



Annual Report
2018-2019

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An aerial photograph of Busseton Jetty, showing a long, narrow beach curving along the coast. The water is a vibrant turquoise color, transitioning to a deeper blue further out. A long pier extends into the water, with several small buildings at its end. To the left of the beach, there are residential houses, a large green field, and a parking lot. In the foreground, there is a skate park with a ramp and a basketball court. The sky is bright blue with scattered white clouds.

STATEMENT OF COMPLIANCE

Statement of Compliance

for the year ended 30 June 2019

Hon Ben Wyatt MLA

Treasurer; Minister for Finance; Aboriginal Affairs; Lands

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Land Information Authority, trading as Landgate, for the year ended 30 June 2019.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

The aim of this report is to inform our customers, our people and our community about our organisation, its strategic priorities, performance and governance for the 2018/19 financial year.



Hon Ben Wyatt MLA

A handwritten signature in black ink, appearing to read 'Caroline de Mori'.

Caroline de Mori

Chair

20 September 2019

A handwritten signature in black ink, appearing to read 'Graeme Gammie'.

Graeme Gammie

Chief Executive

20 September 2019



OVERVIEW

TAILING PONDS

Executive Summary

Chair's Message

One of Landgate's three core strategic objectives is to deliver returns to the State of Western Australia – something the agency has done with great success in 2018/19.

While the property market has remained subdued, Landgate has delivered an exceptional profit of \$126m this financial year. From employing strong business discipline in managing costs, to making smart decisions on investments, this profit is testament to a whole-of-business effort to deliver a healthy return to the State.

In November 2018, the Board, Minister and Treasurer agreed to the sale of the State's shareholding in PEXA (Property Exchange Australia), a business Landgate had been investing in since the entity was created through a Council of Australian Governments initiative in 2010. Landgate's initial investment decision was to ensure Western Australia, along with the other states, played its role in building a market for electronic conveyancing – an emerging technology at the time, Landgate recognised it would revolutionise the way property is transacted. With the technology significantly matured and competitors now emerging in this market, Landgate and the State Government determined it was appropriate for the State to exit its shareholding – delivering a return of over \$185m to the community.

Landgate is proud it has been able to deliver both a positive business outcome with the advent of electronic conveyancing and an excellent financial return ultimately benefitting the community of Western Australia.

In mid-2018, the State Government announced its intention to partially commercialise certain automated land titling services, but also confirmed Landgate would remain a strong and innovative statutory authority within government. Over the subsequent 12 months, as the partial commercialisation process has progressed, the business has remained focused on delivering our core services of

location information, property valuations and land titling functions, with an eye to the future.

Delivering our core services better than ever is another of our strategic pillars. Landgate has a clear view of how it will continue to refine and improve its operations to become even more efficient and customer focused. With the outcome of the proposed partial commercialisation to be finalised in 2019/20, the Board and Landgate leadership team are working together to achieve further efficiency, innovation and success.

In March 2019, the Board welcomed Mr Graeme Gammie as the new Chief Executive. Graeme has brought significant public sector experience, and strong commercial acumen at a pivotal time in the agency's evolution. I acknowledge and thank Ms Jodi Cant and Mr Bruce Roberts for acting as Chief Executive during 2018/19.

Finally, I would like to thank the Minister for Lands, the Hon Ben Wyatt MLA and his predecessor, the Hon Rita Saffioti MLA, for their keen interest in and strong support of Landgate; my fellow Board members for their leadership and dedication to the business; and all Landgate employees for continuing to deliver an exceptional level of service to the Western Australian community.



Caroline de Mori
Chair



Chief Executive's Message

Landgate has a proud history of delivering location information, property valuation and land titling services to the State of Western Australia in ways that are innovative, customer-focused, and with a clear sense of balance between commercial and community obligations. Its commitment to delivering returns to the State, while most easily measured in a financial sense, are equally important when measured against 'community good'.

In 2018/19 the Parliament of Western Australia passed the most comprehensive changes to strata laws in decades – modernising the governing regime for those hundreds of thousands of people who live in, own or develop strata. The changes will see clearer, fairer and more transparent laws and regulations in place to bring strata living, owning and developing into the contemporary world. These important changes follow many years of consultation and engagement with industry and the community to deliver an invaluable return to our State – a new and improved strata regime.

Upon arriving at Landgate as its new Chief Executive, it became apparent that there are hidden gems in the business that quietly make an important contribution to Western Australia. The land titling and property valuation functions are relatively well-known to those who own property and pay rates, but the location information business gets on in the background providing vast amounts of data and information to industry, other government departments and to the community.

Whether it be satellite imaging to monitor floods or fire, the naming of streets and places, or the provision of cadastral data identifying all freehold and Crown land in the State, this is an area of our business with little profile but great importance. The work of the teams in these areas deliver returns to the State with little fanfare, but significant value.

For consumers, the introduction of mandatory electronic conveyancing for the most common types of land registry documents has brought about more certainty and clarity for those settling property purchases or lodging caveats, among other transaction types. E-conveyancing, as it is known, makes transacting in property quicker and easier for buyers, sellers and the property industry, while also further enhancing the accuracy and integrity of the State's Land Titles Register.

Financially, the sale of the State's PEXA shareholding was an exceptional outcome for Western Australia. On an investment of under \$40 million, Landgate returned \$185 million to the community. I acknowledge the foresight of previous Landgate boards and executives in making the bold decisions that enabled this return.

Delivering all this, and the great returns to the State of which we are so proud, is the Landgate team. I thank each and every one of them for their continued dedication to providing exceptional service to the people of Western Australia.



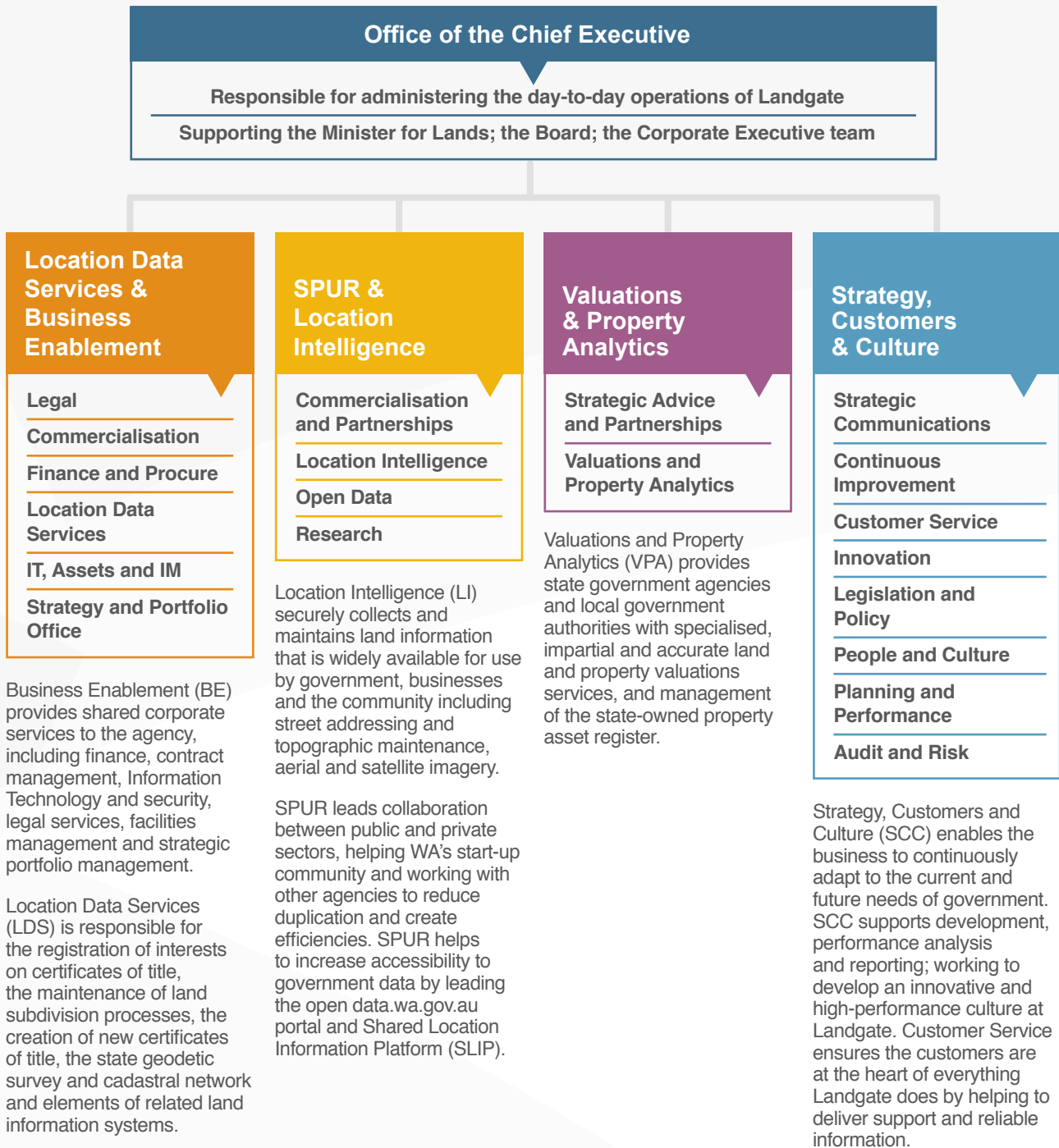
Graeme Gammie
Chief Executive



Operational Structure

Landgate implemented a new structure on 10 April 2019 to ensure the agency was aligned for success.

The changes realigned reporting lines, mainly at director level, to bring teams with natural synergies together to increase efficiency through alignment to our value chain, ensuring Landgate can deliver the most value for the least possible cost.



About Us

Landgate is the State Government's authority on land information. Evolving from the original Surveyor General's Office, Landgate was established in 2007 as a statutory authority under the *Land Information Authority Act 2006*.

Landgate contributes to the economic security and prosperity of the state by providing:

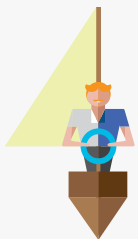
- land titling services that secure property rights
- property valuations that support rating, taxing and the management of government property assets
- location data that supports land titling, valuations and the management and development of land in WA.

Landgate's core land titling, valuation and location information functions are closely linked. They work together to provide our community with integrated, efficient and modern land information services which protects ownership in land and property, underpinning the WA economy and helps fuel the growth of our state.

Landgate continues to be recognised in the public and private sectors for its innovative development and quality customer service.

Our Values

Landgate's values define its culture. They underpin the way the agency behaves and interacts with its customers, its employees and the broader community.



Commit and act

We do what we say we will do.

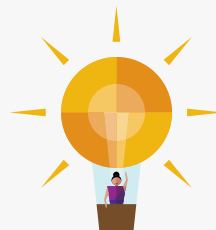
We take personal responsibility.



Dynamic and engaged

We are passionate, proud and enthusiastic.

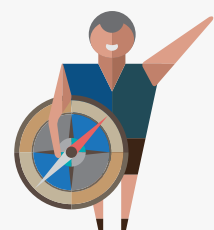
We make it easy to do business with us.



Innovate and achieve

We think about tomorrow in what we do today.

We celebrate success.



Honest and true

We are supportive and respectful.

We communicate openly.

Enabling Legislation

The *Land Information Authority Act 2006* is the governing legislation which establishes the Western Australian Land Information Authority as a statutory authority with commercial powers. The Authority operates under the business name Landgate.

The Act prescribes the powers Landgate must perform, its functions and links to other Acts.

Administered Legislation

Landgate is responsible for administering legislation in relation to the registration of land transactions and the regulation of land surveyors. The *Transfer of Land Act 1893*, *Strata Titles Act 1985* and *Valuation of Land Act 1978* are the principal acts regulating the registration of land transactions, subdivision and valuation of land in WA. The *Licensed Surveyors Act 1909* establishes the Land Surveyors Licensing Board and regulates the registration, licensing and practice of land surveyors.

Landgate's operations are also affected by more than 100 state and federal Acts including the *Fair Trading Act 2010*, *Financial Management Act 2006*, the *Auditor General Act 2006* and *State Supply Commission Act 1991*. These acts apply to Landgate's commercial operations and regulate its finances, accounts and procurements.

Landgate

1 Midland Square Midland



“ We provide our community with integrated, efficient and modern land information services ”

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Board

Caroline de Mori

Caroline de Mori brings considerable and varied experience to the Board. Caroline is the Founder and Chair of the EON Foundation working in remote Aboriginal communities across Western Australia and Northern Territory. She has over 20 years' experience as an executive and non-executive director and business owner working mostly in the resources and mining sector. A former journalist, Caroline was Deputy Chairperson and Director of LandCorp from 2009 to 2015, Chair of its Planning, Development and Communications Committee and Member of the Governance and Remuneration Committee.

In 2013 Caroline received the Australian of the Year WA Local Hero Award for her work as an Indigenous Health Advocate.



Anne Arnold

Anne Arnold contributes extensive experience to the Board. She is currently the Chair of the Heritage Council of Western Australia on which she has served for 11 years. Anne chairs Landgate's Audit and Risk Committee.

She previously held senior positions in several private and government organisations involved in the property sector, most recently as the Chief Executive of the Real Estate Institute of WA. Anne has a long-term interest in affordable housing policy and delivered the first comprehensive housing strategy for the State in 2002. She continued to be involved in its implementation over the following decade.



Claire Poll

Claire Poll is a legal and corporate executive who brings over 25 years of experience at board and senior management level to Landgate. Claire has led strategy and corporate development for both small start-ups focused on growth and financing, and for large mature organisations focused on corporate transformation and investing in next generation assets and technology. Claire, who originally qualified as a solicitor in Western Australia, has worked as a non-executive director, corporate executive and general counsel in private and public listed companies in the US, UK and Australia in the areas of venture capital, information technology, satellite communications and biopharmaceuticals.



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Monish Paul

Monish Paul provides extensive experience in strategy development and technology execution to the Board. Monish currently leads a top-tier digital strategy practice across Australia and New Zealand, advising clients on the intersection of business re-invention and emerging technologies. He is also a member of Landgate's Audit and Risk Committee.

