives at LandCorp, especially household energy initiatives.



The Vive, Craigie.

Cool Earth trial

The Cool Earth Project is a collaboration between LandCorp, the ABN Group, GeoExchange Australia, The University of Western Australia and Carbonomics. The Project explored the potential for Ground Source Heat Pumps (GSHP), currently limited to use in space heating and cooling in some commercial buildings, to revolutionise how we heat and cool our homes in WA. Over a two year period, the Project analysed the heating and cooling efficiency of an Open Loop GSHP fitted in a home built at The Vive in Craigie compared to the performance of the standard reverse-cycle air conditioning system or Air Source Heat Pump (ASHP) fitted to the home next door.

The home fitted the Open Loop GSHP, utilises the naturally occurring groundwater aquifer as a heat source and heat sink via a production/injection bore. A GSHP needs less energy to operate than an ASHP as it utilises the earth's relatively constant temperature as a source for heat exchange making it an environmentally friendly alternative to heat and cool a home.

The Coefficient of Performance (COP) methodology, an industry standard efficiency ratio of the amount of heating or cooling provided, to the energy consumed by the system, was used to compare the efficiency of the two systems.

The data comparison has provided real time results on the performance

of both systems. When heating, the COP for the GSHP remains constant at 3.7°C regardless of outdoor temperature, while the Control House ASHP ranges from 2.8°C-2.2°C depending on outdoor temperature. In cooling mode, the COP for the GSHP remains constant at 3.0°C, while the Control House ASHP ranges from 2.4°C-1.3°C depending on outdoor temperature.

Since July 2017, the GSHP has seen remarkable energy saving results, achieving up to 100 per cent greater efficiency when cooling the home in summer, and up to 80 per cent improved efficiency when heating the home in winter. These results highlight the potential for GSHP to provide a more affordable and environmentally friendly heating and cooling option for WA households.

With heating and cooling of dwellings forming up to 40 per cent of a household's energy use, this equates to a significant saving of up to \$1000 per year in electricity costs. The capital cost of the GSHP is greater than the ASHP, making the payback approximately 19 years for the Cool Earth Project home in Craigie which has a water table of around 35 metres as it is located on elevated ground. However, the estimated payback period for a GSHP would be less at other sites in the Perth Metropolitan Area where shallower water tables would result in reduced installation costs, particularly for households intending to invest in bore water for irrigation.

Innovative micro-grid planned for Peel Business Park, Nambeelup

The Peel Business Park is planning to deploy an innovative electrical micro-grid to service the electrical power needs of its customers. This innovation will be the first in WA and is expected to deliver reliable and low cost renewable energy by harnessing the benefits of a grid-connection with the cost savings of local renewable energy generation.

To facilitate the deployment of the micro-grid, LandCorp has appointed the Enwave Consortium (Enwave Australia, Synergy and Sunrise Energy Group) as the Preferred Proponent to undertake an Exclusive Working Period with LandCorp to finalise a regulatory design, operating model and a contractual agreement to commission and operate the micro-grid.

On successful conclusion of the Exclusive Working Period negotiations, Enwave will be appointed to apply for their electrical licenses to operate and retail power within the micro-grid. The Peel Business Park is on schedule to have power available to meet the Stage 1 activation in the first quarter of 2020 with the final stage of the micro-grid being commissioned towards the end of 2020.

Demonstrating design quality at Salt Lane, Shoreline

We are focused on delivering high quality medium density outcomes in our infill developments. This has required working through some of the challenges with providing diverse and cost effective housing supported by high levels of amenity and liveability.

Following an intensive planning and design process for Salt Lane, a 1.6 hectare site at Shoreline, subdivision approval was achieved in late 2018. Salt Lane will deliver a medium density precinct with a high level of amenity whilst accommodating the requirements for services, access, waste management, solar passive design and landscape. This required a high level of collaboration between all disciplines to ensure an integrated



outcome. The team included a diverse range of consultants including architects, planners, engineers and landscape architects all working alongside the city's officers and specialists from the Australian Urban Design Research Centre, as well as a number of developers and builders. The result will be a precinct of exceptional quality and amenity with a range of diverse housing types set in a unique coastal environment. The precinct will offer housing at a range of prices and includes a wide variety of medium density house designs from small lot product (80 - 100msq) to larger family homes (200msq).

Baugruppe 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 'Baugruppe' (building groups) process. The Baugruppe 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 continuing to work on assembling the final numbers for the building group.

Megatrends industrial research

In 2019, LandCorp begun research exploring the impacts of global megatrends on industry and industrial land in Western Australia. LandCorp had previously undertaken preliminary research into the impacts that global megatrends could have on its operations, but recognised that further research was needed to identify how these megatrends could affect industry and industrial land in WA specifically. This research will provide recommendations that will inform LandCorp's strategic planning, project delivery and innovation activities.

To guide this research, LandCorp has formed a Peer Review Group that includes both government agencies and private sector organisations. LandCorp has also incorporated extensive stakeholder interviews to inform this research. Once the research is complete, the findings will not only be presented to LandCorp, but also to the Peer Review Group and to other external agencies. This research will help us better understand and plan for the potential impacts of these megatrends on their business.

Industry accreditation

We use industry accreditation tools to ensure our key projects achieve industry recognised sustainability standards. LandCorp's use of industry accreditation tools over the past eight years is shown in Table 29 on the following page.

Table 29: LandCorp's use of industry assessment and accreditation tools between 2012 to 2019

2012	2013	2014	2015	2016	2017	2018	2019
		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 for One Planet Living 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. WGV also has Water Corporation's Waterwise Development Endorsement.							
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.							
Parkside Walk, Jolimont was certified with Multi-Unit Residential EnviroDevelopment Standard for five elements water, energy, waste, ecosystems and community - the first multi-unit residential development to receive this certification.							
Allara, Eglinton in partnership with The Satterley 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.							
Montario Quarter, Shenton Park Green Star Communities rating achieving six stars - equivalent to World Leadership.							
Warranyarri Estate, Broome North achieved four Elements of EnviroDevelopment; water, energy, community and ecosystems							

We are currently in the process of applying industry accreditation or investigating the use of accreditation for the following projects:

- Alkimos Vista has submitted for a Green Star Communities rating, targeting 5 Stars.
- Ocean Reef Marina is registered for the IS Infrastructure Sustainability Planning rating, targeting Gold.
- East Village at Knutsford is registered for One Planet Living National Recognition.
- Former Senior High School in Hamilton Hill is registered for UDIA EnviroDevelopment, targeting all six leaves.
- Peel Business Park is investigating the use of EnviroDevelopment accreditation.
- Subi East Redevelopment is investigating the use of industry accreditation.

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4.4 Organisational and commercial capacity

People, capability, inclusion and diversity

Topic boundary	Alignment to SDGs and WA Government priorities
Ensuring our workforce is diverse and has the right skills, expertise and leadership to deliver our corporate strategy.	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div> <div>  A safer community </div>

Skills and expertise of our workforce

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, community engagement, business development, and information technology professionals.

Characteristics of our workforce

At 30 June 2019, we had 164 employees by head count and 155.8 Full Time Equivalent employees (FTE), a slight reduction from 165 employees by head count (as at 30 June 2018). Headcount has stabilised this year after a number of years of contracting (Table 30). The following Tables (31-33) illustrate the key characteristics of our workforce.

Table 30: Total number of employees by headcount from 2014-15 to 2018-19

Total number of employees by headcount				
2018-19	2017-18	2016-17	2015-16	2014-15
164	165	180	192	212

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

Table 31: Employees by contract and gender

Contract type	Total number of employees (as of 30 June 2019)		
	Female	Male	Total
Full-time (permanent term)	52	76	126
Part-time (permanent term)	25	3	28
Full-time (limited term)	4	2	6
Part-time (limited term)	2	0	2
Total	83	81	164

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



Disrupt '17.

Table 32: Governing body and employees by job classification and gender

Job classification	Total number of employees (as of 30 June 2019)		
	Female	Male	Total
Board	4	2	6
Senior management	9	16	25
Middle management	10	26	36
Professional	27	32	59
Other	37	7	44
Total	87	83	170

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

Table 33: Governing body and employees by job classification and age

Job classification	Total number of employees (as of 30 June 2019)			Total
	<30	30-50	>50	
Board	0	3	3	6
Senior management	0	10	15	25
Middle management	0	23	13	36
Professional	5	45	9	59
Other	12	20	12	44
Total	17	101	52	170

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

Employee retention and turnover

During 2018-19, our staff retention rate was 91.7 per cent (89.5 per cent in 2017-18) which slightly exceeds the target of 90 per cent (Table 34).

Table 34: Staff retention rate target and performance from 2014-15 to 2018-19

Target (%)	2018-19 (%)	2017-18 (%)	2016-17 (%)	2015-16 (%)	2014-15 (%)
90.0	91.7	89.5	87.9	92.6	86.6

The total turnover rate in 2018-19 was 8.3 per cent (Table 35). Career outplacement services were provided in some cases where employees were supported in their exit from the organisation. The turnover rate has been relatively stable for a number of years and is lower than the average turnover rate reported by the Australian Human Resources Institute of Australia of 18 per cent, with the property industry historically experiencing higher than average rates of turnover.



Table 35: Total turnover rate from 2014-15 to 2018-19

Total turnover rate (voluntary and involuntary)				
2018-19 (%)	2017-18 (%)	2016-17 (%)	2015-16 (%)	2014-15 (%)
8.3	10.5	12.1	7.4	13.4

Table 36: Total number and rate of employee turnover by age and gender

Age	Number (as at 30 June 2019)		Rate (%) (as at 30 June 2019)	
	Male	Female	Male	Female
Under 30	1	1	33.3	7.2
30-50	1	8	4.0	30.2
Over 50	2	1	3.7	2.2
Total	4	10	4.8	11.7

Note: Calculation for rate of employee turnover is number of employees terminated/ average headcount for 2018-2019; voluntary and involuntary terminations were included in the calculation.

LandCorp's absenteeism, that is the average unplanned/personal leave taken, was 11.0 days in 2018-2019; this is an increase on that taken in 2017-18 (9.3 days) and 2016-17 (7.3 days). Absenteeism in 2018-19, comprised 23.5 per cent of all leave taken.

New employment hire

In 2018-19, LandCorp hired a total of 10 new employees (6 new employees in 2017-18), the breakup by age and gender is shown in Table 37.

Table 37: New employment hires in 2018-19 by age and gender

	Female	Male	Total
Under 30	3	0	3
30-50	3	3	6
Over 50	1	0	1
Total	7	3	10

Graduate program

An internal graduate program is in place to support and develop project management skills and experience. In 2018-19, LandCorp continued the graduate employment program for two female 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 Aboriginal people, 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 annually.



The Pocket, Claremont on the Park.