He has held senior partner roles over a 15-year career at Deloitte, and executive roles at Arthur Andersen and Australian Federal and State Government agencies previously.

In 2014, Monish was appointed by the World Economic Forum (Geneva) as Founder of the "Global Shapers Hub" in WA and has served on various not-for-profit boards in Perth.



Ian Callahan

Ian Callahan is a chartered accountant and member of the Australian Institute of Company Directors. He is currently the Chief Operating Officer of Curtin University. Ian is a board member of Innovation Central Perth, a joint initiative of Cisco, Woodside, CSIRO Data 61 and Curtin University as well as the Director of Bright People Technologies Pty Ltd, a start-up business providing web-based people logistics, travel, compliance and verification services to a variety of industries.



Graeme Gammie

Graeme Gammie joined the State Government as a business planning consultant and risk manager for the Department of Contract and Management Services in 1997. Prior to joining the State Heritage Office in 2009, Graeme was the Department of Housing and Works' General Manager of Corporate Development Services and Executive Manager of Fremantle Prison.

While at the State Heritage Office, Graeme oversaw major governance and operational changes within the organisation, leading to the State Government's decision that the agency become its own department on 1 July 2014. He later transitioned to Assistant Director General at the Department of Planning, Lands and Heritage, where he had responsibility for historic and Aboriginal heritage, and oversight of reform of the State's land planning system. During this time, he successfully led the passage of *Heritage Act 2018* through the Parliament, delivering the first major reform to heritage legislation in 25 years.

Graeme joined Landgate as the Chief Executive in March 2019.



Leadership Changes

Landgate Chief Executive Ms Jodi Cant departed the business on 24 August 2018 to take up the role of Director-General at the Department of Finance. Mr Bruce Roberts acted as Chief Executive on Ms Cant's departure until the commencement of Mr Graeme Gammie on 5 March 2019.

Corporate Executive

Bruce Roberts

General Manager, Valuations and Property Analytics

Bruce Roberts commenced at Landgate in 1993 and has worked on major legislative reforms, such as changes to the *Transfer of Land Act 1893*, which enabled WA's digital land title register, and the creation of the *Land Administration Act 1997*, which created the single title registration system for private and Crown-owned land in WA. Bruce contributed to the drafting of the *Land Information Authority Act 2006*, which saw the creation of the statutory authority that operates as Landgate. Bruce has also worked on international projects establishing land title systems in Asia and was the inaugural Chair of the Australian Registrars National Electronic Conveyancing Council of Australia.



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Travis Beasley

General Manager, Strategy, Customers and Culture

Travis Beasley joined Landgate in February 2017, working as the Director of Strategic Communications and Chief of Staff before taking up this role. Travis leads a diverse team that manages risk, reputation, people, customers, innovation, improvement, planning and policy. His professional experience has been in the private sector, including ASX listed entities and private companies in the infrastructure and energy sectors, and with communications and corporate affairs consultancies in Perth and Melbourne.



Eugene Soares

General Manager, Location Data Services and Business Enablement

Eugene Soares joined Landgate in June 2013 as Director of Customer Service. He has since worked across several areas of the business optimising value chains, enhancing service delivery and contributing towards strategy. Eugene brings extensive experience from a diverse background of dynamic organisations built on a track record of connecting people and technology to strategy while achieving strong sustainable returns.



Hannah Ley

General Manager, SPUR and Location Intelligence

Hannah Ley has over 20 years' experience as a professional consultant, functional manager and more recently a company director and small business owner. Hannah joined Landgate in 2016 in Audit and Risk and has also led the Planning and Performance team, focusing on the strategic direction of the business. Her diverse experiences across a variety of industries adds significant value to the development and management of the strategic direction of the business and to Landgate. Hannah and her team add value to our customers, people and community with their skill set and hard work.



Chris McSwain

Director, People and Culture

Chris McSwain has over 20 years of experience as a human resource professional across the public and private sectors. Chris joined Landgate in 2006 and is the Director of People and Culture, where Chris and her team are responsible for all aspects of the employment life cycle. Her experience across multiple industries brings a wealth of knowledge to Landgate, helping to shape and develop the workforce and culture through providing solution focused outcomes.



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Graeme Dewar

*Director, Finance and Procure;
Chief Financial Officer (CFO)*

Graeme Dewar has been a Certified Practising Accountant (CPA) since 2005 and has over 30 years of experience in public and private sector financial roles. Graeme joined Landgate in 2017 as Manager Financial Operations taking on his current role, including CFO responsibilities, in March 2018. Skilled and experienced in government agency budgeting, financial and management accounting, financial planning and capital projects, and with experience managing agency relationships, Graeme brings significant knowledge and management experience to Landgate. While at Landgate Graeme has ensured Landgate's strong financial reputation is sustained.



Leadership Changes

Ms Liz Burke (General Manager of Strategy, Customers and Culture) departed the business on 14 June 2019; Mr Peter Markham, (General Manager SPUR), accepted a secondment to the Department of Finance commencing 31 March 2019.



“ Ensuring economic activity is managed in a socially and environmentally responsible manner ”

Performance Management Framework

Government Goals

Landgate directly supported the state government's goal of ensuring economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of WA by:

- underpinning the effective and efficient operation of the land and property market
- supporting the State's rating and taxing base through accurate and independent property valuations
- providing access to government location information to enable sound decision making by government, industry and the community.

These contributions and how they relate to state government goals and authority outcomes are outlined in the following figure.

Further details are outlined in the Significant Achievements, and the Disclosures and Legal Compliance sections of this annual report.

Shared Responsibilities

Landgate does not have any shared responsibilities with other agencies.

Landgate continues to work collaboratively with other government agencies to effectively provide access to government location information through initiatives such as the WA Open Data Platform, Shared Location Information Platform (SLIP) and Capture WA.

Government Goals

Sustainable Finances

Responsible financial management and better service delivery.

Future Jobs & Skills

Grow and diversify the economy, create jobs and support skills development.

Landgate Outcomes

How we support government goals

1. The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
2. Independent valuations support the government's collection of rates and taxes, and management of property assets.

1. Coordinated capture of and access to the State's location information.

Landgate Services

How we make sure we deliver Landgate outcomes

Land Administration

A land administration service that provides a land information base, certainty of ownership and other interests in land.

Valuations

An impartial valuations service.

Access to Government Location Information

Effective access to land and location information can be demonstrated by improved data capture, access and useability of location information.

Landgate Objectives

The main deliverables of Landgate services

1. Secure property rights and Land Titles Register underpins property market
2. Detail extent of interest and restrictions affecting use and enjoyment of private and Crown land
3. Provision and integration of location information (maps, surveys, aerial and satellite imagery and property sales information) to support decision making.
4. Deliver fair, impartial valuations for State and local government and utilities that underpin the rating and taxing system
5. Manage and value property assets on behalf of state and local government
6. Deliver data and information about the natural and built environment that enables decision-making about land and its use in the public and private sector.

1. Coordinate the implementation of the Location Information Strategy for WA
2. Drive SLIP services by continuing to enhance tools and infrastructure
3. Prioritise and coordinate location data capture requests through the Capture WA program
4. Increase government agencies' collaboration in location information to achieve greater efficiencies and improve decision making
5. Support industry development by assisting start-ups through grants and mentoring services.



**SIGNIFICANT
ACHIEVEMENTS**

Significant Achievements 2018-19

80%

of eligible transactions now being completed electronically.

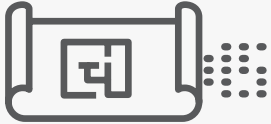


Strata Titles Amendment Bill 2018 and the Community Titles Bill 2018 became Acts of Parliament.



60%

of all plans able to be created in the surveyor portal as full digital plans.



The Transfer of Land Amendment Bill 2018 was introduced to parliament

\$14.8m

Divestment of Advara Ltd shareholding, yielding benefits to the State worth \$14.8m



\$185m

Divestment of PEXA shareholding was finalised, delivering a return of \$185 million to the state



294

employees participated in leadership development training

1,456,174

Valuations completed



\$4.133m

\$4.133m in efficiencies delivered to the state through CaptureWA



8

SPURonWA grants provided



2,283

datasets from 64 government organisations available on data.wa.gov.au



New graduate program implemented, recruiting

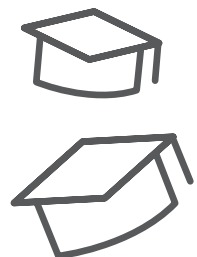
4

graduates in total



3

of Aboriginal descent





AGENCY PERFORMANCE

Financial Outcomes

\$144.6m

Dividends for payment

\$126.5m

Net profit

\$208.9m

Net Assets

\$261.8m

Revenue

\$115.0m

Expenditure



Outcome Based Management



\$19.47

Average cost per Valuation



\$53.44

Average cost of maintaining a land information base, certainty of ownership and other interests in land, per Certificate of Title.



\$1,860

Average cost of maintaining and providing access to land and location datasets, per SLIP dataset



“ We deliver core services better than ever ”

Delivering on our Statement of Corporate Intent

We deliver core services better than ever

A step closer to full digital land titling services

On 1 December 2018, regulations (passed in December 2017) requiring the electronic lodgement of eligible land registry documents – including mortgages, discharges of mortgages, refinances, transfers, caveats and withdrawal of caveats – came into effect in WA.

The implementation of this change was achieved through Landgate and the Registrar of Titles collaborating with industry over a four-year period.

80% of eligible transactions are now being completed electronically. This is an increase of 28% since the introduction of the regulations on 1 December, a significant achievement considering the first e-conveyancing transaction was completed in WA in June 2014.

The electronic lodgement and processing of documents enables the exchange of property to occur online through an e-conveyancing system. It provides safer, simpler and faster settlements that underpin the State's property industry. The system has included transparent reporting on the status of transactions and reduction in document errors.

The level of digital processing already introduced into the land titles registration process to date has continued to deliver positive results, with over 79% of simple and correct documents registered in two days or less.

The accuracy of the Land Titles Register is also consistently within target, with less than 1% of Certificates of Title needing adjustment (as a percentage of the total Certificates of Title on the Land Titles Register).

Supporting a competitive environment for electronic conveyancing

The first e-conveyancing transaction was conducted in 2014 via the Property Exchange Australia (PEXA) platform. PEXA has been the sole electronic lodgement network operator (ELNO) in WA since then. The market for e-conveyancing has continued to mature this year.

To help support greater competition through the operation of new ELNOs, Landgate continued to invest in enhancing the New Land Registry system (NLR) and began the regulatory and compliance work required to onboard new ELNOs, enabling them to enter the e-conveyancing marketplace.

Landgate has been working with a new entrant into the ELNO market, which is expected to commence operation in WA early in the 2019/20 financial year.

Plan reform

Landgate has progressed its reform in the way survey plans are created, lodged and examined through the New Land Registry – Plans (NLR-P) system. The NLR-P system enables deposited plans and survey-strata plans to be created and lodged digitally.

Additional functions were implemented to the NLR-P surveyor portal this year, allowing surveyors to create and lodge more types of plans digitally. Enhancements have also been made to the NLR workflow, to achieve automatic examination of all portal lodged plans.

Landgate achieved its Statement of Corporate Intent (SCI) target, with 60% of all plans able to be created in the surveyor portal as full digital plans.

Significant collaboration was undertaken with the surveying industry to increase its use of the surveyor portal. This involved ongoing liaison and consultation via various survey industry forums, and increased training and support to survey firms. As a result, the proportion of plans lodged as full digital plans has increased during the year, from 5.5% to 11.3%. Landgate expects use to increase as projects initiated prior to the launch of the portal are completed and surveyors seek to take advantage of the efficiencies of the digital environment with new projects.

Amendments to the Transfer of Land Act 1893

Landgate progressed amendments to the *Transfer of Land Act 1893* during the year.

The *Transfer of Land Amendment Bill 2018* was introduced to parliament on 21 November 2018. In line with the 2008 Council of Australian Government's (COAG) Intergovernmental Agreement, the Bill aims to streamline conveyancing in WA and further support the operation of the titles register in a digital environment.

The Bill proposed amendments in three key areas:

- modifying the definition of counterpart documents to enable signing mortgages electronically
- enabling electronic service of many types of notice
- removing duplicate certificates of title from the conveyancing process to mitigate the risk of fraud through the use of paper based duplicate certificates of title and promote conducting land transactions in an electronic environment.

Landgate expects the bill to be debated in the second half of 2019.

Providing a valuation service that meets the needs of our customers

1,456,174 valuations were completed as part of Landgate's annual valuation program this year.

Landgate delivered the gross rental values (GRVs) of 33 regional local governments across WA from Broome to Denmark. Landgate also delivered 1,060,638 unimproved values (UVs) to relevant local governments and the Office of State Revenue.

The Valuations and Property Analytics (VPA) team has also undertaken a program of work to reform processes and improve efficiency.

The team delivered a search and analytical platform, enabling valuers to quickly identify rental and sales evidence required for their valuation. The solution integrated VPA's valuation system with a business intelligence platform, a geo-spatial platform and bulk data. It has provided valuers with an efficient, easy to use tool during the data collection and analysis phase of the valuation process.

Several intelligence and analytical solutions were implemented during the year using external data sources to improve the efficiency and accuracy of valuations being undertaken. The data sourced provides key research required for the determination and validation of valuations. Some of the data has been used in the determination of valuations this financial year, with the bulk of the data in place to be used for the metropolitan GRV general valuation that commenced in May 2019.

AUTOMATION PROCESS BETWEEN LANDGATE AND THE WATER CORPORATION

VPA enabled some automation to the process of providing interim valuation requests for the Water Corporation. This process previously required a courier transferring the physical sheets of paper between the Water Corporation and Landgate twice weekly. VPA now receive a file transfer daily, which allows the work to be tracked and distributed through the week. This results in time efficiencies and has an environmental impact by alleviating the need for 16,900 pieces of paper each year.



alleviating the need for

16,900

pieces of paper per year

Through the reform process, Landgate has identified opportunities to improve the efficiency and quality of its rating and taxing valuations. Landgate's SCI set the target of reducing time spent to complete rating and taxing valuations by 10%, with a reduction of 9.3% achieved.

A complete review of the Potential Carrying Capacity (PCC) of over 200 pastoral leases in regional Western Australia (used primarily to run livestock) was undertaken. The PCC is the estimated number of livestock that can be carried annually on a pastoral lease long-term, without reducing rangeland condition.

This review was delivered in partnership with Department of Planning, Lands and Heritage (DPLH) and Department of Primary Industries and Regional Development. The updated pastoral lease rents were effective from 1 July 2019.

Delivering trusted location data supporting the management and development of our state

Landgate captures, maintains and makes accessible location data which supports the management and development of WA. To achieve this, Landgate established data.wa.gov.au in support of the WA chapter of the Commonwealth Public Data Policy. The online

platform currently offers 2,283 datasets from 64 government organisations with simple access level indicators including 'open', 'fees apply' and 'government use only'.

Landgate has provided land information and title products for Native Title mediation and litigation purposes to the Department of Premier and Cabinet and the State Solicitor's Office (SSO).

This involves the research, digital capture and supply of current and historical land tenure extents. These stand-alone Geospatial Information System (GIS) projects include all supporting documentation to assist the State and other parties to conduct native title mediation or litigation in the Federal Court.

Additionally, Landgate provides Native Title specific datasets, analysis and customised mapping services for State and Federal agencies.

As Landgate focuses more on its role as a data provider, work has progressed to cease production of some products and services. Throughout the year, seven non-value adding products and services were decommissioned to ensure the focus remains on delivering core services, and only those offerings adequately benefitting the State and the community.

“ Landgate focuses more on its role as a data provider ”



GNULLI HISTORICAL TENURE

NATIVE TITLE APPLICATION WAD6161/1998 (WC1997/028)

LAND TENURE AS AT 03/02/2018

- LEGEND**
- State Forest
 - Marine Park
 - Miscellaneous Tenures
 - Unallocated Crown Land
 - Freehold
 - Pastoral Leases
 - General and Special Purpose Leases
 - Perpetual and Conditional Purchase Leases
 - Reserves
 - WAD6161/1998 Gnulli (WC1997/028)
 - WAD366/2018 Gnulli 2 (WC2018/015)

NATIVE TITLE SPATIAL 57
PRODUCED: 14/02/2018
Scale: Unscaled, 1:14,000
1:14,000

GNULLI TENURE CAPTURE PROJECT

In February 2019 Graphic Services delivered the Gnulli tenure capture project.

This significant piece of work took four employees 14 months to complete.

The Gnulli native title claim area extends from Carnarvon to Exmouth and required the capture of over 5600 current land tenure parcels and over 3200 historical parcels.

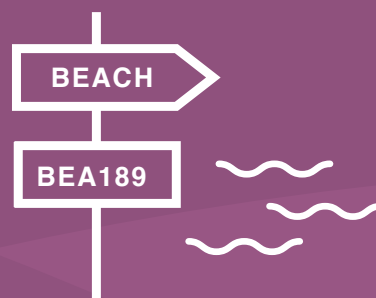
There were over 11,000 regulated documents worth in excess of \$284,000 provided in support.

BEACH EMERGENCY SIGNS PROJECT

Beach Emergency Signs Project (BEN) bulk data upload into Landgate's Geographic Names Database (GEONOMA).

Landgate's Location Data Maintenance team have been instrumental in supporting the Beach Emergency Signs Project (BEN) – a joint initiative developed by the Department of Primary Industries and Regional Development, Surf Life Saving WA and several Local Government Authorities in 2017.

BEN is a coding system which aims to improve emergency response times by installing signs with unique codes at public beach access points. Landgate has been recording beach and surf spot names into the GEONOMA, with signs then displayed to show the unique names to each area, ensuring members of the public know their location when they need to communicate it in an emergency.



Recording beach and surf spot names, adding a unique code sign



Then loading to the GEONOMA database

We support government priorities and business growth

Delivering public policy, legislative reform and data that support the development of our State

Strata Titles Act Reform

Landgate is making strata better to deliver social and economic benefits for the WA community. The new laws will see flexibility to achieve enhanced community outcomes such as:

- the introduction of improved management schemes
- greater amenity
- a simplified dispute resolution process.

The reforms also support the implementation of METRONET, helping to deliver station precincts through the introduction of Community Titles Schemes and Leasehold Schemes. The introduction of Community Schemes to WA will attract major new investment that will help drive further economic growth for the State.

On 19 November 2018, a major milestone was achieved with the *Strata Titles Amendment Bill 2018* and the *Community Titles Bill 2018* becoming Acts of Parliament.

This achievement represents several years of dedicated effort in progressing reforms to the strata legislation and involved considerable communication and consultation with the property industry, government and community regarding the changes to be introduced.

Landgate collaborated with the Parliamentary Counsel's Office in developing the new legislation. Landgate was praised for the quality of advice provided to help key stakeholders understand the complexities of the bills and in conjunction with the Department of Planning, Lands and Heritage, were awarded the President's Award for Planning Excellence from the Planning Institute of Australia.

Preparation for changes to Landgate's systems and processes is underway to enable the registration of plans and new electronic forms. The preparatory systems changes needed to accommodate the new types of strata are on track to be completed late in 2019, ready for implementation of the new legislation.

Landgate is working with other key government agencies, including the Department of Planning, Lands and Heritage, the State Administrative Tribunal and the Office of State Revenue to develop and embed new systems and processes that will enable effective operation of the legislation.

STRATA TITLES ACT REFORM

Landgate is making strata better to deliver social and economic benefits for the WA community. The new laws will see flexibility to achieve enhanced community outcomes such as:

- ✓ the introduction of improved management schemes
- ✓ greater amenity
- ✓ a simplified dispute resolution process.

Delivering Better

Social & Economic Benefits





“ *Creating a bright future* ”

Supporting other government priorities

In addition to leading strata title reform, Landgate has continued to support government priority programs including:

- providing data advisory services, data and a full-time specialist GIS resource to lead GIS program assessment and delivery of operational analysis and outputs for the Westport Port and Environs Strategy
- providing data and valuations consultancy advice to assist government in decision making and planning around METRONET, the Land Asset Sales Program and Native Titles negotiations.

Collaborating across government and using our data insights to create efficiencies

Landgate implements and maintains the WA Whole of Government Open Data Policy on behalf of government. This policy aims to improve the management and use of the public sector's data assets to deliver value and benefits for all Western Australians.

The agency also actively supports other agencies in making their own data more accessible through WA's open data portal,

data.wa.gov.au. Sharing data widely across government and the community has the potential to drive better government, innovation, business growth and new employment opportunities.

Landgate actively worked with government agencies, including the Department of Mines, Industry Regulation and Safety, Department of Education, Department of Finance, Department of Local Government, Sport and Cultural Industries, as well as Horizon Power and the WA Marine Science Institute. This collaboration has resulted in an additional 260 new datasets available for use.

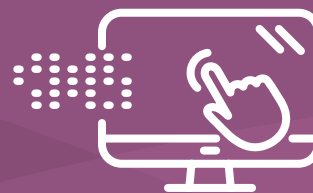
A review of internal datasets was also conducted to identify those suitable to be placed on the open data portal, which was not already available. This resulted in Landgate making 306 of its datasets accessible through WA's open data portal.

The total number of datasets from all agencies shared through data.wa.gov.au was 2,283, an increase of 120% since the end of the last financial year, exceeding the SCI target of 10% growth.

OPEN DATA PORTAL

WA's open data portal provides a single, convenient point of access to public sector data in WA and is delivered by Landgate, in partnership with agencies across the sector.

The open data portal is supported by Landgate's SLIP, which provides access to a multitude of government location-based data through web services, applications and maps.



**Convenient point
of access to public
sector data**

Capture WA

Landgate's Capture WA program provides state and local governments with the coordinated procurement of location-based data through a panel contract. The type of data captured through the program includes aerial and satellite imagery, and updated maps of roads and other infrastructure.

The program also provides the processing, storage and distribution to participants and avoids multiple agencies buying and licensing access to the same data. In 2018/19 Landgate delivered over \$4.133m in efficiencies to the state through CaptureWA, significantly exceeding the \$1m SCI target.

Creating easier access to Landgate data to stimulate and grow the economy

Through its Location Technology Hub SPUR, Landgate provides established and emerging businesses with access to its sales evidence, property attribute, tenure, cadastral and topographic data. Businesses, known as 'Value Added Resellers' (VARs), use Landgate's data to create their own products and services which they on-sell to end users.

Landgate commenced the development of a framework designed to stimulate greater uptake of Landgate datasets this financial year. The new framework will expand the range of datasets currently on offer and make it easier for VARs to access Landgate data by simplifying pricing and licensing arrangements.

SPURonWA

In supporting the state government's priority to 'Create a Bright Future', SPUR continues to deliver assistance to WA's start-up network through its grants program. SPUR Developer Licenses allows start-ups to access data in order to build, test and verify the market.

The Minister for Lands announced recipients of the third round of SPURonWA grants in November 2018, with eight local innovators awarded grants ranging between \$10,000 and \$15,000; to a total of almost \$100,000. Grant recipients are also able to access location data relevant to their business activities and to access Landgate expertise for support and advice.

Further support is provided to start-ups through industry events including the HARVEST AgTech program, Curtin Ignition accelerator, the Start-up Weekend, 'Data Discovery' and 'Start-ups UP CLOSE'.

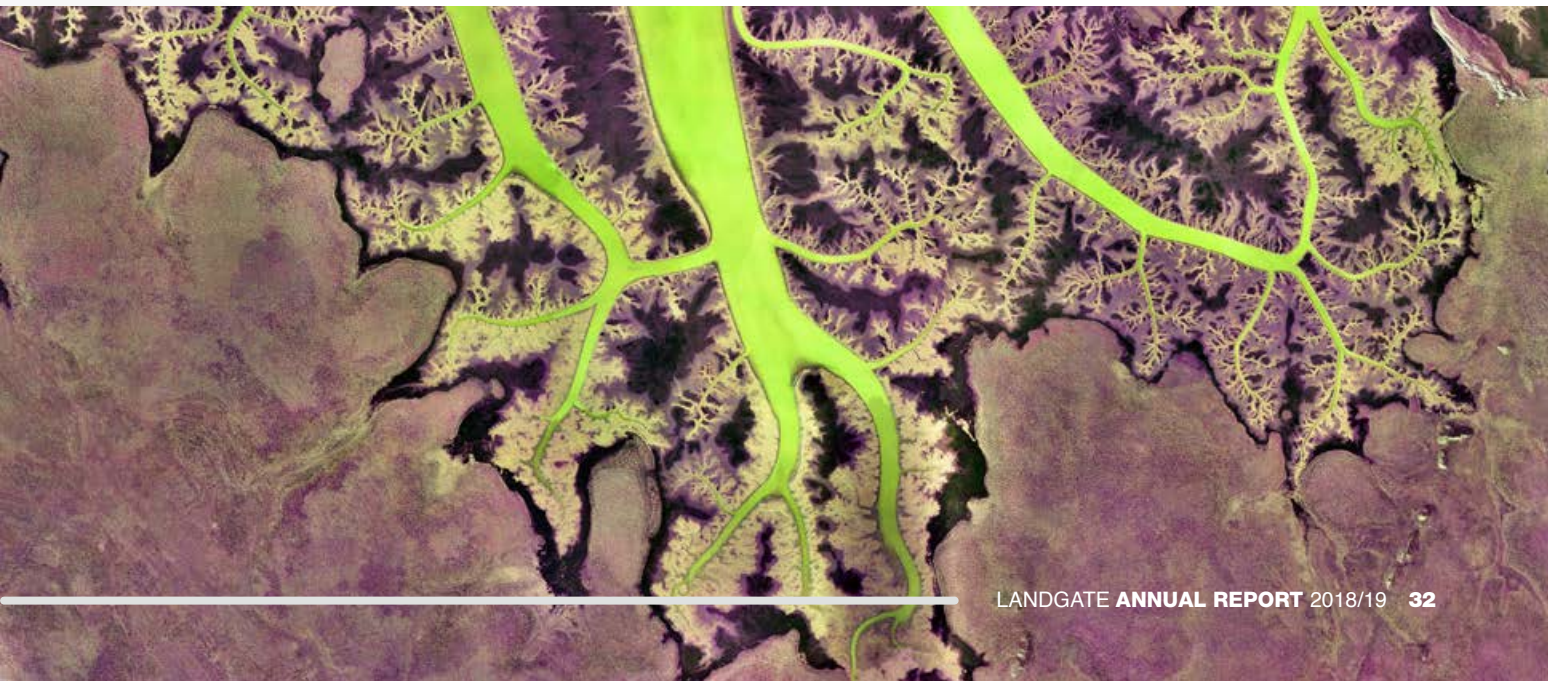
8 Local innovators were awarded

Grants ranged from

\$10,000 to **\$15,000**

Totalling almost

\$100,000





VORTALS™

Cognetic Technologies is the company behind the VORTALS™ application and software suite – a world-scale augmented and virtual reality (AR/VR) design and presentation platform. By harnessing the power of GIS data, the VORTALS™ platform re-invents the way in which content is structured and delivered to users in an augmented world.

VORTALS™ has completed a pilot program with Edith Cowan's Graduate School of Research and commenced a further pilot with Cecil Andrews College. Discussions with a number of institutions, both in industry and in the education sector are on-going.

"The SPUR grant gave us the opportunity to use services that would typically be out of reach of a start-up. Because of the grant, we could bring in outside perspectives and skillsets that were invaluable in progressing our business forwards."

Russell Scott, Co-Founder



SOAR

Soar's goal is to develop a global Super-map, capable of showing and delivering geospatial imagery at any scale from low-resolution satellite to high-resolution drone imagery. Soar's global Super-map combines spatially tagged imagery and content acquired from drone operators, aerial surveyors and satellite image providers in a single marketplace platform. Based on the Ethereum blockchain, Soar uniquely tags every image and transaction to maintain a public ledger of the origin and authenticity of the content.