LandCorp continues to build relationships with diversity-focused recruitment to actively seek diverse candidates and partner with disability support groups to determine the needs and approaches to best support and retain diversity candidates in the workplace. Limited recruitment activity constrained opportunities to influence diversity outcomes. However, women in management and people with disabilities targets have been exceeded. There were two Aboriginal people employed during the year however one left and the other completed the traineeship and LandCorp is looking to replace them in the coming year.



The Pocket, Claremont on the Park.

Table 38: Diversity targets and performance

	Target (%)	Actual at June 2019 (%)	Actual at June 2018 (%)	Actual at June 2017 (%)	Actual at June 2016 (%)	Actual at June 2015 (%)
Women in management*	32.0	41.7	40.9	40.0	32.5	32.1
Aboriginal Australians	3.0	1.2	1.8	2.8	1.6	1.6
People with disabilities	3.0	3.7	4.2	3.9	2.1	2.1

*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 39). We focus on recruiting and supporting females in project development and leadership positions. The gender pay gap is fairly stable although it has improved in the Executive (above Level 8) category.

Table 39: Female salaries as a percentage of male salaries by job classification

Job value level*	Actual at 30 June 2019 (%)	Actual at 30 June 2018 (%)	Actual at 30 June 2017 (%)	Actual at 30 June 2016 (%)	Actual at 30 June 2015 (%)
Executive	94	88	94	94	92
Senior Management	94	97	97	98	99
Middle Management	97	97	97	94	95
Professional	97	99	95	99	101
Other	97	99	98	101	99

*Using Full Time Equivalent salary.

Parental leave

LandCorp provides 14 weeks paid parental leave and unpaid leave up to 52 weeks in total which is in excess of the minimum legislated. This is in addition to the benefits available through the Government. LandCorp also tries to accommodate requests for flexible work arrangements on return from parental leave to encourage retention of valuable skills and knowledge.

In 2018-19, five females and no males 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 three female employees and one male were due to return to work from parental leave. Of these, all 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 2018-19 was 100 per cent (Table 40). Due to low numbers involved, the return to work rate is quite variable and depends heavily on the individual circumstances involved.

In 2017-18 LandCorp introduced a transition back to work program to help facilitate effective returns. The program is designed to support and encourage employees who may be undertaking a career transition through online learning and coaching to ensure employees are provided the greatest opportunity to accelerate performance within their new or returning role. In 2018-19 the program was offered to three females on extended leave however all declined the offer (two had previously utilised the service and didn't feel they needed to go through it a second time).

Table 40: Return to work rate following parental leave

Year	2018-19 (%)	2017-18 (%)	2016-17 (%)	2015-16 (%)	2014-15 (%)
Return to work rate following parental leave	100.0	100.0	62.5	75.0	50.0

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 2018-19 was 50 per cent (all females) (Table 41). Generally, if people are able to return to work they are retained but, again, the numbers involved are too small to draw definitive conclusions.

Table 41: 12 month retention rate following parental leave

Year	2018-19 (%)	2017-18 (%)	2016-17 (%)	2015-16 (%)	2014-15 (%)
12 month retention rate following parental leave	50.0	100.0	100.0	100.0	100.0

As at June 30 2019, there is no-one that left the organisation (including via redundancy) 12-24 months after returning from parental leave. As at June 30 2019, there were seven females and no males who had continued employment for 24 months after returning from parental leave, and one female who was still employed after 36 months.

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, efficient, staff turnover and attendance.

Employees can apply for various arrangements including variable work schedules, working from home or work reduced hours. Currently, all staff have access to flexible start and finish times; 30 staff work part-time hours (three male, 27 female); four people are job sharing and seven staff have formal working days from home.



Learning and development

During 2018-19, we had five employees access the study assistance program (six employees in 2017-18 and 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 18.3 hours of work time in training during 2018-19 (Table 42), this is 22 per cent less than last year which needs to be improved in the coming year.

Table 42: Average hours of learning and development from 2014-15 to 2018-19

Year	2018-19	2017-18	2016-17	2015-16	2014-15
Average hours of learning and development	18.3	23.5	26.9	18.7	28.7

Table 43: 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 (including Executive)	19.8	21.7	20.5
Middle management	15.7	24.4	18.1
Professional	15.2	21.3	18.0
Other	8.6	16.6	15.3
Total	15.7	19.6	17.7

We aim to maintain a learning and development budget of 2 per cent of total salaries, despite tightening fiscal conditions. In 2018-19, 1.2 per cent of total salaries was invested in learning and development course fees and 2.2 per cent if we include the cost of an employees' time. This is similar to the previous year where the figures were 1.1 per cent and 2.3 per cent respectively.



Building knowledge and skills

To build capability across the business we have 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.

During 2018-19 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 and 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.
- **Engaging with your Aboriginal Employees:** 53 people participated in a series of sessions run in-house by Nudge. This program provides a basic understanding of cultural protocols to facilitate effective and respectful communication and engagement with Aboriginal people and communities.
- **International Cities & Towns Centres Conference:** 16 people shared five tickets to attend this conference in 2018 which brings together a diverse cross-section of city leaders and urban place professionals. The conference included sessions on: reinventing your town centre; sustainable destinations and tourism; and community revitalisation as well as field trips.





- **Writing Ministerial Letters and Briefings:** 15 employees participated in this course which provided detailed information on how to approach and research, prepare and write, quality ministerial letters and briefings
- **Basic Life Support (CPR):** 12 employees participated in a hands-on, non-accredited course designed to provide an awareness of first aid. The program covered the basics of adult and child resuscitation.
- **Mental Health First Aid:** 11 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.
- **Coaching:** seven employees received coaching. Coaching is aimed at rediscovering strengths; clarifying professional direction, strengthening leadership presence and maximising opportunities for the participant.

- **Smart Seeds Program:** three employees participated in the Smart Seeds innovation program run by GHD. This program 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.
- **Property Council 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. In 2018-19 two staff participated as mentees and two managers volunteered as mentors.

Performance management

All employees (100 per cent) received at least two regular performance and career development reviews during 2018-19 as part of the performance management process.

Superannuation contributions

We operate in Western Australia, and as such Australian law defines superannuation contributions from employers. LandCorp adheres 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. LandCorp has 43 staff covered by the collective bargaining agreement, this represents 26 per cent of staff by headcount and 14 per cent of the total payroll.



Occupational safety and health

Topic boundary

Ensuring a healthy and safety conscious work place that protects people and creates productive work environments with high quality standards and outcomes. This involves focusing on the wellbeing of internal staff by providing health and safety programs and engaging and communicating with our stakeholders to further drive our commitment to a culture of safety, compliance and performance.

Alignment to SDGs and WA Government priorities



A safer community

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 accordance with the Public Sector Commissioner's Circular 2018–20 Code of Practice: Occupational Safety and Health in the Western Australian Public Sector, CEOs in Western Australia are required to ensure that an assessment of their agency's occupational safety and health management system has been completed within the past five years, using a recognised assessment tool such as the WorkSafe Plan. LandCorp currently holds Platinum WorkSafe Plan Accreditation, which is the highest an agency can achieve and is booked to undertake its two yearly re-certification in July 2019.

OSH training

A compulsory online OSH training module is completed and assessed every two years by all staff. In 2018-19, 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 2018-19, training sessions were rolled out to Operations staff titled 'Getting your OSH ducks in a row pre and post contractor selection'. These sessions outlined the correct steps to follow when you start assessing tenders, coordinating risk workshops and then ensuring OSH processes are adhered to on LandCorp construction sites.

In addition to this all project-related staff are trained and issued with a Construction Induction Card (White Card). This course is mandatory for anyone who works on a construction site in Australia.

OSH committee

LandCorp's 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. Three new members joined in 2018-19 with ten per cent of LandCorp's total workforce represented on the OSH Committee. Committee members commit to a 12-month minimum tenure before nominating a new member.





OSH performance

Table 44 outlines our performance against key OSH measures for LandCorp's employees.

Table 44: Occupational safety and health incidents

	Target	2018-19	2017-18	2016-17	2015-16	2014-15
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.

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

In 2018, LandCorp in conjunction with RJ Vincent, 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 Para-quad 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 was the first time Mates in Construction has worked with a land development organisation. Shenton Park was used as a pilot site with 'basic' raw data collected for post project analysis. Feedback from the RJ Vincent staff in attendance was overwhelmingly positive. In fact, RJ Vincent were so impressed with the program, they have incorporated it into their compulsory training for all staff.

LandCorp has now included an endorsement clause for Mates in Construction into its "Invitation to Tender" documentation for future procurement and project works tender documents. LandCorp will also include Mates in Construction

items into LandCorp's 2019-20 renewal of Prequalification of Contractors process (in consultation with the Civil Contractors Federation of WA).

Mental Health First Aid Skilled Workplace

As part of LandCorp's continued commitment to mental health awareness in the workplace, 11 LandCorp staff participated in Mental Health First Aid Training in late 2018. LandCorp maintains its status as a Mental Health First Aid Skilled Workplace: Silver level (10 per cent of workplace trained). To keep the accreditation, LandCorp must maintain our numbers every year. Mental Health First Aid Training expires after two years.

Employee wellbeing

During 2018-19 our staff wellbeing initiatives resulted in:


- 89 staff accessing skin cancer checks, and 70 staff electing to take the flu vaccination;
- 10 adjustable standing work station 'hot desks' in place across all floors in our head office;
- 35 participants (8 teams of 4) in 'Get on track' a Government of Western Australia Department of Health wellness stepping challenge which took place in November 2018;
- Over 300 registrations across 17 classes, workshops and lectures during 'Health and Safety Month' November 2018;
- 125 staff accessing the fitness subsidy which seeks to encourage regular physical activity;
- 78 staff attending quarterly pre-work 'walk, run, ride' wellness breakfasts, and
- An average of 33 staff members attended Monthly Wellness lectures.

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.