As most content captured by drone and aerial mapping companies is only ever used once, the Soar Super-map allows imagery creators an opportunity to license their content through a decentralised, distributed mapping environment. These images can be purchased and downloaded from the Super-map.

Soar was listed amongst the 2019 Top 50 Global Blockchain Innovations at the World Blockchain Forum conference in Singapore in June 2019.

"The SPURonWA grant provided additional funding to help Soar deal with critical pre-launch issues involving client onboarding and content licensing issues. We found the SPURonWA grant team really helpful during the project."

Neil Prentice, Commercial Manager





“ Strong returns to the state ”

We deliver returns to the State

Using performance data and business acumen to improve cost effectiveness and returns to the State

Improving business acumen

The WA property market experienced a further decline during 2018/19 with activity levels for document registrations falling by 7% in comparison to the prior year. The level of registration activity experienced during 2018/19 is similar to the late 1980s and early 1990s when there were significantly fewer titles on the Land Titles Register.

In response to this declining revenue, Landgate continued to monitor and re-assess its financial situation and ensured it maintained a disciplined fiscal approach, which resulted in significant expenditure savings.

These expenditure savings, together with the recognition of the gain on the share sale of investments in PEXA Ltd and Advara Ltd, resulted in a significant return to WA for the 2018/19 financial year.

Additionally, a review of Landgate's financial and non-financial delegation framework was progressed during the year to better support decision making within the organisation. The new delegations' framework was effective from 1 May.

Deriving value from our assets

PEXA shareholding

In November 2018, the Landgate Board and the state government confirmed their intention to sell the state's 11.8% shareholding in PEXA Ltd.

PEXA was formed in 2010 to fulfil the COAG initiative to deliver a single, national electronic conveyancing solution to the Australian property industry.

The electronic conveyancing market has matured to a point where new entrants are now being established and going through regulatory approvals; it was the right time for the state to exit its investment.

The divestment was finalised in January 2019, delivering a return of \$185 million to the state; a considerable return on Landgate's original investment of \$38.9 million.

Landgate Partial Commercialisation

In June 2018, the State Government announced that while Landgate will remain a statutory authority, the government would look to commercialise its automated land titling functions.

Landgate has played a key role in the Treasury-led project, which has facilitated an open market process to find a suitable service provider for the partial commercialisation transaction.

Extensive preparatory work was undertaken by the project team on the transaction scope and structure in the first half of the financial year in conjunction with Treasury, the SSO and associated advisors.

Following an open Expression of Interest process, respondents were shortlisted by government to submit non-binding indicative offers in the second stage of the market process. By June, the third stage of the market process proceeded with successful bidders invited to conduct bidder due diligence on the release of detailed information in a secure data room. This included vendor due diligence reports prepared by the state's advisors and draft transaction documents.

The open and competitive market process is intended to be completed by the end of the calendar year 2019.

Divestment of shareholding in Advara Ltd.

As part of the partial commercialisation announcement in June 2018, the state government announced it would consider its options to divest its 77.78% shareholding in Advara, Landgate's start-up established to commercialise the NLR™ Platform.

In May 2019, the state government sold its shareholding to Adecco Holdings Ltd.

Adecco purchased Landgate's shareholding for \$7.2 million and renegotiated terms resulted in future cost savings for IT service provision. The total net present value to the state of the divestment was \$14.8 million. This achievement was the result of significant

work and successful negotiations between the state and Adecco, which as the minority shareholder held the first right on any transfer of Landgate's shareholding in Advara.

As part of the sale agreement, Landgate will continue to own the intellectual property and share royalty revenue if NLR™ is deployed in other jurisdictions.

Innovative New Opportunities

Landgate's work to develop the best innovation practice across WA's local government and state agencies continued and was recognised nationally.

FIRE CONSEQUENCE MAPPING TECHNOLOGY

19th most innovative company

In Australia & New Zealand

#1

Ranking higher than any other government agency



Landgate was awarded the Australian Financial Review's 19th most Innovative Company in Australia and New Zealand in July 2018. This result ranked Landgate higher than any government agency.

The 2018 submission project was the lifesaving fire consequence mapping technology, developed by Landgate's Location Intelligence team in collaboration with Western Power and the Department

of Fire and Emergency Services. Fire consequence mapping helps predict the impact and risk of power pole generated bushfires, which enables Western Power to prioritise maintenance efforts across their entire power network to ensure that maintenance of power poles with the greatest risk to lives and homes can be prioritised.

Other Initiatives

Launch of Land Enquiry Services

Landgate launched Land Enquiry Services (LES) to customers replacing its aging Land Enquiry (LEN) and shopfront systems in May 2019. LES is a new online platform that offers a simpler, more efficient service for customers to search land and property information, order related products including certificate of titles, plans and documents, and enquiries on dealing status'.

LES provides an improved searching experience, simpler navigation, near real-time information from the Land Register, instant map access and more payment options.

UPTAKE OF WEBCHAT/ALTERNATIVE CHANNELS

Landgate's webchat service enhances the agency's ability to provide rapid response to simple customer queries. 17% of the agency's customers now engage with Landgate through this channel. As of 30 June, response times for webchat customer queries was two seconds. Customer sentiment was also high, with 87% of webchat customers finding it easy to do business with Landgate.



2 sec

Response time

87%

Webchat customers found it easy to do business with Landgate

Feedback Management

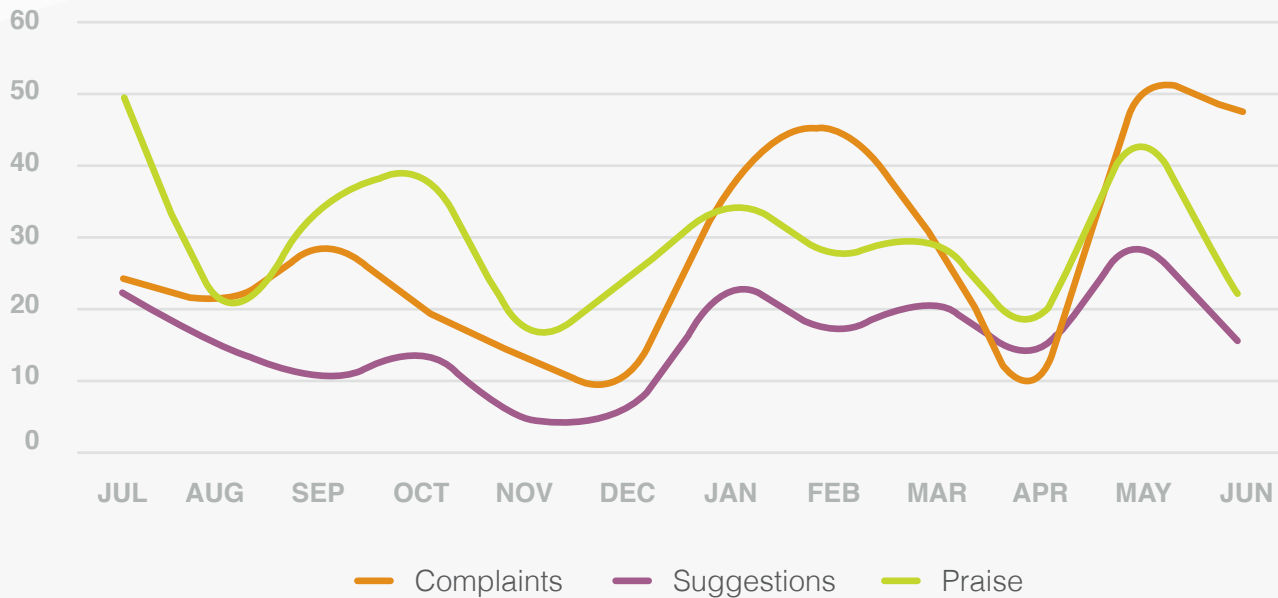
Landgate maintains a robust complaints management process to ensure service offerings can be adapted to satisfy consumer expectations, and to meet the requirements of the WA Ombudsman. Landgate is certified to ISO-9001:2015, which is the international standard that specifies requirements for a Quality Management System (QMS).

Listening to and acting on feedback is an essential part of continuous improvement and improving customer experience. This information is invaluable and provides the Authority with the opportunity to identify service improvements, increase customer satisfaction, strengthen customer input into services and acknowledge areas of excellence.

In line with Landgate's Customer Feedback and Complaints Policy and the Customer Service Charter, provision of feedback is received in person, writing, telephone, online and through comments via surveys and focus groups. Feedback is logged into a Customer Relationship Management system, where it is assigned to an employee to respond to the issue(s). It is then monitored and managed by the Compliance and Quality Assurance Officer.

Landgate aims to resolve all complaints within 10 working days of acknowledgement. If this is not possible, the complainant will be informed of an estimated resolution date. A monthly summary report of all incidents is produced and published on the Landgate intranet.

Feedback Numbers 2018-2019



Feedback Received

361 compliments were received, which mostly related to praise for customer service representatives who have assisted with ease of doing business with Landgate, empathy during interactions and clarity and relevancy of advice. There were 336 complaints received throughout the year, 306 of which have been responded to and resolved while 30 remain outstanding.

Landgate proactively undertook customer feedback campaigns in February and May to capture opportunities for service improvement going into the future. This active engagement resulted in two large spikes in customer complaints but enabled the capture of valuable customer feedback around how the Data WA platform, SLIP, and LES can be improved to better meet the needs of consumers.

361
compliments



336
complaints

306
resolved

Continuing the cultural change journey

A new leadership development framework was implemented to continue to build the leadership capability within the agency. The framework included several programs with 294 employees participating, which supported the development of business acumen, business efficiency and the 'Way of Working' cultural reform.

A 'Way of Working' staff engagement survey was held in September 2018 and saw Landgate increase its engagement score from 49% (2017) to 52%. This is the second consecutive year that Landgate's employee engagement scores have risen. Engagement improvements were primarily focused on employees having a better understanding of how their work contributes to delivering on Landgate's strategy and being motivated by senior leader's vision for the future.

Following the survey, initiatives were put in place through a 'Way of Working' engagement plan to increase this score to 69% by 2023, in line with Landgate's Strategic Development Plan 2018/19 – 2022/23.

Aspire strategy

The Aspire strategy is Landgate's Aboriginal Economic Participation Strategy. The strategy encourages employment and business opportunities for Aboriginal and Torres Strait Islander people.

Through the Aspire strategy, Landgate has achieved the following:

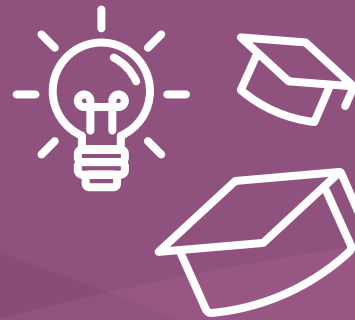
- a new graduate program was designed and implemented with three Aboriginal graduates recruited into the agency as part of the program
- successfully engaged Aboriginal businesses, with 5.88% of Landgate's procurement being awarded to Aboriginal businesses, exceeding the Aboriginal Procurement Policy target of 1%

- delivery of cultural awareness training to employees
- celebration of events such as Sorry Day and National Reconciliation Week
- working with representatives of the local community to rename meeting rooms with culturally appropriate Noongar names
- working with **Koya Aboriginal Corporation**, a not-for-profit organisation operating in the City of Swan, delivering mobile primary health care services to the community. Landgate's support for delivering the project includes access to Landgate data, co-working spaces, data expertise and mentoring.

GRADUATE PROGRAM

As part of its drive to bring fresh ideas into the business, Landgate designed and implemented a new graduate program in March 2019, funded through its innovation program.

The program offers graduates a blend of learning and development opportunities while bringing new and innovative ideas, capabilities and cultural intelligence into the agency. The current graduate intake includes four graduates who are working across all business units.



“ bringing new and innovative ideas, capabilities and cultural intelligence into the agency”





FROM LEFT TO RIGHT: INGRID CUMMING, LEN COLLARD AND CHIEF EXECUTIVE GRAEME GAMMIE

Swan Aboriginal Community Christmas party

Landgate employees donated food and gifts to help vulnerable and disadvantaged Aboriginal families from the Midland community. Employees also volunteered their time to wrap the donated goods into hampers to present to families at the Swan Aboriginal Community Christmas party in December.

International Women's Day

To celebrate International Women's Day 2019, Landgate hosted a community event with special guests Ingrid Cumming and Len Collard who shared their story about balance, equality, culture and family.

The theme was #BalanceforBetter – a call-to-action for driving gender balance. The event was held at Landgate's Midland office, and guests included Landgate employees and members of the Swan community.



SIGNIFICANT ISSUES IMPACTING THE AGENCY

Property Market and Economy

Property market conditions have remained subdued across 2018/19, leading to a further decline in land titles management activity, with document registrations now at levels similar to the late 1980s – early 1990s. While the low interest rates of recent years continued into 2018/19 this did not improve consumer sentiment. This, together with low population growth and a tightening of borrowing rules by banking institutions in response to the Royal Commission, hampered growth.

Proposed Partial Commercialisation

In June 2018, the government announced it would commercialise a restricted part of Landgate business. An open and competitive market process commenced to find a suitable service provider to deliver automated titling services for a term of at least 40 years (and up to 50 years). Landgate, together with the Department of Treasury, SSO and specialist advisors, have undertaken significant work in progressing the commercialisation. The process is expected to be completed in late 2019.

Competitive Electronic Lodgement Network Operator Market

On 1 December 2018 it became mandatory to electronically lodge any document that is currently eligible for electronic conveyancing. In working to ensure the effective operation of electronic conveyancing systems in WA, Landgate has worked closely with ELNOs to facilitate their integration with WA systems and practices.

Public Sector Reform

The Public Sector Roadmap for Reform highlights the potential to deliver better, smarter and cheaper services to the WA community for all government agencies, including Landgate.

Having completed an internal reform journey, Landgate continues to prepare for future changes from economic and cost pressures by realising savings through business efficiencies, while improving public policy benefits for WA and providing a greater return to government.

As part of supporting whole of government efficiencies, Landgate is working with the DPLH to facilitate greater accuracy and efficiency in Crown land transactions through the enablement of electronic lodgement. Landgate will maintain a program of continuous improvement through efficiencies in systems, processes and structural reforms, and will continue to seek alternative revenue streams and possible investment opportunities on behalf of the state.

Data Security

Information and data security will continue to be a priority internationally, nationally and at a state level. There has been an increased focus on data security and ensuring data is appropriately managed on behalf of individuals. In response to this, Landgate has developed an IT Strategy and Technology Roadmap and are formalising a cyber security strategy to address emerging issues.

Landgate was recognised in the Office of the Auditor General's computer controls and capability assessment audit as one of only four entities that have consistently demonstrated good practices across all control categories assessed, including information security, business continuity and management of IT risks.



**DISCLOSURES
AND LEGAL
COMPLIANCE**

Independent Audit Opinions



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Land Information Authority (Authority) and its controlled entity (collectively the Group) which comprise the Consolidated Statement of Financial Position as at 30 June 2019, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Group for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

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 Statements* section of my report. I am independent of the Group 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 statements. 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 Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group'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 Group.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements 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 statements.

Independent Audit Opinions

Continued

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 statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's 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 Group'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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the Board 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.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Land Information Authority. The controls exercised by the Group are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Western Australian Land Information Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Land Information Authority for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Land Information Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Independent Audit Opinions

Continued

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Land Information 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 statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
20 September 2019

Certification of Financial Statements

The accompanying financial statements of the Western Australian Land Information Authority and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006*, from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as of 30 June 2019.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



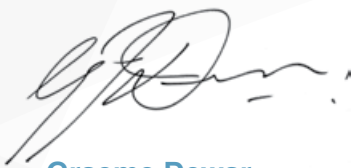
Caroline de Mori

Chair
Board
Western Australia Land Information Authority
20 September 2019



Graeme Gammie

Chief Executive
Member, Board
Western Australia Land Information Authority
20 September 2019



Graeme Dewar

Chief Finance Officer
Western Australia Land Information Authority
20 September 2019

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Western Australian Land Information Authority (Landgate)

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
INCOME					
Revenue					
Provision of services	2.1	93,489	97,155	93,489	97,155
Sale of land information, data and imagery	2.3	5,787	8,080	5,787	8,080
Interest revenue	2.4	3,559	1,927	3,473	1,861
Other revenue	2.4	1,869	3,339	1,137	911
Gains					
Gain on equity accounted investments	2.5	153,496	1,243	153,496	1,243
Gain on disposal of subsidiary	2.5	3,550	0	7,236	0
Foreign currency exchange	2.5	58	17	58	17
TOTAL INCOME		261,808	111,761	264,676	109,267
EXPENSES					
Employee benefits	3.1	55,135	67,421	52,902	65,209
Supplies and services	3.2	30,518	30,886	33,635	33,729
Other expenses	3.2	6,078	7,805	5,570	6,732
Depreciation and amortisation	4.1, 4.2	14,703	13,927	14,688	13,916
Finance costs	6.2	934	1,264	934	1,264
Accommodation	3.2	4,269	4,558	4,289	4,555
Loss on impairment	4.2	2,057	22	2,057	22
Loss on equity accounted investments	2.5	1,234	4,148	1,234	4,148
Loss on foreign currency exchange	2.5	64	0	0	0
Net loss on disposal of property, plant, equipment and intangibles	2.5	10	36	10	36
TOTAL EXPENSES		115,029	130,067	115,319	129,611
Profit/(loss) before grants and subsidies from State Government		146,779	(18,306)	149,357	(20,344)
GRANTS AND SUBSIDIES FROM STATE GOVERNMENT					
Service appropriation	2.2	35,629	31,640	35,629	31,640
Services received free of charge	2.2	383	476	383	476
TOTAL GRANTS AND SUBSIDIES FROM STATE GOVERNMENT		36,012	32,116	36,012	32,116
Profit before income tax equivalent		182,791	13,810	185,369	11,772
Income tax equivalent (expense)/benefit	5.7	(56,237)	(4,679)	(55,922)	(4,014)
PROFIT FOR THE PERIOD		126,554	9,131	129,447	7,758
OTHER COMPREHENSIVE INCOME					
Items not reclassified subsequently to profit or loss					
Changes in asset revaluation surplus	2.5	1,930	8	1,930	8
Changes in fair value reserve	2.5	407	0	407	0
TOTAL OTHER COMPREHENSIVE INCOME		2,337	8	2,337	8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		128,891	9,139	131,784	7,766
Profit for the period is attributable to:					
Equity holder of Landgate		126,377	8,827		
Non-controlling interest	8.10	177	304		
		126,554	9,131		
Total comprehensive income for the period is attributable to:					
Equity holder of Landgate		128,714	8,835		
Non-controlling interest	8.10	177	304		
		128,891	9,139		

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Western Australian Land Information Authority (Landgate)
Consolidated Statement of Financial Position
As at 30 June 2019

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
ASSETS					
Current Assets					
Cash and cash equivalents	6.3	11,214	17,960	11,214	9,323
Restricted cash and cash equivalents	6.3	232	231	232	231
Receivables	5.1	14,093	12,333	14,093	12,701
Financial investments	5.4	36,439	42,642	36,439	42,642
Amounts receivable for services	5.5	3,981	830	3,981	830
Prepayments	5.6	2,545	2,465	2,545	2,410
Accrued interest	5.6	1,266	554	1,266	554
Total Current Assets		69,770	77,015	69,770	68,691
Non-Current Assets					
Restricted cash and cash equivalents	6.3	640	453	640	453
Receivables	5.1	0	1,427	0	1,427
Equity accounted investments	5.2	2,670	33,026	2,670	33,026
Financial investments	5.4	36,478	20,089	36,478	20,089
Amounts receivable for services	5.5	29,792	28,294	29,792	28,294
Property, plant and equipment	4.1	52,945	52,493	52,945	52,472
Intangible assets	4.2	42,550	45,906	42,550	45,906
Deferred tax assets	5.7 (c)	2,636	4,706	2,636	4,706
Total Non-Current Assets		167,711	186,394	167,711	186,373
TOTAL ASSETS		237,481	263,409	237,481	255,064
LIABILITIES					
Current Liabilities					
Payables	5.8	4,763	9,759	4,763	6,215
Current tax liabilities		0	1,153	0	488
Finance lease liabilities	6.1	4,500	4,142	4,500	4,142
Employee related provisions	3.1 (b)	10,381	10,392	10,381	10,337
Other current liabilities	5.9	2,816	3,948	2,816	3,814
Total Current Liabilities		22,460	29,394	22,460	24,996
Non-Current Liabilities					
Finance lease liabilities	6.1	3,409	7,909	3,409	7,909
Employee related provisions	3.1 (b)	2,639	2,629	2,639	2,629
Total Non-Current Liabilities		6,048	10,538	6,048	10,538
TOTAL LIABILITIES		28,508	39,932	28,508	35,534
NET ASSETS		208,973	223,477	208,973	219,530
EQUITY					
Contributed equity	8.9	90,379	91,935	90,379	90,379
Reserves		23,526	18,926	23,526	18,926
Retained earnings		95,068	111,739	95,068	110,225
Equity attributable to equity holder of Landgate		208,973	222,600	208,973	219,530
Equity attributable to non-controlling interest	8.10	0	877		
TOTAL EQUITY		208,973	223,477	208,973	219,530

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Western Australian Land Information Authority (Landgate)

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
BALANCE OF EQUITY AT START OF PERIOD		223,477	220,398	219,530	217,824
Contributed equity	8.9				
Balance at start of period		91,935	91,935	90,379	90,379
Transactions with owners in their capacity as owners:					
Capital attributable to subsidiary derecognised		(1,556)	0	0	0
Balance at end of Period		90,379	91,935	90,379	90,379
Reserves	8.9				
Balance at start of period		18,926	18,918	18,926	18,918
Initial application of Australian Accounting Standards	8.3	2,263	0	2,263	0
Restated balance at start of period		21,189	18,918	21,189	18,918
Asset revaluation reserve		1,930	8	1,930	8
Fair value reserve		407	0	407	0
Balance at end of period		23,526	18,926	23,526	18,926
Retained earnings	8.9				
Balance at start of period		111,739	108,972	110,225	108,527
Initial application of Australian Accounting Standards	8.3	(8)	0	(8)	0
Restated balance at start of period		111,731	108,972	110,217	108,527
Movement in equity attributable to Consolidated Entity:					
Profit for period		126,377	8,827	129,447	7,758
Capital attributable to subsidiary derecognised		1,556	0	0	0
Distribution to owners		(144,596)	(6,060)	(144,596)	(6,060)
Balance at end of period		95,068	111,739	95,068	110,225
Equity attributable to equity holder of Landgate		208,973	222,600	208,973	219,530
Equity attributable to non-controlling interest	8.10	0	877		
BALANCE OF EQUITY AT END OF PERIOD		208,973	223,477	208,973	219,530

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Western Australian Land Information Authority (Landgate)
Consolidated Statement of Cash Flows
for the year ended 30 June 2019

	Note	CONSOLIDATED		LANDGATE	
		2019	2018	2019	2018
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Provision of services		93,069	108,303	92,369	108,303
Sale of land information, data and imagery		6,961	7,984	6,961	7,984
Interest received		2,921	1,866	2,833	1,798
GST receipts on sales		3,786	4,848	1,098	1,128
GST receipts from taxation authority		4,787	4,245	4,787	4,245
Other receipts		1,068	4,687	1,068	1,245
Payments					
Employee benefits		(52,820)	(69,820)	(52,820)	(67,662)
Supplies and services		(38,275)	(30,587)	(35,380)	(31,601)
Other expenses		(4,873)	(6,578)	(4,873)	(6,578)
Accommodation		(4,219)	(4,366)	(4,219)	(4,366)
Finance costs		(941)	(1,370)	(941)	(1,370)
GST payments on purchases		(9,346)	(9,018)	(5,850)	(5,695)
GST payments to taxation authority		(442)	(570)	0	0
Net cash flows from operating activities		1,676	9,624	5,033	7,431
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Sale of -					
Property, plant and equipment		4	0	4	0
Financial investments		42,642	33,707	42,642	33,707
Equity accounted investments – PEXA Ltd		185,501	0	185,501	0
Subsidiary – Advvara Ltd	5.3	1,958	0	7,236	0
Cash distribution received from discontinued joint venture		0	120	0	120
Payments					
Purchase of -					
Property, plant and equipment and intangible assets		(11,878)	(13,790)	(11,876)	(13,790)
Financial investments		(52,939)	(43,703)	(52,939)	(43,703)
Equity accounted investments – PEXA Ltd		(212)	0	(212)	0
Net cash flows from investing activities		165,076	(23,666)	170,356	(23,666)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Finance lease payments		(4,057)	(3,721)	(4,057)	(3,721)
Net cash flows from financing activities		(4,057)	(3,721)	(4,057)	(3,721)
CASH FLOWS FROM STATE GOVERNMENT					
Receipts					
Service appropriation		30,150	26,253	30,150	26,253
Drawdowns from Amounts receivable for services (Holding Account)		830	4,666	830	4,666
Payments					
Income tax equivalents – payments		(55,637)	(5,553)	(55,637)	(5,553)
– refund		0	84	0	84
Dividends paid to Consolidated account		(144,596)	(6,060)	(144,596)	(6,060)
Net cash flows from State Government		(169,253)	19,390	(169,253)	19,390
Net change in cash and cash equivalents		(6,558)	1,627	2,079	(566)
Cash and cash equivalents at start of period		18,644	17,017	10,007	10,573
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.3	12,086	18,644	12,086	10,007

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019

1 Basis of preparation

The consolidated financial statements of the Group, comprise of the Western Australian Land Information Authority (Landgate) and its controlled entity (subsidiary), for the year ended 30 June 2019.

Although Landgate is required to operate on prudent commercial principles, Treasurer's Instruction 1101 *Application of Australian Accounting Standards and Other Pronouncements* deems it to be a not-for-profit entity for reporting under Australian Accounting Standards. The subsidiary is deemed to be a for-profit entity for reporting under Australian Accounting Standards. As Landgate is the controlling entity, the Group is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Group is a not-for-profit entity (as profit is not its principle objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the agency on 20 September 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- (1) The *Financial Management Act 2006 (FMA)*;
- (2) The Treasurer's Instructions (**the Instructions or TI**);
- (3) Australian Accounting Standards (**AAS**) – Reduced Disclosure Requirements; and
- (4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AAS. Several AAS are modified by the TI's to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These consolidated financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention except for land and buildings and the investment in PSMA Australia Limited which are measured at fair value. All values are rounded to the nearest thousand dollars (\$'000).

Basis of consolidation – subsidiaries

Subsidiaries are entities controlled by Landgate. Control exists where Landgate has:

- power over the entities, that is, existing rights that give it the current ability to direct the relevant activities of the entities (those that significantly affect the entities returns);
- exposure or rights to variable returns from its involvement with the entities; and
- the ability to use its power to affect those returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Landgate's financial statements account for the investment in the subsidiary at cost and the investment in the associate and joint venture using the equity method of accounting. Landgate recognises dividends from the subsidiary, associate, and joint venture when its right to receive the dividend is established.

Consolidated financial statements are prepared in accordance with *AASB 10 Consolidated Financial Statements* as modified by Treasurer's Instruction 1105.

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

1 Basis of preparation -- continued

In preparing consolidated financial statements, the financial statements of Landgate and the subsidiary have been combined line by line by adding together like items of assets, liabilities, income and expenses. To enable the consolidated financial statements to present financial information about the Group as that of a single economic entity, the:

- (a) carrying amount of Landgate's investment in each subsidiary and Landgate's portion of equity of each subsidiary are eliminated;
- (b) non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period are identified; and
- (c) non-controlling interests in the net assets of consolidated subsidiaries are separately identified from the equity that Landgate's shareholder holds in them. Non-controlling interests in the net assets consist of:
 - i. the amount of those non-controlling interests at the date of the original business combination calculated in accordance with *AASB 3 Business Combinations*; and
 - ii. the non-controlling interest's share of changes in equity since the date of the combination.