Ethical and accountable decision making

Topic boundary	Alignment to SDGs and WA Government priorities
<p>Maintaining a culture of compliance which values ethical behaviour, personal and corporate integrity, accountability and respect for others.</p>	
<p>Managing risks related to corruption</p> <p>LandCorp has zero tolerance for fraud and corruption and adopts a risk-based, precautionary and proactive approach to ethical and accountable decision making 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, 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.</p> <p>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.</p> <p>LandCorp's Enterprise Risk Management Framework embeds fraud and corruption risk management to proactively mitigate risks posed by fraud and corruption before they occur. The Corporate Risk Register captures strategic and operational risks including fraud and corruption, specific to LandCorp and the environment it operates within. Risks are reviewed and validated quarterly and reported through to the Executive and the Board's Audit and Risk Management Committee. The key risks identified are around procurement probity, misuse of LandCorp systems and data, due diligence in human resourcing and falsifying financial reporting. While</p>	<p>these risks have been identified there are very strong controls in place to mitigate occurrence.</p> <p>Our Board is committed to the highest standards of corporate governance and uses a range of benchmarks to guide its practices, including the <i>Public Sector Management Act 1994</i>, the Corporate Governance principles and recommendations as determined by the ASX Corporate Governance Council (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.</p> <p>Communication and training</p> <p>LandCorp is committed to the highest possible standards of openness, probity and accountability in all its undertakings. Through our induction process all staff members are made aware of policies and procedures applying to accountable and ethical decision making, fraud and corruption awareness.</p> <p>LandCorp has an online eLearning centre to deliver 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 aims to raise awareness of and educate staff of their fraud and corruption roles and responsibilities. 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.</p> <p>At 30 June 2019, 99 per cent of staff had completed the 'Fraud and Corruption Awareness' module and 88 per cent of staff completed the 'Accountable and Ethical Decision Making' within the last two years.</p> <p>Internal audit for continuous improvement</p> <p>In 2018-19, as part of the internal audit program, a follow-up of the fraud survey, fraud risk gap analysis and applications was completed. Analysis comparing current findings against the 2017-18 review presented significant improvements. This was due to the embedding of the recommended key controls:</p> <ul style="list-style-type: none">• Biennial reviews of the Fraud and Corruption Control Framework.• Biennial compulsory refresher training modules on fraud and corruption awareness and accountable and ethical decision making for staff.• Police Clearance embedded within human resources recruitment process.• Promotion of Public Interest Disclosure process and officers to all staff via presentations and posters.• A review of the Audit and Risk Committee and Internal Audit Charters.• Development and implementation of a committee self-assessment survey.



Albany Waterfront.

Corporate Governance Report

05

Commitment

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.

Performance

Board of directors

Board role and responsibilities

The Board of directors recognises accountability to the Government and 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;
- 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;
- ensuring 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 are well understood and achieved. In addition, the Board undertook a comprehensive evaluation review of its performance and Board policies. The Board regularly engaged in discussion on strategic and operational risks faced by the business, including a joint workshop to review the Board's risk appetite and tolerance ahead of, and in preparation for, the future merger with the Metropolitan Redevelopment Authority.



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. The Minister may reappoint directors for a further term. The Chief Executive may not be appointed as a director.

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.

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.



Statutory Planning Committee

The Board has established this Committee as the decision making body for the Western Australian Land Authority's statutory planning responsibilities as defined in the *Hope Valley-Wattleup Redevelopment Act 2000*; and *Perry Lakes Redevelopment Act 2005*.

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

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.

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.

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 Strategic Development Plan and Statement of Corporate Intent 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, and 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. The Board has maintained a policy with respect to responding to 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*.

There were no Ministerial directions 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 seven transactions approved by the Minister in 2018-19.

Ministerial Review

Section 48 of the *Western Australian Land Authority Act 1992* 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 Authority; 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 adjacent. 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 www.landcorp.com.au

FOI Statistics 2018-19

Access applications received	1
Applications transferred to another agency	0
Applications withdrawn	0
Applications processed	1
Access in full	0
Edited access	0
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. 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 on-line 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:

- *Waterways Conservation Act (WA) 1976*;
- *Environmental Protection Act (WA) 1986*;
- *Environment Protection and Biodiversity Conservation Act (Commonwealth) 1999*;
- *Contaminated Sites Act (WA) 2003* and
- *Biodiversity Conservation Act 2019*.

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	\$ 1,358,499
The Brand Agency	
Media Advertising	\$ 689,833
Carat Australia Media Services Pty Ltd	
Adcorp Australia Limited	
Market Research	\$ 12,694
Research Solutions	
Direct mail	\$ 0
Polling	\$ 0
Total Expenditure	\$ 2,061,026

Risk management

LandCorp's Risk Management Framework aligns to *ISO 31000:2018 Risk Management 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. Our Corporate Risk Register contains strategic and operational risks.

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.

Directors' Report

The LandCorp Board of Directors presents its report for the financial year ended 30 June 2019.

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*	31 December 2019
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

* Director G McCullagh was subsequently appointed Deputy Chairperson 22 June 2015 and Chairperson 1 January 2018.

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. His hands-on skill set has been honed over 25 years of working with Australia's leading corporate recovery specialists. He has specialised in corporate reconstruction, turnaround and business improvement. Simon currently runs a consulting business specialising in the complex area of the Personal Property Securities Act. He has worked across many industries with significant experience in forestry, mining, engineering, finance and property. Simon 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. She was the recipient



L to R: George McCullagh, Dale Page, Rebecca Field, Simon Read, Kylee Schoonens and Jane Bennett.

of the 2015 Australian Institute of Architects WA Emerging Architect Award and the 2014 40under40 Award for her work within the architectural profession. Kylee is also a Non-Executive Director for Bethanie, WA's largest not-for-profit aged care provider and a Residential committee member for the Property Council of Australia (WA Division). She previously held roles as a Division Councillor for the Property Council and a Chapter Councillor for the Australian Institute of Architects. Kylee is a Graduate of the Australian Institute of Company Directors.

Jane Bennett was appointed to the Board on 1 January 2018 and is a member of the Board's Statutory Planning Committee. With extensive experience as a practising town planner in local government and private practice, she has been instrumental in the planning and delivery of major residential, commercial and industrial projects in Western Australia, as well as major government and institutional projects. Jane is a strong advocate for and is actively involved in the planning reform agenda. She holds a Bachelor of Arts in Urban and Regional Planning, a Masters in Business Administration and is a graduate of

the Australian Institute of Company Directors. Jane was made a Fellow of the Planning Institute of Australia in 2015 for her contribution to planning. Jane is an owner and Director at CLE Town Planning and Design and is a member of the Western Australian Planning Commission. Jane is a UDIA WA Councillor and Chair of the Planning Committee.

Rebecca Field was appointed to the Board on 1 January 2018 and is the Chairperson of the Board's Governance and Remuneration Committee and a member of the Audit and Risk Management Committee. She is a graduate of the Australian Institute of Company Directors. 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. She 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' 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	
	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	9	9	3 ²	-	2 ²	-	3 ²	-
Jane Bennett	8	9	-	-	-	-	3	3
Rebecca Field	8	9	4	4	2	2	-	-
Dale Page	6	9	3	4	2	2	3	3
Simon Read	8	9	4	4	-	-	-	-
Kylee Schoonens	9	9	-	-	2	2	3	3

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.



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.

The Western Australian Government's land agency reform changes announced in November 2017, included the merger of LandCorp and the Metropolitan Redevelopment Authority. Both agencies have continued to make progress towards the administrative merger (further information can be found in Section 2.5 Future direction – Land Agency Reform of the Annual Report).

LandCorp has also participated in consultation workshops associated with the Government Trading Enterprise Reform Program being led by the Department of Treasury. Drafting of legislation is underway and is scheduled for tabling in the second half of 2019.

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
- 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.

Operating Results	2018-19 (\$M)	2017-18 (\$M)	2016-17 (\$M)	2015-16 (\$M)	2014-15 (\$M)
Profit Before Income Tax Equivalents	9.742	9.648	22.915	46.789	57.562
Income Tax Equivalents Expense	2.988	2.874	5.002	14.073	17.271
Net Profit	6.754	6.774	17.913	32.716	40.291

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	2018-19 (\$M)	2017-18 (\$M)	2016-17 (\$M)	2015-16 (\$M)	2014-15 (\$M)
Dividends Paid	37.869	53.779	43.219	31.653	32.442
Land Tax	40.626	42.969	47.357	54.257	49.863
Income Tax Expense	2.988	2.874	5.002	14.073	17.272
Local Government Rate Equivalents	7.780	7.009	8.147	7.412	6.805
Stamp Duty	0.590	1.336	0.785	5.891	4.088
Total Returns to Government	89.853	107.967	104.510	113.286	110.469

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 2019-20 Statement of Corporate Intent:

Payments to Government (through the Consolidated Fund) are expected to total around \$89.85 million from 2018-19 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.



	(\$M)
Sales Revenue (GST exclusive)	195.4
Sundry Revenue	82.5
Cost of Land Sold	(128.0)
Estate Costs	(44.9)
Operating Costs	(84.8)
Profit before Interest and Tax	20.2
Net Interest Expense	(5.9)
Income Tax Expense	(4.3)
Profit after Income Tax	10.0

Emoluments

Directors' emoluments

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.

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.

Director remuneration covers fees for attendance at Board and committee meetings. Directors are not remunerated separately for Board and committee attendance.

Director	Period of Membership during Reporting Period	Fees \$
George McCullagh	1 July 2018 to 30 June 2019	110,157
Simon Read	1 July 2018 to 30 June 2019	53,129
Kylee Schoonens	1 July 2018 to 30 June 2019	53,129
Jane Bennett	1 July 2018 to 30 June 2019	53,129
Rebecca Field	1 July 2018 to 30 June 2019	53,129
Dale Page	1 July 2018 to 30 June 2019	53,129

Superannuation, at the required amount (9.5 per cent), is paid on fees as is required under the *Superannuation Guarantee Administration Act 1992*.

Director	Superannuation \$
George McCullagh	10,465
Simon Read	5,047
Kylee Schoonens	5,047
Jane Bennett	5,047
Rebecca Field	5,047
Dale Page	5,047

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	514,901
Dean Mudford	398,466
Kerry Fijac	336,168
Fiona Barclay	326,845
John Hackett	302,534

Superannuation element

Executives are paid superannuation in accordance with the *Superannuation Guarantee Administration Act 1992* and the *State Superannuation Act 2000*. Currently the prescribed level under the *Superannuation Guarantee Administration Act 1992* is 9.5 per cent of salary. Two Executives (Frank Marra and Kerry Fijac) are members of both the Gold State and West State funds administered by GESB and receive approximately 15 per cent of their salary in contributions to superannuation. Gold State Super was a defined benefit super scheme open to WA public sector employees until 1995. West State was an accumulation fund and closed to new members in 2007.