Details appear in Note 5.2 'Equity accounted investments' and in Note 5.3 'Subsidiary'.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions to the Group, other than as a result of restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations are designated as contributions by owners by Treasurer's Instruction 955 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and are credited directly to Contributed Equity.

The transfers of net assets to or from other Government agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

2 Our funding sources

How we obtain our funding

This section provides additional information about how the Group obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Group and the relevant notes are:

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Provision of services	2.1	93,489	97,155	93,489	97,155
Income from State Government	2.2	36,012	32,116	36,012	32,116
Sale of land, information, data and imagery	2.3	5,787	8,080	5,787	8,080
Interest and other revenue	2.4	5,428	5,266	4,610	2,772
Gains and losses	2.5				

2.1 Provision of services

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Land title management fees (i)				
Search	28,384	30,300	28,384	30,300
Transfer	15,603	17,253	15,603	17,253
Mortgage	11,022	11,962	11,022	11,962
Discharge	11,795	12,274	11,795	12,274
Other (plan lodgements, caveats, applications, etc.)	12,640	12,613	12,640	12,613
	79,444	84,402	79,444	84,402
Other services				
Valuation service fees (ii)	12,638	11,297	12,638	11,297
Electronic Advice of Sale fees	1,112	1,174	1,112	1,174
Property Interest Report	295	282	295	282
	14,045	12,753	14,045	12,753
Total provision of services	93,489	97,155	93,489	97,155

(i) Includes revenue from government-related entities of \$1.662m (2018: \$0.531m).

(ii) Includes revenue from government-related entities of \$5.224m (2018: \$4.600m).

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction. Where the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

2.2 Income from State Government

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Service appropriation^(a)	5.5				
Appropriation revenue received during the reporting period		35,629	31,640	35,629	31,640
Services received free of charge^(b)					
Services were received free of charge from:					
State government-related entities:					
Department of Justice (provision of legal services)		334	425	334	425
Department of Primary Industries and Regional Development (provision of mapping/data services)		13	2	13	2
Department of Finance (provision of accommodation)		36	49	36	49
Total services received free of charge		383	476	383	476
Total income from State Government		36,012	32,116	36,012	32,116

(a) **Service appropriations** are recognised as revenues at fair values in the period in which the Group gains control of the appropriated funds. The Group gains control of appropriated funds that are deposited in the bank account or credited to the (holding account) held at Treasury. Service appropriations fund services delivered.

Appropriation revenue comprises of a cash component and a receivable. The receivable funds are restricted in that they can only be used for asset replacement based on the budgeted depreciation expense for the year.

(b) **Assets or services received free of charge** or for nominal cost that the Group would have purchased if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Consolidated Statement of Financial Position.

2.3 Sale of land information, data and imagery

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Property information and services (i)	1,984	2,675	1,984	2,675
Land information and services (i)	2,109	2,362	2,109	2,362
Consultancy services	679	1,548	679	1,548
Imagery	1,015	1,495	1,015	1,495
Total sale of land information, data and imagery	5,787	8,080	5,787	8,080

(i) Includes revenue from government-related entities of \$1.358m (2018: \$1.504m).

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

2.4 Interest and other revenue

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Interest revenue				
Financial investments	1,810	1,566	1,810	1,566
Operating bank account	1,749	361	1,663	295
	3,559	1,927	3,473	1,861
Other revenue				
Other services	704	2,455	0	24
Recovery of costs (i)	551	496	551	496
Project revenue (i)	550	328	522	331
Government Vehicle Scheme	64	60	64	60
	1,869	3,339	1,137	911
Total interest and other revenue	5,428	5,266	4,610	2,772

(i) Includes revenue from government-related entities of \$0.636m (2018: \$0.289m).

2.4 Interest and other revenue -- continued

Interest on the operating bank account and financial investments is recognised as the interest accrues. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. The amortisation of the premium (discount) on buying bonds or floating rate notes is deducted (added) to interest on financial investments.

Other revenue is recognised from the sale of goods and services when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably. Where rendering of services cannot be estimated reliably, revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

2.5 Gains and losses

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
(a) Gain on equity accounted investments	5.2				
Gain on dilution following share issue by PEXA Ltd		0	1,157	0	1,157
Adjustment of share of PEXA Ltd loss from prior year		0	86	0	86
Gain on sale of shares PEXA Ltd		153,496	0	153,496	0
		153,496	1,243	153,496	1,243
(b) Loss on equity accounted investments	5.2				
Share of PEXA Ltd loss		1,234	4,112	1,234	4,112
Share of earthmine Australia Pty Ltd loss (i)		0	36	0	36
(i) earthmine Australia Pty Ltd wound-up in 2018.		1,234	4,148	1,234	4,148
(c) Gain on disposal of subsidiary					
Gain on sale of shares in Advava Ltd	5.3	3,550	0	7,236	0
(d) Gain/(Loss) on disposal of property, plant, equipment and intangibles					
Proceeds from sale of non-current assets		4	0	4	0
Non-current assets disposed:					
Cost		10,314	1,002	10,314	1,002
Less: accumulated depreciation		(10,300)	(966)	(10,300)	(966)
Carrying amount of non-current assets disposed		14	36	14	36
Net loss on disposal of property, plant, equipment and intangibles		(10)	(36)	(10)	(36)
(e) Foreign exchange					
Gain on foreign currency exchange		58	17	58	17
Loss on foreign currency exchange		(64)	0	0	0
Total foreign exchange gain/(loss)		(6)	17	58	17
(f) Other gains					
Asset revaluation surplus	4.1 & 8.9				
Net revaluation increments/(decrements)					
- Building under finance lease		1,917	0	1,917	0
- Land under finance lease		(24)	0	(24)	0
- Land reserves		37	8	37	8
		1,930	8	1,930	8
Fair value reserve	8.9				
Net change in fair value - PSMA Ltd	5.2(c)	407	0	407	0
Total Other Gains – Other Comprehensive Income		2,337	8	2,337	8

Western Australian Land Information Authority (Landgate)
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2.5 Gains and losses -- continued

Realised and unrealised gains or losses are usually recognised on a net basis. These include gains or losses arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains or losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of Comprehensive Income (from the proceeds of sale).

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and building.

3 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Group's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Group in achieving its objectives and the relevant notes are:

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Employee benefits	3.1 (a)	55,135	67,421	52,902	65,209
Employee related provisions	3.1 (b)	13,020	13,021	13,020	12,966
Other expenditures	3.2	40,892	43,249	43,494	45,016

3.1 (a) Employee benefits

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Salaries (i), (ii)	48,941	52,509	47,306	50,383
Termination benefits	1,343	9,701	837	9,701
Superannuation – defined contribution plans (iii)	4,851	5,211	4,759	5,125
Total employee benefits	55,135	67,421	52,902	65,209

(i) Includes recoup of costs of \$0.196m (2018: \$0.096m) from government-related entity.

(ii) This includes a superannuation contribution component. Employment on-costs such as workers compensation insurance and payroll tax are included at Note 3.2 'Other expenses'. The employment on-costs liability is included at Note 3.1(b) 'Employee related provisions'.

(iii) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Scheme (GESBs) and other eligible funds.

Salaries

Employee expenses include all costs related to employment wages and salaries, fringe benefits tax and leave entitlements.

3.1 (a) Employee benefits -- continued

Termination benefits

These are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Group is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation

The amount recognised in the profit or loss of the Consolidated Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The Landgate employer contributions paid to the Government Employees Superannuation Board (GESB) in respect of GSS is paid back into the Consolidated Account.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Group purposes because the concurrent contributions (defined contributions) made by the Group to GESB extinguishes the Group's obligations to the related superannuation liability.

The Group does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Group to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

3.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Current				
<u>Employee related provisions</u>				
Annual leave ^(a)	4,110	3,964	4,110	3,909
Long service leave ^(b)	5,680	5,825	5,680	5,825
Deferred salary scheme ^(c)	32	36	32	36
	9,822	9,825	9,822	9,770
<u>Other provisions</u>				
Employment on-costs provisions ^(d)	559	567	559	567
Total current employee related provisions	10,381	10,392	10,381	10,337
Non-current				
<u>Employee related provisions</u>				
Long service leave ^(b)	2,496	2,484	2,496	2,484
<u>Other provisions</u>				
Employment on-costs provisions ^(d)	143	145	143	145
Total non-current employee related provisions	2,639	2,629	2,639	2,629
Total employee related provisions	13,020	13,021	13,020	12,966

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

3.1 (b) Employee related provisions -- continued

a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual liability settlement will occur as follows:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Within 12 months of the end of the reporting period	2,966	2,900	2,966	2,845
More than 12 months after the end of the reporting period	1,144	1,064	1,144	1,064
	4,110	3,964	4,110	3,909

The provision of annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Group has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service. Assessments indicate that actual liability settlement is expected to occur as follows:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Within 12 months of the end of the reporting period	1,753	1,763	1,753	1,763
More than 12 months after the end of the reporting period	6,423	6,546	6,423	6,546
	8,176	8,309	8,176	8,309

The provision for long service leave are calculated at present value as the Group does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. The payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity to match, as closely as possible, the estimated future cash outflows.

(c) Deferred salary scheme liabilities: classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. The provision for deferred leave relates to Group employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave this scheme at their discretion at any time. Actual settlement of the liabilities is expected to occur as follows:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Within 12 months of the end of the reporting period	32	36	32	36
More than 12 months after the end of the reporting period	0	0	0	0
	32	36	32	36

3.1 (b) Employee related provisions -- continued

(d) Employment on-costs: The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers compensation insurance and payroll tax. The provisions represent the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of Note 3.2 'Other expenditures' and are not included as part of the Group's Note 3.1 (a) 'Employee benefits expense'. The related liability is included in Note 3.1(b) 'Employment related provisions'.

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Carrying amount at start of the reporting period	712	820	712	820
Additional provisions recognised	350	354	350	354
Reductions as employees take leave	(360)	(462)	(360)	(462)
Carrying amount at end of the reporting period	702	712	702	712

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimations and assumptions used in calculating the Group's long service leave provision. These include:

- Expected future salary rates;
- Discount rates;
- Employee retention rates; and
- Expected future payments.

Changes in these estimations and assumptions may affect the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

3.2 Other expenditures

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Supplies and services				
Services and contracts – Information Technology (i)	21,618	21,160	24,926	23,296
Services and contracts – other (ii)	7,089	7,668	7,155	8,528
Communications	606	681	603	706
Consultancy (including legal)	669	833	506	690
Travel	416	373	325	338
Consumables, other supplies and services	120	171	120	171
Total supplies and services expenses	30,518	30,886	33,635	33,729
(i) Includes payments to government-related entities of \$0.101m in 2019 for IT related services.				
(ii) Includes payments to government-related entities of \$0.200m (2018: \$0.214m) for motor vehicle leasing costs.				
Accommodation expenses				
Building maintenance and operation (i)	3,036	3,049	3,036	3,049
Lease rentals (i)	525	649	521	649
Contingent rent – building and land (i)	512	424	512	424
Minor works and alterations (i)	99	111	99	111
Other outgoings	68	241	65	238
Utility and statutory charges	56	84	56	84
Total accommodation expenses	4,296	4,558	4,289	4,555
(i) Includes payments of \$4.179m (2018: \$3.740m) to a government-related entity.				
Other expenses				
Employment on-costs (including payroll tax and workers' compensation insurance)	2,942	3,269	2,857	3,166
Other staffing costs	754	890	654	646
Insurance	497	322	441	256
Staff recruitment	317	904	295	788
Grants and subsidies	252	139	252	139
Fringe benefits tax	175	213	89	106
Postage	169	121	152	121
Legal costs	162	318	40	45
Board and committee fees	140	211	139	161
Bank charges	132	168	131	167
Advertising	103	142	103	142
Minor purchases	83	137	83	137
Membership fees	78	68	78	68
Books, magazines, Acts and subscriptions	63	83	63	83
Printing costs	49	24	49	24
Repairs and maintenance	45	73	26	72
Hire charges (equipment, venues, etc.)	29	71	29	71
Sponsorship	23	60	23	60
Compensation (Transfer of Land Act and Act of Grace payments)	12	33	12	33
Other minor expenses	53	559	54	447
Total other expenses	6,078	7,805	5,570	6,732
Total other expenditures	40,892	43,249	43,494	45,016

3.2 Other expenditures -- continued

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses:

Operating lease payments are recognised on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. [AASB 117.33]

The Group has entered into several leases of buildings for branch office accommodation. Some of these building leases are temporary in nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. A significant component is employment on-costs. Employment on-costs includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) 'Employee related provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018, **expected credit losses expense** is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 5.1 'Movement of the allowance for impairment of receivables'.

The Group also recognised expected credit losses from 2018 on financial investments. Please refer to Note 5.4 'Financial investments'.

4 Key assets

Assets the Group utilises for economic benefit or service potential

This section includes information regarding the key assets the Group utilises to gain economic benefits or provide service potential. This section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Property, plant and equipment	4.1	52,945	52,493	52,945	52,472
Intangibles	4.2	42,550	45,906	42,550	45,906

Western Australian Land Information Authority (Landgate)
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4.1 Property, plant and equipment

Year ended 30 June 2018	CONSOLIDATED									TOTAL (\$'000)
	Building (i)	Land (i)	Furniture	Plant	Work in Progress Plant	Equipment	Computer Equipment	Leasehold Improvements	Work in Progress Leasehold Improvements	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
1 July 2017										
Gross carrying amount	34,300	12,133	116	1,569	0	2,306	8,114	15,835	190	74,563
Accumulated depreciation / amortisation	0		(98)	(471)		(1,556)	(6,868)	(11,481)		(20,474)
Carrying amount at start of period	34,300	12,133	18	1,098	0	750	1,246	4,354	190	54,089
Additions	0	0	81	0	18	185	643	190	928	2,045
Transfers	0	0	0	0	0	0	0	0	(190)	(190)
Disposals	0	0	0	0	0	(2)	(9)	0	0	(11)
Revaluation increments / (decrements)	0	8	0	0	0	0	0	0	0	8
Depreciation / amortisation	(1,307)		(8)	(78)		(154)	(674)	(1,227)		(3,448)
Impairment loss	0	0	0	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2018	32,993	12,141	91	1,020	18	779	1,206	3,317	928	52,493
Gross carrying amount	34,300	12,141	197	1,569	18	2,398	7,909	16,025	928	75,485
Accumulated depreciation	(1,307)		(106)	(549)		(1,619)	(6,703)	(12,708)		(22,992)

(i) This includes the Midland building and land (both under finance leases). Land also includes reserves that were administered by the Department of Planning, Lands and Heritage (DPLH) but were transferred to Landgate from 1 July 2008.

4.1 Property, plant and equipment -- continued

Year ended 30 June 2019	CONSOLIDATED									TOTAL (\$'000)
	Building (i) (\$'000)	Land (i) (\$'000)	Furniture (\$'000)	Plant (\$'000)	Work in Progress Plant (\$'000)	Equipment (\$'000)	Computer Equipment (\$'000)	Leasehold Improvements (\$'000)	Work in Progress Leasehold Improvements (\$'000)	
1 July 2018										
Gross carrying amount	34,300	12,141	197	1,569	18	2,398	7,909	16,025	928	75,485
Accumulated depreciation / amortisation	(1,307)		(106)	(549)		(1,619)	(6,703)	(12,708)		(22,992)
Carrying amount at start of period	32,993	12,141	91	1,020	18	779	1,206	3,317	928	52,493
Additions	0	0	0	16	(4)	14	504	1,546	1,467	3,543
Transfers	0	0	(81)	0	(12)	0	0	0	(1,433)	(1,526)
Disposals	0	0	0	0	0	0	(3)	0	0	(3)
Revaluation increments / (decrements)	1,917	13	0	0	0	0	0	0	0	1,930
Depreciation / amortisation	(1,306)		(6)	(86)		(138)	(584)	(1,107)		(3,227)
Impairment loss	0	0	0	0	0	0	0	0	(258)	(258)
Adjustments	0	0	0	0	0	0	(7)	0	0	(7)
Carrying amount at 30 June 2019	33,604	12,154	4	950	2	655	1,116	3,756	704	52,945
Gross carrying amount	33,604	12,154	116	1,587	2	2,412	7,839	17,572	704	75,990
Accumulated depreciation	0		(112)	(637)		(1,757)	(6,723)	(13,816)		(23,045)

(i) This includes the Midland building and land (both under finance leases). Land also includes reserves that were administered by the Department of Planning, Lands and Heritage but were transferred to Landgate from 1 July 2008.

Western Australian Land Information Authority (Landgate)
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4.1 Property, plant and equipment -- continued

Year ended 30 June 2018	LANDGATE									TOTAL (\$'000)
	Building (i)	Land (i)	Furniture	Plant	Work in Progress Plant	Equipment	Computer Equipment	Leasehold Improvements	Work in Progress Leasehold Improvements	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	
1 July 2017										
Gross carrying amount	34,300	12,133	116	1,569	0	2,306	8,081	15,835	190	74,530
Accumulated depreciation / amortisation	0		(98)	(471)		(1,556)	(6,867)	(11,481)		(20,473)
Carrying amount at start of period	34,300	12,133	18	1,098	0	750	1,214	4,354	190	54,057
Additions	0	0	81	0	18	185	643	190	928	2,045
Transfers	0	0	0	0	0	0	0	0	(190)	(190)
Disposals	0	0	0	0	0	(2)	(9)	0	0	(11)
Revaluation increments / (decrements)	0	8	0	0	0	0	0	0	0	8
Depreciation / amortisation	(1,307)		(8)	(78)		(154)	(663)	(1,227)		(3,437)
Impairment loss	0	0	0	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2018	32,993	12,141	91	1,020	18	779	1,185	3,317	928	52,472
Gross carrying amount	34,300	12,141	197	1,569	18	2,398	7,876	16,025	928	75,452
Accumulated depreciation	(1,307)		(106)	(549)		(1,619)	(6,691)	(12,708)		(22,980)

(i) This includes the Midland building and land (both under finance leases). Land also includes reserves that were administered by the Department of Planning, Lands and Heritage (DPLH) but were transferred to Landgate from 1 July 2008.

4.1 Property, plant and equipment -- continued

Year ended 30 June 2019	LANDGATE									TOTAL (\$'000)
	Building (i) (\$'000)	Land (i) (\$'000)	Furniture (\$'000)	Plant (\$'000)	Work in Progress Plant (\$'000)	Equipment (\$'000)	Computer Equipment (\$'000)	Leasehold Improvements (\$'000)	Work in Progress Leasehold Improvements (\$'000)	
1 July 2018										
Gross carrying amount	34,300	12,141	197	1,569	18	2,398	7,876	16,025	928	75,452
Accumulated depreciation / amortisation	(1,307)		(106)	(549)		(1,619)	(6,691)	(12,708)		(22,980)
Carrying amount at start of period	32,993	12,141	91	1,020	18	779	1,185	3,317	928	52,472
Additions	0	0	0	16	(4)	14	503	1,546	1,467	3,542
Transfers	0	0	(81)	0	(12)	0	0	0	(1,433)	(1,526)
Disposals	0	0	0	0	0	0	(3)	0	0	(3)
Revaluation increments / (decrements)	1,917	13	0	0	0	0	0	0	0	1,930
Depreciation / amortisation	(1,306)		(6)	(86)		(138)	(569)	(1,107)		(3,212)
Impairment loss	0	0	0	0	0	0	0	0	(258)	(258)
Adjustments	0	0	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2019	33,604	12,154	4	950	2	655	1,116	3,756	704	52,945
Gross carrying amount	33,604	12,154	116	1,587	2	2,412	7,839	17,572	704	75,990
Accumulated depreciation	0		(112)	(637)		(1,757)	(6,723)	(13,816)		(23,045)

(i) This includes the Midland building and land (both under finance leases). Land also includes reserves that were administered by the Department of Planning, Lands and Heritage but were transferred to Landgate from 1 July 2008.

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4.1 Property, plant and equipment -- continued

Initial recognition

Items of property, plant and equipment (land, building, furniture, plant, equipment, computer equipment and leasehold improvements) costing \$1,000 or more are recognised initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items costing less than \$1,000 are expensed directly to the Consolidated Statement of Comprehensive Income (except where they form part of a group of similar items that are significant in total, in which case they are capitalised).

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to their fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of:

- land; and
- buildings.

Land is carried at fair value less accumulated impairment losses.

Buildings are carried at fair value less accumulated depreciation and less accumulated impairment losses.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation or amortisation and accumulated impairment losses.

The Midland Building and Land are valued annually by the Valuer General (Valuations and Property Analytics, Landgate) and will be assessed by the Group each year. Where the Midland building valuation differs materially (more than 5%) from its carrying amount, the valuation of the Midland building will be brought to account. Otherwise Midland building and land is revalued at least every 5 years.

The Midland building and land was revalued at 1 July 2018 by an independent valuer (McGees Property). The valuations were performed during the year ended 30 June 2019. As the valuations were materially different to the carrying amounts the valuations have been adopted and brought to account. In undertaking the revaluation, fair value was determined by reference to market values for land and buildings.

The land reserves are valued annually by the Valuer General (Valuations and Property Analytics, Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. The land reserves were revalued as at 1 July 2018 by the Valuer General. The valuations were performed during the year and recognised at 30 June 2019. The fair values of the land reserves have been determined by reference to recent market transactions.

Derecognition

On disposal or derecognition of an item of land and building, any revaluation surplus relating to that item is retained in the asset revaluation surplus.

Revaluation model:

1 Fair value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. This is typically the case for land within the Perth metropolitan area. On revaluing buildings, the accumulated depreciation is eliminated against the asset cost amount and the amount is then restated to the revalued amount.

2 Fair value in the absence of market-based evidence:

Land outside the Perth metropolitan area is valued on the basis of existing use, where market-based evidence is not available.

4.1 Property, plant and equipment -- continued

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of land and building assets on a class of asset basis.

Depreciation, amortisation and impairment

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
<i>Depreciation</i>				
Property, plant and equipment	814	914	799	903
Buildings	1,306	1,307	1,306	1,307
	2,120	2,221	2,105	2,210
<i>Amortisation</i>				
Leasehold improvements	1,107	1,227	1,107	1,227
Total depreciation and amortisation for the period	3,227	3,448	3,212	3,437
<i>Impairment</i>				
Property, plant and equipment	0	0	0	0
Buildings	0	0	0	0
Leasehold improvements	258	0	258	0
Total impairment for the period	258	0	258	0

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated or amortised over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation or amortisation is calculated using the straight-line method, using rates that are reviewed annually. Estimated useful lives for each class of depreciable assets are:

Asset Class	Years
Building	50
Furniture	11
Plant	15 to 20
Equipment	5 to 15
Computer equipment	3 to 5
Leasehold improvements	8 to 15

Leasehold improvements are depreciated over the shorter of the lease term and their useful life. Leasehold improvements under development are classified as 'Works in Progress'.

Land is considered to have an indefinite life and is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

Western Australian Land Information Authority (Landgate)
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4.1 Property, plant and equipment -- continued

Impairment

Property, plant and equipment are tested for indications of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. If this recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Group is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

Leasehold improvements under development are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

4.2 Intangible assets

CONSOLIDATED			
Year ended 30 June 2018	Intangible Assets (\$'000)	Work in Progress Intangible Assets (\$'000)	TOTAL (\$'000)
1 July 2017			
Gross carrying amount	131,979	10,828	142,807
Accumulated depreciation / amortisation	(98,257)		(98,257)
Carrying amount at start of period	33,722	10,828	44,550
Additions	12,640	11,852	24,492
Transfers	0	(12,610)	(12,610)
Disposals	(25)	0	(25)
Revaluation increments / (decrements)	0	0	0
Depreciation / amortisation	(10,479)		(10,479)
Impairment loss	0	(22)	(22)
Adjustments	0	0	0
Carrying amount at 30 June 2018	35,858	10,048	45,906
Gross carrying amount	144,558	10,048	154,606
Accumulated depreciation	(108,700)		(108,700)

4.2 Intangible assets -- continued

CONSOLIDATED			
Year ended 30 June 2019	Intangible Assets	Work in Progress Intangible Assets	TOTAL
	(\$'000)	(\$'000)	(\$'000)
1 July 2018			
Gross carrying amount	144,558	10,048	154,606
Accumulated depreciation / amortisation	(108,700)		(108,700)
Carrying amount at start of period	35,858	10,048	45,906
Additions	11,811	9,962	21,773
Transfers	0	(11,843)	(11,843)
Disposals	(11)	0	(11)
Revaluation increments / (decrements)	0	0	0
Depreciation / amortisation	(11,476)		(11,476)
Impairment loss	0	(1,799)	(1,799)
Adjustments	0	0	0
Carrying amount at 30 June 2019	36,182	6,368	42,550
Gross carrying amount	146,594	6,368	152,962
Accumulated depreciation	(110,412)		(110,412)

LANDGATE			
Year ended 30 June 2018	Intangible Assets	Work in Progress Intangible Assets	TOTAL
	(\$'000)	(\$'000)	(\$'000)
1 July 2017			
Gross carrying amount	131,979	10,828	142,807
Accumulated depreciation / amortisation	(98,257)		(98,257)
Carrying amount at start of period	33,722	10,828	44,550
Additions	12,640	11,852	24,492
Transfers	0	(12,610)	(12,610)
Disposals	(25)	0	(25)
Revaluation increments / (decrements)	0	0	0
Depreciation / amortisation	(10,479)		(10,479)
Impairment loss	0	(22)	(22)
Adjustments	0	0	0
Carrying amount at 30 June 2018	35,858	10,048	45,906
Gross carrying amount	144,558	10,048	154,606
Accumulated depreciation	(108,700)		(108,700)

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

4.2 Intangible Assets -- continued

LANDGATE			
Year ended 30 June 2019	Intangible Assets (\$'000)	Work in Progress Intangible Assets (\$'000)	TOTAL (\$'000)
1 July 2018			
Gross carrying amount	144,558	10,048	154,606
Accumulated depreciation / amortisation	(108,700)		(108,700)
Carrying amount at start of period	35,858	10,048	45,906
Additions	11,811	9,962	21,773
Transfers	0	(11,843)	(11,843)
Disposals	(11)	0	(11)
Revaluation increments / (decrements)	0	0	0
Depreciation / amortisation	(11,476)		(11,476)
Impairment loss	0	(1,799)	(1,799)
Adjustments	0	0	0
Carrying amount at 30 June 2019	36,182	6,368	42,550
Gross carrying amount	146,594	6,368	152,962
Accumulated depreciation	(110,412)		(110,412)

Initial recognition

Acquired and internally generated intangible assets costing \$5,000 or more are capitalised. Costs incurred below these thresholds are expensed directly to the Consolidated Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The value of intangible assets includes:

- major computer software packages acquired plus costs associated with preparing the software for its intended use; and
- major internally developed software plus the associated development costs.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probably future economic benefit;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Intangible assets under development are classified as 'Works in Progress'.

Subsequent measurement

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.2 Intangible assets -- continued

Research and development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured. Other development costs are expensed as incurred.

See below 'Impairment of intangible assets' for the outcome of impairment reviews and testing.

Amortisation and impairment

Charge for the period	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Amortisation				
Service delivery software	11,476	10,479	11,476	10,479
Total amortisation for the period	11,476	10,479	11,476	10,479
Impairment				
Service delivery software	0	0	0	0
Service delivery software under development	1,799	22	1,799	22
Total impairment for the period	1,799	22	1,799	22

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All Group intangible assets have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The expected useful lives for intangible assets are:

- Service delivery software and related project costs 2-12 years

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

Service delivery software under development is also tested for impairment annually or when an indication of impairment is identified.