Executives	Super Paid \$
Frank Marra	77,710
Dean Mudford	37,854
Kerry Fijac	50,165
Fiona Barclay	31,050
John Hackett	30,873





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	15,482
Dean Mudford	8,539
Fiona Barclay	8,539
Kerry Fijac	7,537
John Hackett	6,690

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

28 August 2019

Simon Read
Director



Financial Statements

06

Directors' declaration

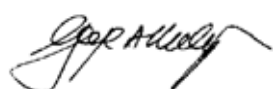
for the year ended 30 June 2019

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); and
- 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

28 August 2019



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 2019, 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 2019 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 2019 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
28 August 2019

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Continuing Operations			
Operating revenue	2(a)	256,675	297,738
Operating expenses	2(b)	(158,895)	(194,419)
Gross Profit		97,780	103,319
Other revenue	2(a)	4,586	4,415
Estate holding expenses		(36,164)	(39,299)
Employee benefit expenses		(22,492)	(23,776)
Consultant expenses		(4,041)	(2,214)
Advertising, public relations and sponsorship		(4,781)	(4,213)
Impairment loss on trade receivables		(94)	(303)
Other expenses	2(b)	(19,357)	(24,103)
Results from operating activities		15,437	13,826
Finance income	2(a)	477	1,455
Finance costs		(6,172)	(5,633)
Net finance costs		(5,695)	(4,178)
Profit before income tax		9,742	9,648
Income tax expense	3	(2,988)	(2,874)
Profit for the year		6,754	6,774
Total comprehensive income for the year		6,754	6,774

The Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents	15(a),16	19,074	10,213
Receivables	4,16	60,427	80,280
Inventories	5	272,845	424,560
Current tax assets	10	-	3,026
Other assets	8	6,790	6,117
Total current assets		359,136	524,196
NON-CURRENT ASSETS			
Receivables	4,16	605	12,405
Inventories	5	492,120	320,764
Infrastructure, property, plant and equipment	6	265,130	281,334
Deferred tax assets	7	28,636	24,798
Other assets	8	30,638	31,603
Total non-current assets		817,129	670,904
TOTAL ASSETS		1,176,265	1,195,100
CURRENT LIABILITIES			
Payables	9,16	29,470	31,392
Borrowings	13	85,000	78,500
Current tax liabilities	10	679	-
Provisions	11	9,817	7,627
Other liabilities	12	8,139	10,667
Total current liabilities		133,105	128,186
NON-CURRENT LIABILITIES			
Provisions	11	4,170	2,241
Loans and borrowings	13	140,500	140,500
Other liabilities	12	35,745	34,668
Total non-current liabilities		180,415	177,409
TOTAL LIABILITIES		313,520	305,595
NET ASSETS		862,745	889,505
EQUITY			
Contributed equity	14	413,370	409,015
Retained earnings		449,375	480,490
TOTAL EQUITY		862,745	889,505

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 2019

	\$'000	\$'000	\$'000
	Contributed Equity	Retained Earnings	Total
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 comprehensive income for the year	-	6,774	6,774
Transactions with owners recorded directly in equity			
Dividends (note 22)	-	(53,779)	(53,779)
Contributions of equity (note 14)	192	-	192
Balance at 30 June 2018	409,015	480,490	889,505
Balance at 1 July 2018	409,015	480,490	889,505
Total comprehensive income for the year			
Profit for the year	-	6,754	6,754
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	6,754	6,754
Transactions with owners recorded directly in equity			-
Dividends (note 22)	-	(37,869)	(37,869)
Contributions of equity (note 14)	4,355	-	4,355
Balance at 30 June 2019	413,370	449,375	862,745

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 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		253,675	214,062
Operating subsidies received		56,238	56,194
Payments to suppliers and employees		(264,533)	(255,810)
Interest received		498	982
Income tax paid		(3,121)	(5,603)
Net cash (used by)/from operating activities	15(b)	42,757	9,825
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for infrastructure, property, plant and equipment		(96)	(55)
Proceeds from sale of infrastructure, property, plant and equipment		3	17
Net cash (used in) investing activities		(93)	(38)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity contribution		4,355	192
Proceeds from borrowings		68,000	60,000
Repayment of borrowings		(61,500)	(26,000)
Payment of dividends		(37,869)	(53,779)
Finance interest paid		(6,789)	(5,532)
Net cash (used in) financing activities		(33,803)	(25,119)
Net increase/(decrease) in cash and cash equivalents		8,861	(15,332)
Cash and cash equivalents at 1 July		10,213	25,545
Cash and cash equivalents at 30 June	15(a)	19,074	10,213

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 2019

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 Directors on 26 August 2019.

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* and 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

Note 1 Summary of significant accounting policies (continued)

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 16 Financial Instruments

- Note 5 Inventories
- Note 16 Financial Instruments
- Note 18 Commitments, with reference to Note 23 Leasing arrangements
- Note 19 Related party disclosures

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 an accounting period that begins on or after 1 January 2018 thus, relevant to this financial year end.

The following Standard had an impact on the process undertaken to determine the impairment of financial assets within LandCorp. The resulting financial impact was not, however, considered to be material.

AASB 9***Financial Instruments***

This Standard supersedes AASB 139: *Financial Instruments: Recognition and Measurement*.

The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

The standard introduces changes to classification, measurements and de-recognition of financial assets and financial liabilities. LandCorp has valued financial assets and financial liabilities considering expected credit loss at the reporting date. There is no significant credit loss. Changes to hedge accounting do not impact the LandCorp position or performance.

Further detail included below in Note 1 (e). Changes in significant accounting policy.

Note 1 Summary of significant accounting policies (continued)

e) Changes in significant accounting policies

LandCorp has applied the changes required upon implementation of AASB 9 to the results for the 2018-2019 reporting period. Due to the practical expedients on transition allowed by the standard, LandCorp has not restated comparative financial information in this year's results. The effect of applying AASB 9 has resulted in a change to the recognition of allowance for impairment losses for financial assets which is detailed in Note 16 Financial Instruments. The impairment of financial assets has been presented as a separate line item in the Statement of profit or loss and other comprehensive

income. Previously this amount was included in other expenses.

AASB 9 contains three principal classification categories for financial assets. These are measurement at:

- i. Amortised cost
- ii. Fair value through other comprehensive income (FVOCI); and
- iii. Fair value through profit or loss (FVTPL)

The basis for classification into these groups is based on the business model in which the financial asset is managed and its contractual cash flows characteristics.

LandCorp's business model objective is the redevelopment and sale of land to generate revenue.

LandCorp holds financial assets for the purposes of supporting this business model. LandCorp contracts give rise to cash flows that are solely payments of principal and interest on dates specified within commercial contracts.

For these reasons it is considered that LandCorp's financial assets are held to collect contractual cash flows rather than for the purposes of selling financial assets to generate revenue. As a result, upon application of AASB 9, the financial assets of LandCorp are recorded at amortised cost. This does not represent a change to recognition in previous year's measurement.

LandCorp Financial Assets have been reclassified as follows:

LandCorp financial asset	Classification under AASB 139	Classification under AASB 9
Cash and cash equivalents	Loans & receivables	Amortised cost
Trade and other receivables	Loans & receivables	Amortised cost

f) 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 and, considered relevant for assessment at LandCorp, but not yet effective.

Note 1 Summary of significant accounting policies (continued)

		Operative for reporting periods beginning on or after
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard outlines a single comprehensive model for use in accounting for revenue arising from contracts with customers.</p> <p>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.</p> <p>LandCorp's income is principally derived from sales to customers and from appropriations from the State Government. Most appropriations will be assessed under AASB 1058: <i>Income of Not-for-Profit entities</i> and will be unaffected by the change to AASB 15.</p> <p>Assessment of AASB 15 as applied to recognition of sales revenue has indicated the majority of LandCorp sales revenue will not be impacted by the new standard as revenue for the majority of land sales is recognised at the settlement of land title which equates to the transfer of assets. A small number of early possession sales will be impacted with the revenue for these sales being delayed, a financing charge applied to payments deferred for over 12 months, and rebates on sales being deducted from the initial revenue received. Contracts with customers will be assessed against performance obligations and revenue recognised against these milestones.</p> <p>LandCorp expects that the transition will not have a material impact on current revenue recognition.</p>	1 January 2019

Note 1 Summary of significant accounting policies (continued)

AASB 16	<i>Leases</i>	1 January 2019
<p>This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>AASB 16 replaces the existing AASB 117 <i>Leases</i> and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.</p> <p>Leases previously reported as operating leases will be reported on the Statement of financial position as a 'Right of Use' asset along with a corresponding lease liability. An expedience exception is available for short term or low value leases.</p> <p>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 AASB 117. The treatment will affect the Statement of financial position, Statement of profit and loss and other comprehensive income and the classifications of these transactions on the Statement of cash flow.</p> <p>LandCorp currently has commitments of \$11,481,840 Note 23(a) for non-cancellable operating leases, which will mostly be brought onto the Statement of financial position in FY20. AASB 2018-8 (released in December 2018) provides relief for Not-for-profit entities to bring peppercorn leases (and other leases provided below market value) to account on the Statement of Financial Position at cost rather than fair value at their election (see further detail below).</p> <p>LandCorp has performed an initial assessment and quantified and included the impacts of AASB 16 in FY 2019-2020 budgets. It is expected that Right of Use Assets of \$8,143,876 and lease liabilities of \$6,271,132 will be recognised in the Statement of financial position in the 2019-2020 financial results. The expected depreciation expense of \$2,057,605 and interest expense of \$167,646 will impact the Statement of profit or loss and other comprehensive income. As a result, LandCorp expect the net profit after tax will reduce by \$241,000 in 2019-2020 compared to current accounting treatment.</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 2020.</p>		

Note 1 Summary of significant accounting policies (continued)

AASB 1058	<p><i>Income of Not-for-Profit entities</i></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 occur under contracts 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>AASB 1058 establishes principles for Not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a Not-for-profit entity to further its objectives; and the receipt of volunteer services.</p> <p>AASB 1058 is applied in conjunction with AASB 15 <i>Revenue from Contracts with Customers</i>.</p> <p>LandCorp's revenue from operating subsidies, that are not capital contributions, are considered under AASB 1058. A detailed review has determined that there will be no major change to the accounting treatment of government grants (containing non-enforceable obligations) and this revenue will continue to be recognised as funds are received.</p>	1 January 2019
AASB 1059	<p><i>Service Concession Arrangements: Grantors</i></p> <p>AASB 1059 addresses the accounting for service concession arrangements by a grantor that is a public sector agency. Transactions, included in the scope of this standard, are required to be recognised as a service concession asset with a corresponding liability recorded at the commencement of the arrangement.</p> <p>LandCorp has assessed that it does not currently manage any partnerships that are within the scope of this standard and will continue to assess future arrangements to ensure appropriate application of AASB 1059 where required.</p>	1 January 2020 (Implementation date amended by AASB 2018-5)

Note 1 Summary of significant accounting policies (continued)

AASB 2018-8 *Amendments – Right-of-use assets of Not-for-profit entities*

1 January 2019

This Standard amends AASB 1 *First-time Adoption of Australian Accounting Standards* (July 2015), AASB 16 *Leases* (February 2016), AASB 117 *Leases* (August 2015), AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (October 2007) and AASB 1058 *Income of Not-for-profit entities* (December 2016) and provides an option for Not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for Not-for-profit entities who elect to apply the option.

LandCorp will elect to apply the option to measure right-of-use assets at cost for peppercorn and Crown leases. These assets have previously been measured at cost so consequently the financial impact will not be material.

Additional disclosures will be included to ensure users of LandCorp financial statements understand the effect of the impacted leases on the financial position, financial performance and cash flows arising from these leases.

g) 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.

h) Infrastructure, property, plant and equipment

Recognition and measurement

Items of infrastructure, 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 infrastructure, 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 infrastructure, 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 infrastructure, 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. Depreciation is not charged on freehold land. Infrastructure, property, plant and equipment 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 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.

Note 1 Summary of significant accounting policies (continued)

Buildings	25 - 40 years
Furniture & Office Equipment	4 - 10 years
Computer Equipment	3 years
Leasehold Improvements	3 years
Plant & Equipment	10 - 50 years
Infrastructure	22 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Items of infrastructure, 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.

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.

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 as 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

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

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.

j) 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.

Note 1 Summary of significant accounting policies (continued)

k) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), with the exception of:

- GST incurred which is not recoverable from the taxation authority. This GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- 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.

l) 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.

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

Note 1 Summary of significant accounting policies (continued)

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.

In the prior year LandCorp disclosed an unrecognised deferred tax asset. This amount was reassessed in the current year and removed from the disclosures as no longer considered appropriate.

m) Inventory – land held for sale

Land held for sale comprising development properties is 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.

n) 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 infrastructure, property, plant and equipment or inventory. Refer to Note 1(h) and Note 1(n) for accounting treatment.

o) 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.

p) 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.

Note 1 Summary of significant accounting policies (continued)

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.

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.

q) Financial assets

All financial assets, aside from long term trade receivables that have been present valued, are initially measured at fair value and adjusted for transaction costs (where applicable). Trade receivables that are not present valued are measured at transaction price.

Analysis of the implementation of AASB 9 *Financial Instruments* and details regarding the classification, measurement and impairment of financial assets are contained in Note 16 *Financial Instruments*.

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.

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 cash investments and are measured at amortised cost using the effective interest method less any impairment.

All income and expenses relating to financial assets that are recognised the Statement of profit or loss are categorised under financial income and expenses, except for the impairment allowance of trade receivables which is presented separately on the Statement of profit and loss and other comprehensive income.

Derecognition of financial assets

LandCorp derecognises a financial asset only when the contractual rights to the cash flows from the financial 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.

r) Receivables

Trade receivables and other receivables are recognised at amortised cost, less any impairment losses.

Note 1 Summary of significant accounting policies (continued)

s) 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 exist then, the asset's recoverable amount is estimated. The recoverable amount for intangible assets, that have an indefinite life or are not yet available for use, 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.

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

Aside from those trade receivables that are not present valued, financial assets are initially measured at fair value adjusted for transactions costs (where applicable). Upon implementation of AASB 9 Expected Credit Loss (ECL) ratios are calculated and applied to financial assets based on a more forward-looking analysis of anticipated credit losses. Financial assets are classified into risk portfolios and the anticipated ECL ratio is recalculated at each reporting date where it is assessed that the risk of default is likely to change over the life of the asset.

Expected credit losses for the reporting period are calculated by applying the appropriate calculated ratio to the carrying amount of the financial asset. The financial asset is then reduced by this impairment amount. When a trade receivable is uncollectible, it is written off against the impairment allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes

in the carrying amount of the impairment allowance account are recognised in profit or loss.

Further analysis of the application of AASB 9 *Financial Instruments* to LandCorp financial assets and the resulting impairment judgments and calculations is contained in Note 16 *Financial Instruments*.

t) 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 the execution of an early access license, 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
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Note 1 Summary of significant accounting policies (continued)

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.

Other revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to LandCorp.

u) 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 2019 LandCorp had \$27,994,232 (2018 \$40,092,511) 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.

v) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are highly liquid investments with short periods from inception to maturity, are readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

w) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars unless otherwise indicated.

x) 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

Notes to the financial statements

for the year ended 30 June 2019

2019	2018
\$'000	\$'000

Note 2 Profit before income tax

Profit before income tax includes the following items of revenue and expense

a) Revenue

Operating revenue

Land sales	152,798	194,570
Grants to fund operating subsidy projects	20,369	27,179
Property rent revenue	36,785	36,952
Property expenses recovery	6,999	6,746
Grants to fund operating subsidy projects - holding costs	35,869	29,015
Royalties	1,641	1,473
Project management revenue	2,215	1,803
Total operating revenue	256,676	297,738

Other revenue

Participation fees	908	396
Other	3,678	4,019
Total other operating revenue	4,586	4,415

Non-operating revenue

Finance revenue	477	1,455
Total non-operating revenue	477	1,455

Total other revenue

5,063	5,870
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b) Expenses from ordinary activities

Operating expenses

Cost of sales	(96,333)	(140,779)
Operating subsidy project expenditure	(25,463)	(18,398)
Property management expenses	(37,100)	(35,242)
Total operating expenses	(158,896)	(194,419)

Other expenses from operating activities

Administration expenses	(7,250)	(3,884)
Accommodation expenses	(2,673)	(2,801)
Land study expenses*	100	(7,721)
Loss on sale of infrastructure, property, plant and equipment	(6)	(51)
Depreciation and amortisation	(9,528)	(9,646)
Total other expenses from operating activities	(19,357)	(24,103)

*Prior year accrual reversal offset against expense.

Notes to the financial statements

for the year ended 30 June 2019

2019	2018
\$'000	\$'000

Note 3 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate at 30% (2018: 30%) and the reported tax expense in the Statement of profit or loss and other comprehensive income are as follows:

Current tax expense comprises:

Current year	3,370	-
Current tax expense - under provision in respect of prior years	3,456	(320)
Current tax	6,826	(320)
Deferred tax expense	(430)	2,928
Deferred tax - under provision in respect to prior years	(3,408)	266
Deferred tax	(3,838)	3,194
Total income tax expense	2,988	2,874

Numerical reconciliation between tax expense and pre-tax accounting profit

Total comprehensive income for the year	6,754	6,774
Total income tax expense	2,988	2,874
Profit excluding income tax	9,742	9,648
Income tax using LandCorp's domestic rate of 30% (2018: 30%)	2,923	2,894
Non-deductible expenses	17	34
Under provision in respect of prior years	48	(54)
Tax incentives	-	-
Total income tax expense	2,988	2,874

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 4 Receivables		
Current		
Trade receivables	55,606	77,716
Allowance for impairment of trade receivables	(185)	(303)
	55,421	77,413
GST receivable	5,006	2,867
Total current receivables	60,427	80,280
Non-current		
Trade receivables	605	12,405
Total receivables	61,032	92,685

The carrying amount of net trade receivables is equivalent to fair value as settlement is due within 30 days.

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 16 "Financial Instruments". Refer note 16 for further discussion of financial risks associated with receivables.

LandCorp does not hold any collateral as security or other credit enhancements for trade receivables.

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 5 Inventories		
Current - land under development and developed land		
at cost	237,498	382,331
at net realisable value	35,347	42,229
Total current inventories	272,845	424,560
Non-current - undeveloped land and developed land		
at cost	477,199	305,843
at net realisable value	14,921	14,921
Total non-current inventories	492,120	320,764
Total inventories	764,965	745,324
<i>Land held for sale comprises</i>		
Cost of acquisition	362,521	368,700
Development costs	402,444	376,624
Total inventories	764,965	745,324

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. Land valued at net realisable value has been determined based on robust internal calculations. 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 metropolitan land were performed on land held at 1 January 2019. Undeveloped land valuations were provided by the Western Australian Land Information Authority (Landgate) (Valuation Services). It is expected that all undeveloped land holdings will be independently valued every two years.

Market value of developed land and undeveloped land held at 30 June 2019 amounted to \$1,315,409,068 (2018: \$1,470,910,909).

At 30 June 2019 the write-down of inventories to net realisable value amounted to \$5,921,789 (2018: \$5,070,175) and were included in the operating expenses. There was no reversal of previously written down land assets.

Notes to the financial statements

for the year ended 30 June 2019

Note 6 Infrastructure, property, plant and equipment

Non-Current

	Freehold land \$'000	Buildings \$'000	Infrastructure \$'000	Equipment \$'000	Total \$'000
Cost or deemed cost					
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
Disposals	(16,005)	-	-	(388)	(16,393)
Balance at 30 June 2018	92,277	45,366	27,191	214,853	379,687
Additions	4,779	-	-	96	4,875
Cost revisions	-	-	-	-	-
Disposals	(11,542)	-	-	(60)	(11,602)
Balance at 30 June 2019	85,514	45,366	27,191	214,889	372,960
Accumulated depreciation					
Balance at 30 June 2017		(13,992)	(13,873)	(61,180)	(89,045)
Disposals		-	-	332	332
Depreciation expense		(1,364)	(1,298)	(6,978)	(9,640)
Balance at 30 June 2018		(15,356)	(15,171)	(67,826)	(98,353)
Disposals		-	-	51	51
Depreciation expense		(1,427)	(1,242)	(6,859)	(9,528)
Balance at 30 June 2019		(16,783)	(16,413)	(74,634)	(107,830)
Carrying amounts					
at 30 June 2018	92,277	30,010	12,020	147,027	281,334
at 30 June 2019	85,514	28,583	10,778	140,255	265,130

LandCorp obtained valuations from Western Australian Land Information Authority (Landgate) (Valuation Services) for metropolitan freehold land to support the carrying value included in infrastructure, property, plant and equipment. Based on their estimated market value at 1 January 2019; market value of freehold land at 30 June 2019 was \$473,209,076 (2018: \$518,686,000).

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 7 Deferred tax assets and liabilities		
Non-current		
Deferred tax asset	47,017	43,783
Deferred tax liability	(18,381)	(18,985)
Net Deferred tax asset	28,636	24,798

Recognised deferred tax assets and liabilities and movement in temporary differences during the year are attributable to the following:

2019 Temporary differences	Opening balance \$'000	Recognised in profit or loss \$'000	Under (over) provision in prior year \$'000	Closing balance \$'000
Inventories	15,412	140	-	15,552
Intangible assets	10	14	-	25
Infrastructure, property, plant and equipment	1,839	(1,115)	43	768
Accrued expenses	928	781	2,100	3,809
Provision for superannuation	26	(1)	-	25
Provision for annual leave	657	(25)	-	632
Provision for long service leave	1,418	(97)	-	1,321
Provision for doubtful debts	90	(35)	-	55
Provision for Fringe Benefit Tax	-	-	-	-
Provision for future development obligation	13,410	-	2,952	16,362
Accrued interest income	(888)	(1,551)	-	(2,439)
Income received in advance	5,155	2,482	-	7,637
Recognition of long leases	(12,028)	(115)	-	(12,143)
Prepayments	73	-	24	97
Partner development costs	(3,015)	(48)	-	(3,063)
Tax losses	1,711	-	(1,711)	-
	24,798	430	3,408	28,636

Notes to the financial statements

for the year ended 30 June 2019

Note 7 Deferred tax assets and liabilities (continued)

2018 Temporary differences	Opening balance \$'000	Recognised in profit or loss \$'000	Under (over) provision in prior year \$'000	Closing balance \$'000
Inventories	18,184	(1,512)	(1,260)	15,412
Intangible assets	-	6	4	10
Infrastructure, 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

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 8 Other assets		
Current		
Deposit bonds	1,700	721
Deposits for land acquisitions	2,318	2,318
Prepayments	2,772	3,078
Total current other assets	6,790	6,117
Non-current		
Deposits for land acquisitions (i)	21,845	22,120
Prepayments (ii)	8,793	9,483
Total non-current other assets	30,638	31,603
(i) Non-current deposits relate to large government land acquisitions.		
(ii) Non-current prepayments contain development and Native Title payments to be utilised in a period greater than one year.		
Note 9 Payables		
Current		
Trade payables	2,926	6,761
Accrued expenses	17,535	15,392
GST payable	9,009	9,239
Total current payables	29,470	31,392
Note 10 Tax liabilities/(assets)		
Current		
Income tax payable/(receivable)	679	(3,026)
Total current tax liabilities/(assets)	679	(3,026)
Note 11 Provisions		
Current		
Employee benefits	4,127	4,676
Provision for remediation (i)	5,690	2,951
Total current provisions	9,817	7,627
Non-current		
Employee benefits	2,384	2,241
Other provisions (ii)	1,786	-
Total non-current provisions	4,170	2,241
(i) Provision for remediation refers to current obligations as a result of sale and development infrastructure works.		
(ii) Other provisions pertains to restoration works under current negotiation.		

Notes to the financial statements

for the year ended 30 June 2019

Note 11 Provisions (continued)

	2019 \$'000	2018 \$'000
Movements in each class of provision during the period		
Employee Benefits		
Carrying amount at start of period	6,917	6,815
Additional/(reversals of) provisions recognised	2,101	2,487
Payments	(2,507)	(2,385)
	6,511	6,917
Provision for Remediation		
Carrying amount at start of period	2,951	1,000
Additional/(reversals of) provisions recognised	4,439	1,950
Payments	(1,700)	-
	5,690	2,950
Other Provisions		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	-	-
Payments	1,786	-
	1,786	-

Note 12 Other liabilities

Current		
Deposits (i)	1,352	1,142
Unearned revenue (ii)	6,787	9,525
Total current other liabilities	8,139	10,667
Non-current		
Unearned revenue (ii)	25,745	24,668
Other (iii)	10,000	10,000
Total non-current other liabilities	35,745	34,668

(i) Deposits include deposits received on sale of land.

(ii) Unearned revenue is rent received in advance for leased properties. Non-current unearned revenue refers to revenue received in advance for capital leases that compensates for periods greater than one year.

(iii) Other liabilities relate to development bond monies.

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 13 Borrowings		
Current		
Liquidity Advance	48,000	41,500
Debt Portfolio Manager	37,000	37,000
Total current borrowings	85,000	78,500
Non-Current		
Debt Portfolio Manager	140,500	140,500
Total non-current borrowings	140,500	140,500
Total loans and borrowings	225,500	219,000

LandCorp currently holds two debt facilities with the Western Australian Treasury Corporation; a 5 year rolling Debt Portfolio Manager facility and a Liquidity Advance 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.

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	225,500	219,000
Amount unused	20,100	34,507
	245,600	253,507

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	245,600	253,507
"Intra-year" peak borrowings*	445,000	354,400

*The Treasurer advises The Western Australian Treasury Corporation (WATC) of a peak borrowing requirement which is based on LandCorp's forecast cash flow estimates. LandCorp's request for borrowings is managed within the confines of this approved limit throughout the year.

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 14 Equity		
Contributed equity		
Capital contributed on formation	113,957	113,957
Capital contributed by State Government during prior years	295,058	294,866
Capital contributed by State Government during the current year	4,355	192
Total contributed equity	413,370	409,015
Department of Treasury funding	4,355	192
Total capital contributed by State Government during the year	4,355	192

Note 15 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	19,074	10,213
(b) Reconciliation of cash flows from operating activities		
Profit for the year	6,753	6,774
Adjustments for:		
Accrued Income	(24,396)	(25,833)
Loss on sale of infrastructure, property, plant and equipment	6	51
Employee benefits expense (non-cash component)	361	977
Depreciation and amortisation of non-current assets	9,528	9,646
Impairment loss on trade receivables	116	303
Finance interest paid	6,172	5,633
Income tax expense	2,988	2,874
	1,528	425

Notes to the financial statements

for the year ended 30 June 2019

Note 15 Notes to the Statement of cash flows (continued)

	2019 \$'000	2018 \$'000
Assets (increase)/decrease		
Receivables	55,475	(17,018)
Inventories	(12,873)	32,896
Other assets	292	3,416
Liabilities increase/(decrease)		
Payables	(1,304)	(268)
Provisions	5,009	(424)
Other liabilities	(2,249)	(3,599)
Cash generated from operating activities	45,878	15,428
Net income tax paid	(3,121)	(5,603)
Net cash from operating activities	42,757	9,825

(c) Extract from the Statement of cash flows

Cash flows from financing activities	(6,500)	(34,000)
Proceeds from borrowings	68,000	60,000
Repayment of borrowings	61,500	26,000

(d) Net Debt

Cash and cash equivalents	19,074	10,213
Loans and borrowings (current)	(85,000)	(78,500)
Loans and borrowings (non-current)	(140,500)	(140,500)
	(206,426)	(208,787)

Cash and cash equivalents	19,074	10,213
Gross debt - fixed interest rate	(225,500)	(219,000)
	(206,426)	(208,787)

(e) Reconciliation of liabilities arising from financing activities

	Opening balance		Closing balance
2019	Cash Flow \$'000	Acquisition \$'000	\$'000
Temporary difference			
Short-term borrowings	78,500	6,500	85,000
Long-term borrowings	140,500	-	140,500
Total liabilities from financing activities	219,000	6,500	225,500

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs and subsequently at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

LandCorp's financial instruments consist of cash and cash equivalents, trade & trade receivables, payables and Western Australian Treasury Corporation (WATC) bank borrowings. LandCorp has limited exposure to financial risks as detailed below.

Receivables are present valued, to reflect the time value of money, when they have repayment terms greater than one year.

Landcorp receivables are valued at amortised cost and impaired by the appropriate Expected Credit Loss ratio.

	2019 \$'000	2018 \$'000
LandCorp financial assets and liabilities		
Financial assets		
Cash and cash equivalents	19,074	10,213
Trade and other receivables	56,026	89,818
Total financial assets	75,100	100,031
Financial liabilities		
WATC loans/Borrowings	225,500	219,000
Trade and other payables	29,470	31,392
Total financial liabilities	254,970	250,392

Financial risks and risk management

LandCorp has exposure to the following risks from its use of financial instruments:

- (i) credit risk
- (ii) liquidity risk
- (iii) market risk

The information below represents information about LandCorp's exposure to each of the above risks, their 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 on its activities.

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 employs policies and procedures and ongoing staff training to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments (continued)

The Audit and Risk Management Committee oversees and 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. The Audit and Risk Management Committee is supported in its role by regular, thorough and varied internal audit processes conducted by external accounting firms. These internal audits include 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.

(i) Credit risk

Credit risk occurs where there is a possibility of LandCorp's customers with outstanding receivable balances defaulting on their contractual obligations resulting in financial loss to LandCorp.

The majority of LandCorp's revenue is received and recognised at the time of settlement of sale. LandCorp's customers are required to meet the contractual obligations of a sale (being transfer of sale funds to LandCorp) in order for the ownership of the LandCorp asset to transfer to the customer. As a result receivables make up a small proportion of LandCorp's overall customer base.

The majority of LandCorp receivable balances are made up of rental revenue receivable amounts from various Government and commercial tenants. Policies are in place to ensure that goods and services are provided to customers with an appropriate credit history. LandCorp trade receivables are both short and long term in nature. Interest can be charged on any outstanding balances to compensate the entity for the use of their funds. Receivable balances are monitored on an on-going basis with the result that LandCorp's exposure to bad debts is minimal.

Bad debts (impairments) are written off against the allowance account when it is highly unlikely or not economically viable to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Exposure to credit risk

AASB 9 contains two approaches to assessing impairment - the simplified approach (applied to trade receivables without a financing component) and the general approach (applied to most loans and debt securities). The standard allows a policy election to apply the simplified approach or general approach for lease receivables and trade receivables with a significant financing component.

Summary of LandCorp financial asset impairment approach

LandCorp has reviewed trade receivables by categorising customers into one of four portfolios of customer and subsequently risk, as shown in the tables below. LandCorp has applied the simplified approach in accounting for the Australian Marine Complex (AMC), Government and Rental portfolio. Mortgages are considered to carry an inherently higher risk, given their value and term, and have therefore been assessed using the general approach. Under the general approach to assessing risk, these mortgages will be reviewed on a 12 month basis rather than applying a lifetime expected credit loss ratio. LandCorp has used historical experience, external indicators and forward-looking information to calculate the expected credit losses as at 30 June 2019, by portfolio of debtor, as shown below:

LandCorp Asset	Impairment approach	ECL Type	ECL %
Cash	Simplified	N/A	0%
Trade Receivables			
AMC receivables	Simplified	Lifetime	0.090%
Mortgage receivables	General	12 month	0.045%
Government agency receivables	Simplified	Lifetime	0%
Rental receivables	Simplified	Lifetime	0.320%

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments (continued)

\$'000	Total	Receivable Portfolio			
		AMC	Govt.	Commercial	Mortgage
30 June 2019					
Expected credit loss rate		0.090%	0%	0.320%	0.045%
Estimated gross carrying amount at default	56,211	2,305	1,067	29,789	23,050
Expected credit losses	107	2	-	95	10
1 July 2018 (Remeasurement)					
Expected credit loss rate (FY19 rates applied)		0.090%	0%	0.320%	0.045%
Estimated gross carrying amount at default	90,121	2,884	14,691	20,428	52,118
Expected credit losses	91	3	-	65	23

Movement in the allowance for impairment of trade receivables

	2019 \$'000	2018 \$'000
Reconciliation of changes in the allowance for impairment of trade receivables:		
Balance at start of period	303	-
Remeasurement under AASB 9	22	-
Restated balance at start of period	325	-
Remeasurement AASB 9 not adjusted (i)	(22)	
Increase in provision for impairment during year	116	303
Amounts written off during the period	(234)	-
Balance at end of period	185	303

(i) The restatement on transition to AASB9 as a result of applying the expected credit risk model was immaterial.

In addition to the ECL provision, LandCorp assess all accounts receivable balances that are 180 plus days past due. During the reporting period an amount of \$234,397 owing from Giacci R Pty Ltd was written off following liquidation of the entity. An additional provision of \$9,462 and \$68,750 have been recognised for specific doubtful debtors in addition to the ECL.

The carrying amount of LandCorp's financial assets represents the maximum credit exposure. LandCorp's maximum exposure to credit risk at the reporting date was:

	2019 \$'000	2018 \$'000
Trade and other receivables	56,211	89,818
Cash and cash equivalents	19,074	10,213
	75,285	100,031

Carrying amount

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments (continued)

(ii) 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 limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of AA- from Standard & Poor's. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

LandCorp uses market value to cost its land, which assists it in 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.
- \$245 million (2018: \$254 million) provided by Western Australian Treasury Corporation (WATC) that can be drawn down to meet short and long-term financing needs. LandCorp utilises a Liquidity Lending product for short term lending. Interest is calculated on a simple interest rate basis and is payable on maturity. For long term borrowing LandCorp utilises the Debt Portfolio Manager Service (DPM), which provides a diversified portfolio of 20 maturity dates over five years. Interest rates are reset each quarter. A Guarantee fee, charged by the Department of Treasury, is applied at a rate of 0.7% on loan balances and is also payable quarterly.
- Guarantees established in favour of Commonwealth Bank of Australia for guarantees issued to various Government entities for satisfactory contract performance, secured by underlying land assets, amounting to \$20 million (2018 : \$20 million). At 30 June 2019 \$11.6 million (2018: \$10.9 million) of the facility has been used as security on civil contracts, leaving a balance of \$8.4 million (2018: \$9.1 million) in the facility.

LandCorp's contractual maturities of financial liabilities (including estimated interest payments and excluding the impact of netting agreements) are as follows:

	Weighted average effective interest rate %	Carrying Amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6-12 months \$'000	More than 1 year \$'000
2019						
Trade and other payables		29,470	(29,470)	(28,305)	(412)	(753)
WATC loans/Borrowings	1.95%	225,500	(241,854)	(21,260)	(21,106)	(199,488)
Bank overdraft		-	-	-	-	-
		254,970	(271,324)	(49,565)	(21,518)	(200,241)
2018						
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)
Bank overdraft		-	-	-	-	-
		250,392	(268,769)	(45,126)	(28,399)	(195,244)

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments (continued)

(iii) 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 holdings of financial instruments. 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.

All LandCorp borrowings are due to the WATC and are repayable at fixed rates with varying maturities determined as part of overall cash management processes. LandCorp's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

Interest rate risk

At the reporting date the interest rate profile of LandCorp's interest-bearing financial instruments

	2019 \$'000	2018 \$'000
<i>Variable rate instruments</i>		
Financial assets	19,074	10,213
Financial liabilities	(225,500)	(219,000)

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.

2019 \$'000	100bp increase	Profit or loss 100bp decrease
Financial assets	191	(191)
Financial liabilities	(2,255)	2,255

2018 \$'000		
Financial assets	102	(102)
Financial liabilities	(2,190)	2,190

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of financial position, are as follows:

	30 June 2019		30 June 2018	
\$'000	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	56,211	56,211	89,818	89,818
Cash and cash equivalents	19,074	19,074	10,213	10,213
Trade and other payables	(29,470)	(29,470)	(31,392)	(31,392)
WATC loan	(225,500)	(225,500)	(219,000)	(219,000)
	(179,685)	(179,685)	(150,361)	(150,361)

Notes to the financial statements

for the year ended 30 June 2019

Note 16 Financial instruments (continued)

Capital Management

Under Section 19 of the *Western Australian Land Authority Act 1992*, the Board's policy is to maintain a strong capital base in order to maintain shareholder, creditor and market confidence and to sustain the future development of the business.

LandCorp has agreed to 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.

	2019 \$'000	2018 \$'000
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Note 17 Land sales contracts

Unsettled sales contracts excluding GST (i)

Total unsettled sales contracts

66,091	48,118
66,091	48,118

(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 18 Commitments

(a) Capital commitments expenditure

Development of land (i)

Operating subsidy (project funding received in advance)

57,755	57,134
27,994	40,093
85,749	97,227

(b) Operating lease commitments

Operating lease commitments are disclosed in note 23(a)

(i) Bank Guarantees are held for security over high value civil works, undertaken for state and local government, for contracts included in the development of land. Refer to Note 16(ii).

Note 19 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).

Notes to the financial statements

for the year ended 30 June 2019

Note 19 Related party disclosures (continued)

Material Transactions with Ministers, Senior Officers and their Related Parties

Under the State Government Land Agency reform, common Board Directors were 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 prior year for the period 1 January 2018 to 16 April 2018. Paul is currently a Non-Executive Director of the Metropolitan Redevelopment Authority.

During the year LandCorp recognised interest income of \$79,289 (2018: \$292,721) and project income of \$286,689 (2018: \$1,735,622) from the Metropolitan Redevelopment Authority. This project income included recovery of costs for seconded staff members.

The Department of Planning, Lands 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 \$ nil (2018: \$4,009,831) in land acquisitions costs, \$14,021 in leasing and administrative costs (2018: \$ nil), and received \$625,114 (2018: \$2,809,807) in project income from the Department of Planning, Land and Heritage. At 30 June 2019 LandCorp held a deposit for land balance of \$21,844,771 (2018: \$20,589,893) and a receivable for project costs of \$45,024 (2018: \$339,897) in the name of the department.

Sponsorship, research, professional development and application fees totalling \$98,501 (2018: \$89,138) were paid during the year to Urban Development Institute of Australia. Jane Bennett, a Non-Executive Director of LandCorp, is a member of the Council of the Urban Development Institute of Australia.

Dale Page is a Non-Executive Director of LandCorp, and is the Director of Planning and Development at the City of Joondalup. Although LandCorp has several active projects that fall within the City of Joondalup's authority, there were no financial transactions in the reporting year (2018: \$500,000).

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 Ministers' compensation may be found in the Annual Report on State Finances.

	2019 \$'000	2018 \$'000
Short-term employee benefits	2,725	2,678
Post-employment benefits	300	297
Other long-term benefits	82	77
Total compensation of key management personnel (excluding Ministers)	3,107	3,052

Notes to the financial statements

for the year ended 30 June 2019

Note 19 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:

		2019 \$'000	2018 \$'000
Receipts			
Entity	Nature		
Department of Education	Project management and consultancy fees	286	3,044
Department of Fire and Emergency Services	Contaminated sites management grant	1,243	264
Dept. Jobs, Tourism, Science & Innovation	Project management and consultancy fees	6,043	110
Department of Planning, Lands and Heritage	Project management and consultancy fees	982	2,810
Department of Treasury	Grants to fund Operating subsidy projects (recurrent)	57,228	56,992
Department of Treasury	Grants to fund Operating subsidy projects (capital)	4,355	192
Department of Treasury	NTER 2017/2018 Item 32 refund	2,954	-
Fremantle Port Authority	Property lease and on costs	20,489	121
Metropolitan Redevelopment Authority	Interest/principal repay/project costs/salary recoup	14,065	293
Western Australian Planning Commission	Purchase of 15 lots in Wattleup	21,885	-
Western Australian Treasury Corporation	Borrowings	68,000	60,000
Payments			
Entity	Nature		
Department of Communities	Return of surplus funding	-	(1,688)
Department of Education	Super profit - sale of land/school contribution fee	(5,017)	-
Department of Finance	Land tax	(40,626)	(42,970)
Department of Planning, Lands and Heritage	Acquisition of land	(14)	(4,010)
Department of Primary Industries and Regional Development	Return of surplus project funding received and rent	(139)	(1,765)
Department of Transport	Recovery - expenses non-govt related entities	(1,548)	-
Department of Treasury	Dividends	(37,869)	(53,779)
Department of Treasury	LGRE Tax and Income tax	(13,855)	(12,912)
Government Employees Superannuation Board (GESB)	Superannuation	(1,887)	(1,905)
Water Corporation	Water services and rates	(3,427)	(2,707)
Western Australian Treasury Corporation	Repayment of borrowings	(61,500)	(26,000)
Western Australian Treasury Corporation	Interest and fees on borrowings	(6,789)	(4,951)
Western Power Corporation	Electrical connections and services	(1,538)	(1,490)

Notes to the financial statements

for the year ended 30 June 2019

		2019 \$'000	2018 \$'000
Note 19 Related party disclosures (continued)			
Balances outstanding at the year end:			
Assets			
Entity	Nature		
Department of Parks & Wildlife	Prepayment - environmental offset (land)	2,021	-
Department of Planning, Lands and Heritage	Deposit for land	21,845	21,173
Metropolitan Redevelopment Authority	Receivable for project costs	153	13,825
WA Country Health Service	Deposit for land acquisition based on land exchange	2,318	2,318
Water Corporation of WA	Construction of road to access Water Corporation asset	1,691	475
Liabilities			
Department of Education	Accrued payment for profit share in projects	-	(4,499)
Department of Treasury	Capital contributions	(4,547)	-
Western Australian Planning Commission	Land exchange adjustment	(1,251)	-
Western Australian Treasury Corporation	Accrued interest & borrowings	(226,567)	(220,206)

Note 20 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of audit fees during the year:

	2019 \$'000	2018 \$'000
Audit of the financial report	137	149
Audit of Royalty for Regions reports	37	29
	174	178

Notes to the financial statements

for the year ended 30 June 2019

Note 21 Contingent liabilities

The directors are of the opinion that LandCorp has no contingent liabilities.

Note 22 Dividends

	2019 \$'000	2018 \$'000
Recognised amounts		
Normal dividend	17,250	17,250
<i>Special dividends:</i>		
- AMC Common User Facility	15,400	15,400
- 5% Efficiency saving	1,049	1,049
- Additional efficiency saving	780	780
- Reduction to offset interest expense from additional borrowings for the 2012-13 special dividend	(1,300)	(1,300)
- Special Dividend paid in relation to LandCorp/State settlement	4,690	2,800
- Special Dividend paid in relation to St John's Wood Claremont (Area G)	-	17,800
	37,869	53,779

On 18 March 2018 the LandCorp Board recommended to the Minister, a special dividend payment of \$4,690,000 in relation to a LandCorp/State settlement. This dividend was paid in June 2019.

At the August 2018 Board meeting, the Board approved the recommendation to the Minister of a final dividend for 2017/18 to be paid in 2018/19 of \$33,179,000. The dividend was paid in June 2019.

Notes to the financial statements

for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 23 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	2,810	2,968
Later than 1 year and not later than 5 years	8,628	12,181
Later than 5 years	44	56
	11,482	15,205
(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	22,850	21,442
Later than 1 year and not later than 5 years	85,680	77,399
Later than 5 years	307,258	326,857
	415,788	425,698

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 24 - Subsequent events

Western Australia's land development agencies, LandCorp and the Metropolitan Redevelopment Authority, will be merged progressively over a number of years as part of the State Government's ongoing bid to drive efficiencies and improve outcomes for land development and housing affordability.

Across the metropolitan area and regions, the new agency will aim to strengthen communities through increased housing choice, better transport connectivity, creating places for businesses and industry to create jobs for Western Australians, and balancing this with enhancing the built and natural environment.

The new land development agency will include the Industrial Lands Authority arm to streamline job-creating projects that will strengthen the WA economy.

An administrative merger will continue throughout 2019/20.

Any necessary legislative changes will follow.



GRI Content Index

07

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



GRI Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI Content Index is clearly presented and the reference for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



GENERAL DISCLOSURES

General disclosures	Disclosure title	Page number, link and/or direct answer	External Assurance
GRI 101: Foundation 2016 (GRI 101 does not include disclosures)			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	1.0 About LandCorp p. 3.	-
	102-2 Activities, brands, products, and services	1.0 About LandCorp p. 3; 2.0 Key result areas and Government priorities p. 9; 2.1 Program areas of activity; 2.2 Projects across Regional WA p. 11; 2.3 Projects in the Perth Metropolitan Area p. 12.	-
	102-3 Location of headquarters	2.2 Projects across Regional WA p. 11.	-
	102-4 Location of operations	2.2 Projects across Regional WA p. 11.	-
	102-5 Ownership and legal form	1.0 About LandCorp p. 3.	-
	102-6 Markets served	1.0 About LandCorp p. 3. 2.1 Program areas of activity; 2.4 Value chain p. 13.	-
	102-7 Scale of the organisation	4.1 Integrated project outcomes p. 23-56; 4.4 People, capability, inclusion and diversity p. 75-82. 2.4 Value chain p. 13.	-
	102-8 Information on employees and other workers	Characteristics of our workforce p. 75.	-
	102-9 Supply chain	2.4 Value chain p. 13-14.	-
	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	Industry accreditation p. 74; Industry frameworks adopted by LandCorp p. 19. Waterwise Development Program p. 36.	-
	102-13 Membership of associations	Membership of associations p. 62.	-
	102-14 Statement from senior decision-maker	1.1 From the chairman p. 4; 1.2 From the CEO p. 5.	-
	102-15 Key impacts, risks and opportunities	Program areas of activity p. 10.	-
	102-16 Values, principles, standards, and norms of behavior	Values p. 3; 05 Corporate governance report p. 87-100; Ethical and accountable decision making p. 86.	-
	102-18 Governance structure	05 Corporate governance report p. 87-100.	-
	102-40 List of stakeholder groups	3.1 Principle on-stakeholder inclusiveness p. 16-17, Stakeholder engagement p. 57-58.	-
	102-41 Collective bargaining agreements	Collective bargaining agreements p. 82.	-
	102-42 Identifying and selecting stakeholders	Stakeholder engagement p. 57-58.	-
	102-43 Approach to stakeholder engagement	3.1 Principle one-stakeholder inclusiveness p. 16-17; Community engagement p. 46-48; Stakeholder engagement p. 57-58.	-
	102-44 Key topics and concerns raised	3.1 Principle one-stakeholder inclusiveness p. 16-17; Materiality matrix p. 21; Community engagement p. 46-48.	-
	102-45 Entities included in the consolidated financial statements	06 Financial statements p. 102.	-
	102-46 Defining report content and topic Boundaries	03 Defining the content of this report p. 15-21.	-
	102-47 List of material topics	Materiality matrix p. 21.	-
	102-48 Restatements of information	No restatements of information.	-
	102-49 Changes in reporting	No significant changes in reporting.	-
	102-50 Reporting period	About this report (inside cover)	-
	102-51 Date of most recent report	About this report (inside cover); LandCorp website publications page - annual reports and sustainability reports: https://www.landcorp.com.au/News/Publications/	-
	102-52 Reporting cycle	About this report (inside cover)	-

GENERAL DISCLOSURES						
General disclosures	Disclosure title	Page number, link and/or direct answer				External Assurance
GRI 102: General Disclosures 2016	102-53 Contact point for questions regarding the report	Feedback or questions on our Annual Report (back cover)				-
	102-54 Claims of reporting in accordance with the GRI Standards	About this report (inside cover); Global Reporting Initiative Content Index p. 146.				
	102-55 GRI content index	GRI Content Index p. 147-154.				-
	102-56 External assurance	GRI Content Index p. 146-154.				-
MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
200 series (Economic topics)						
Material topics: economic performance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Economic prosperity p. 23; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Economic prosperity p. 23-32; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Economic prosperity p. 23-32; 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	Corporate performance p. 31-32.				-
	201-2 Financial implications and other risks and opportunities due to climate change	Climate change p. 33; 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	Superannuation contributions p. 82.				-
	201-4 Financial assistance received from government	Operating subsidy arrangements p. 31.				-
Material topics: indirect economic impacts						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14; Economic prosperity p. 23-32; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14; Economic prosperity p. 23-32; 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 prosperity p. 23-32; 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 prosperity p. 23-32.				-
	203-2 Significant indirect economic impacts	Economic prosperity p. 23-32.				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
200 series (Economic topics)						
Material topics: Procurement Practices						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Supply chain p. 63-67; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Supply chain p. 63-67; 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. 63-67; 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	Procuring locally p. 64.				-
300 series (Environmental topics)						
Material topics: Energy						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of our report p. 15-21; Value chain p. 13-14; Energy p. 38; 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	03 Defining the content of our report p. 15-21; Value chain p. 13-14; Energy p. 38; 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. 38; 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. 38.				-
Material topics: Water						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21, Value chain p. 13-14; Water p. 36-37; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14; Water p. 36-37; 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	Water p. 36-37; 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	Water p. 36-37.				-
Material topics: Biodiversity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21, Value chain p. 13-14, Biodiversity p. 34-35; LandCorp website - our approach - sustainable development - biodiversity: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
300 series (Environmental topics)						
Material topics: Biodiversity						
GRI 103: Management Approach 2016	103-2 The management approach and its components	03 Defining the content of this report p. 15-21, Value chain p. 13-14, Biodiversity p. 34-35; 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. 34-35; 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. 34-35.				-
	304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity p. 34-35; 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. 34-35.				-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity p. 34-35.				-
Material topics: Emissions						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Energy p. 38; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Energy p. 38; 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. 38; 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. 38.	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.	-
Material topics: Effluents And Waste						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Waste p. 39-43; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Waste p. 39-43; 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. 39-43; LandCorp website - our approach - sustainable development - waste: https://www.landcorp.com.au/Our-Work/our-approach/Sustainable-Development/				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
300 series (Environmental topics)						
Material topics: Effluents And Waste						
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste p. 39-43.	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 hazardous waste was exported, imported, or treated by LandCorp. Waste p. 39-43.				-
Material topics: Compliance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21, Value chain p. 13-14, Biodiversity p. 34-35; 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	03 Defining the content of this report p. 15-21, Value chain p. 13-14, Biodiversity p. 34-35; 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. 34-35; 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. 34-35.				-
Material topics: Supplier Environmental Assessment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Supply chain p. 63-67; 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	03 Defining the content of this report p. 15-21; Value chain p. 13-14, Supply chain p. 63-67; 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. 63-67; 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. 63-67.				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
400 series (Social topics)						
Material topics: Employment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	People, capability, inclusion and diversity p. 75-82; 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	Employee retention and turnover p. 76-77; New employment hire p. 77.				-
	401-3 Parental leave	Parental leave p. 78-79.				-
Material topics: Occupational Health And Safety						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Occupational safety and health p. 83-85; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	03 Defining the content of this report p. 15-21; Occupational safety and health p. 83-85; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	Occupational safety and health p. 83-85; - Learning and development p. 80-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	OSH committee p. 83.				-
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	OSH performance p. 84.				-
Material topics: Training And Education						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	People, capability, inclusion and diversity p. 75-82; 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	Learning and development p. 80-82.				-
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and development p. 80-82.				-
	404-3 Percentage of employees receiving regular performance and career development reviews	Learning and development p. 80-82.				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
400 series (Social topics)						
Material topics: Diversity And Equal Opportunity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-2 The management approach and its components	03 Defining the content of this report p. 15-21; People, capability, inclusion and diversity p. 75-82; LandCorp website - our approach - people: https://www.landcorp.com.au/Our-Work/our-approach/People/				-
	103-3 Evaluation of the management approach	People, capability, inclusion and diversity p. 75-82; 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	Characteristics of our workforce p. 75-76; Diversity p. 77-78.				-
	405-2 Ratio of basic salary and remuneration of women to men	Gender equality p. 78.				-
Material topics: Supplier Social Assessment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Supply chain p. 63-67; 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	03 Defining the content of this report p. 15-21; Supply chain p. 63-67; 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. 63-67; 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. 63-67.				-
Material topics: Local Communities						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21; Community engagement p. 46-48; Community health and wellbeing p. 49-54; 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	03 Defining the content of this report p. 15-21; Community engagement p. 46-48; Community health and wellbeing p. 49-54; 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	Community engagement p. 46-48; Community health and wellbeing p. 49-54; 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	Community engagement p. 46-48; Community health and wellbeing p. 49-54.				-
	413-2 Operations with significant actual and potential negative impacts on local communities	Community engagement p. 46-48; Community health and wellbeing p. 49-54.				-

MATERIAL TOPICS						
Material topics	Disclosure title	Page number, link and/or direct answer	Identified omissions	Reason(s) for omissions	Explanation for omissions(s)	External Assurance
400 series (Social topics)						
Material topics: Anti-Corruption						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	03 Defining the content of this report p. 15-21, Ethical and accountable decision making p. 86; LandCorp website - our approach - governance: https://www.landcorp.com.au/Our-Work/our-approach/Governance/				-
	103-2 The management approach and its components	03 Defining the content of this report p. 15-21, Ethical and accountable decision making p. 86; LandCorp website - our approach - governance: https://www.landcorp.com.au/Our-Work/our-approach/Governance/				-
	103-3 Evaluation of the management approach	Ethical and accountable decision making p. 86; 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	Ethical and accountable decision making p. 86.				-
	205-2 Communication and training about anti-corruption policies and procedures	Ethical and accountable decision making p. 86.				-
	205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption in 2018-19.				-
Sector Supplement:						
Construction and real estate sector supplement 2011						
Land Degradation, Contamination and remediation 2011	CRE5 Land remediation and land in need of remediation	Land contamination and remediation p. 39-40.				-
Occupational Health and Safety 2011	CRE6 Compliance with internationally recognised health and safety management system	Occupational safety and health p. 83-85.				-
Local Communities 2011	CRE7 Number of persons voluntarily and involuntarily displaced or resettled	Community hardship cases p. 53.				-
Product and Service Labeling 2011	CRE8 Type and number of sustainability certification, rating and labeling schemes	Industry accreditation p. 73-74.				-
Local Communities 2011	SO1 Engagement approach throughout lifecycle	Community engagement p. 46-48; 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:

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