The impairment loss is recognised in the reporting period and no accumulated impairment loss is reported.

The policy in connection with testing for impairment is outlined in Note 4.1.

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5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Group's operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Receivables	5.1	14,093	13,760	14,093	14,128
Equity accounted investments	5.2	2,670	33,026	2,670	33,026
Subsidiary	5.3				
Financial investments	5.4	72,917	62,731	72,917	62,731
Amounts receivable for services	5.5	33,773	29,124	33,773	29,124
Other assets	5.6	3,811	3,019	3,811	2,964
Taxation equivalent including Deferred tax assets	5.7				
Payables	5.8	(4,763)	(9,759)	(4,763)	(6,215)
Other liabilities	5.9	(2,816)	(3,948)	(2,816)	(3,814)

5.1 Receivables

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
<u>Current</u>				
Trade receivables (i)	7,286	9,441	7,286	9,204
Income tax refund receivable	1,298	0	1,298	0
Accrued revenue (ii)	4,694	2,361	4,694	2,361
Goods and services tax	822	557	822	1,162
	14,100	12,359	14,100	12,727
Less: Allowance for impairment of receivables	7	26	7	26
Total current	14,093	12,333	14,093	12,701
<u>Non-current</u>				
Accrued revenue (ii)	0	1,427	0	1,427
Total non-current	0	1,427	0	1,427
Total receivables	14,093	13,760	14,093	14,128

(i) Amounts owed by government-related entities of \$0.856m (2018: \$0.680m)

(ii) Amounts owed by government-related entities of \$1.293m (2018: \$2.303m)

Trade receivables are recognised at original invoice amount less any allowances for expected credit losses. The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days. The Group does not hold any collateral or other credit enhancements as security for receivables with the exception of Bank Guarantees for selected high volume customers.

The accrued revenue receivable relates primarily to work carried out by the Valuer General (Valuations and Property Analytics, Landgate) in valuing all Western Australian properties in the Perth metropolitan area over a 3-year cycle (the 'triennium'). No allowance for impairment is made for accrued revenue as the amounts are owed by government customers. In addition, no credit risk is calculated for government receivables as collection is imminent.

5.1 Receivables -- continued

Movement of the allowance for impairment of receivables	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Reconciliation of changes in the allowance for impairment of trade receivables:					
Balance at start of period		26	16	26	16
Remeasurement under AASB 9	8.3	(19)	0	(19)	0
Restated balance at start of period		7	16	7	16
Doubtful debts expense recognised in comprehensive income		0	14	0	14
Expected credit losses expense		7	0	7	0
Amounts written off during the year	8.8	(7)	(4)	(7)	(4)
Balance at end of period		7	26	7	26

See note 7.1 'Financial Risk Management'.

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 7.1(c) 'Financial instruments disclosures'.

5.2 Equity accounted investments

Under the equity method the investment is recorded initially at cost, including the value of any goodwill on acquisition. In subsequent periods, the carrying amount of the investment is adjusted to reflect the Group's share of its post-acquisition profit or loss and other comprehensive income. Dividends received from the investee reduce the carrying amount of the investment.

Where the carrying amount of the investment is zero after having applied equity accounting principles, the Group discontinues recognising its share of any further losses. If the investee subsequently reports profits, the Group then recognises its share of profits only after its share of profits equals the share of losses not recognised.

After application of the equity method, the value of the investment is assessed for impairment to determine if there is objective evidence that an impairment of the investment may have occurred.

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
a) Interest in associate	0	33,026	0	33,026
b) Interest in joint ventures	0	0	0	0
c) Other	2,670	0	2,670	0
	2,670	33,026	2,670	33,026

a) Interest in associate

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control.

The investment in the associate is accounted for in the consolidated financial statements using the equity method of accounting.

If the Group holds 20 percent or more of the voting power of an entity, it is presumed to have significant influence, unless it can clearly demonstrate that this is not the case. Significant influence can also arise if the Group holds less than 20 percent of the voting power but it can demonstrate that it has the power to participate in the financial and policy decisions of the associate.

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5.2 Equity accounting investments -- continued

Investments in the associate are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the investment is considered impaired and is written down to the recoverable amount with an impairment loss being recognised.

Name	Principal place of business	Nature of Interest	Ownership interest (%) 2019	Ownership interest (%) 2018
Property Exchange Australia Ltd	Melbourne	Associate	0.00	11.83

The objective of Property Exchange Australia Ltd (PEXA Ltd) is to create and operate an efficient, competitive system to settle real property transactions, lodge instruments with Land Registries, and pay associated duty and tax obligations electronically.

The Group's interest in PEXA Ltd is disclosed as an associate in accordance with *AASB 128 Investments in Associates and Joint Ventures* using the equity method of accounting because management had determined that the Group had significant influence over PEXA Ltd.

The Group sold its 11.83% equity interest in PEXA Ltd on 16 January 2019 for \$185.501m. The total proceeds, net of the transactions costs, were returned to the State in 2018/19 via the payment of NTER income tax and interim dividend.

Summary financial information of the Associate

The summarised financial information below is 100 percent of the amounts from the associate's financial statements prepared in accordance with Australian Accounting Standards under Group accounting policies. Notes to the table reconcile the carrying amount of the associate and Landgate's share of the associate's net assets.

	CONSOLIDATED		LANDGATE	
	2019 (i) (\$'000)	2018 (\$'000)	2019 (i) (\$'000)	2018 (\$'000)
Current assets	62,223	77,719	62,223	77,719
Non-current assets	70,477	69,584	70,477	69,584
Current liabilities	(19,744)	(24,540)	(19,744)	(24,540)
Non-current liabilities	(1,000)	(406)	(1,000)	(406)
Net assets	111,956	122,357	111,956	122,357
Group share of net assets	13,244	14,478	13,244	14,478
Goodwill (ii)	18,548	18,548	18,548	18,548
Carrying amount of interest in associate	31,792	33,026	31,792	33,026
Revenue	52,853	66,828	52,853	66,828
Expenses	(63,285)	(101,584)	(63,285)	(101,584)
Total profit/(loss) and other comprehensive income	(10,432)	(34,756)	(10,432)	(34,756)
Group share of profit/(loss) and other comprehensive income	(1,234)	(4,112)	(1,234)	(4,112)
Dividends received by the Group	0	0	0	0

(i) Based on PEXA Ltd's (unaudited) management accounts as at 31 December 2018.

(ii) In 2014/15, Landgate recognised goodwill, which is included in the carrying amount of the investment. Goodwill is the difference between the carrying amount of the PEXA Ltd investment on Landgate's Statement of Financial Position, and Landgate's portion of the net fair value of PEXA Ltd's identifiable assets and liabilities, calculated when PEXA Ltd became an associate.

5.2 Equity accounting investments -- continued

The table below reconciles the carrying value of PEXA Ltd as reported in the Group's financial statements and the Group's share of net assets in PEXA Ltd as at 31 December 2018:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Investment held at start of period	33,026	35,895	33,026	35,895
Gain on dilution following share issue (i)	0	1,157	0	1,157
Adjustment to share of loss from 2016/17 (ii)	0	86	0	86
Share of operating profit/(loss) of PEXA Ltd	(1,234)	(4,112)	(1,234)	(4,112)
Carrying value at date of sale	(31,792)	0	(31,792)	0
Investment held at end of period	0	33,026	0	33,026

(i) PEXA Ltd issued \$17.7m worth of shares in August 2017. The Group did not participate in the share issue, which resulted in its shareholding being diluted from 12.15% to 11.83%. The share dilution resulted in a gain on \$1.157m.

(ii) In 2016/17, the Group recognised its share of the PEXA Ltd loss in its financial statements being \$9.719m. In 2017/18, the Group amended its share of the loss downwards by \$0.086m to \$9.633m following the receipt of PEXA Ltd's audited financial statements. This was recognised in Note 2.5(a) 'Gain on equity accounted investments'.

b) Interest in joint ventures

A joint venture is a joint arrangement in which the parties with joint control have rights to the net assets of the arrangement. The Group accounts for joint ventures using the equity method.

Investments in joint ventures are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the investment is considered impaired and is written down to the recoverable amount with an impairment loss being recognised.

The Group held interest in two joint ventures however these were not reported in the financial statements as they were immaterial.

Name of Joint Venture	Principal place of business	Principal Activity	Ownership interest (%) 2019	Ownership interest (%) 2018
Western Australian Satellite Technology and Applications Consortium – X Band Facility (i)	Perth	The joint venture's purpose includes acquiring and processing data for weather forecasting, monitoring environmental conditions, and technical research.	0%	42.9%
Western Australian Satellite Technology and Applications Consortium – L Band Facility (i)	Perth	The joint venture's purpose includes facilitating the reception of earth observation data and maintaining an archive of remotely sensed data received from various satellites	0%	25%

- (i) Each Facility is managed by a Board in accordance with the Agreement that set up the Facility. In 2017, the Group paid annual contributions towards operations and maintenance of \$20,000 for X Band and of \$10,000 for L Band. No annual contributions were made in 2018 nor in 2019. As per the 'Deed of Amendment, Expiry and Release', both X Band Facility and L Band Facility Agreements expired/wound up 31 December 2018. \$135,138 was transferred to Landgate under the 'Deed of Amendment, Expiry and Release' to continue operation and ultimately dispose of the X Band facility located at Murdoch University.

(c) Other

Name of Financial Instrument	Principal place of business	Principal Activity	Ownership interest (%) 2018	Ownership interest (%) 2017
PSMA Australia Limited	Australia	Building national data sets and licensing use of the data from those sets.	11%	11%

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The Group has a financial instrument of one ordinary share in PSMA Australia Limited (PSMA), an unlisted public company limited by shares, incorporated under the *Corporations Act 2001*. PSMA has 9 shareholders: the Commonwealth of Australia and each Australian State and Territory Government, each of whom holds one fully paid \$1 share. The Group represents the Government of Western Australia on the Board of PSMA. As the Group owns only one-ninth of the issued capital it does not have control or significant influence over the financial and operating policy decisions of PSMA.

PSMA's primary purpose is to build national data sets. All shareholders contribute data at no cost and PSMA's activities are funded from the revenues it receives from data licensing and data supply contracts with third parties. Part of this revenue is distributed back to the shareholders at a rate determined by the Directors of PSMA.

From 2018, the Group recognised for the first time the equal one ninth share of PSMA at fair value in accordance with *AASB 9 Financial Instruments*. Fair value was determined by using the Group's ownership interest of 11% against the PSMA net asset value at 30 June 2018 balance date (30 June 2019 audited net asset value was not available). Any unrealised gains and losses will be recognised through Other Comprehensive Income.

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Equity accounted investments – recognition of PSMA at fair value					
Investment held at start of period		0	0	0	0
Initial application of Australian Accounting Standards	8.3	2,263	0	2,263	0
Change in fair value	8.9	407	0	407	0
Investment held at end of period		2,670	0	2,670	0

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
The Group received distributions (royalties) over the last two financial years of:				
Received in 2017/18 in respect of the 2016/17 financial year		97		97
Received in 2018/19 in respect of the 2017/18 financial year	120		120	
	120	97	120	97

Royalties revenue is reported in the Consolidated Statement of Comprehensive Income under Note 2.3 'Sale of land information, data and imagery'.

5.3 Subsidiary

Name	Principal place of business	Nature of Interest	Ownership interest (%) 2019	Ownership interest (%) 2018
Advara Ltd	Perth	Subsidiary	Landgate 0.00 Adecco 100.00	Landgate 77.78 Adecco 22.22

Landgate incorporated its subsidiary, Advara Ltd (Advara), on 23 December 2015 in Western Australia as a public company limited by shares. Landgate initially owned 100% of the shares in Advara. During 2016/17, Advara issued 2 million \$1 ordinary shares to Adecco Holdings Pty Ltd (a non-controlling interest) for \$2m, which reduced Landgate's share to 77.78%. Landgate retained effective control over Advara because of its majority shareholding.

As of 23 May 2019, Landgate has no significant influence on Advara due to the disposal of its 77.78% shareholding; accordingly, Landgate has derecognised related assets, liabilities and non-controlling interests in Advara.

5.3 Subsidiary -- continued

a) Consideration received

Landgate received cash proceeds of \$7.236m on the full disposal of its shareholding in Advara.

b) Analysis of assets and liabilities over which Landgate relinquished control through full share disposal

	23 May 2019 (\$'000)
Current assets	10,968
Non-current assets	295
Current liabilities	(6,523)
Non-current liabilities	0
Net assets deconsolidated	4,740

c) Gain/(loss) on deconsolidation of subsidiary

	23 May 2019 (\$'000)	Note
Consideration received	7,236	
Non-controlling interest derecognised	1,054	8.10
100% net assets derecognised	(4,740)	
Gain/(loss) on disposal	3,550	2.5

d) Net cash inflow arising on disposal of shares

	23 May 2019 (\$'000)
Cash consideration received	7,236
Cash and cash equivalents disposed of	(5,278)
Net cash inflow arising on disposal	1,958

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5.4 Financial investments

Held-to-maturity financial assets are:

Note	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Current				
Term deposits	28,939	31,657	28,939	31,657
Bonds	0	7,085	0	7,085
Floating rate notes	7,500	3,900	7,500	3,900
	36,439	42,642	36,439	42,642
Non-current				
Term deposits	24,000	0	24,000	0
Bonds	5,018	5,091	5,018	5,091
Floating rate notes	7,499	14,998	7,499	14,998
	36,517	20,089	36,517	20,089
less: Expected Credit Loss	39	0	39	0
	36,478	20,089	36,478	20,089
Total financial investments	72,917	62,731	72,917	62,731
Reconciliation of changes in the expected credit loss for investments:				
Balance at start of period	0	0	0	0
Remeasurement under AASB 9	8.3	27	27	0
Restated balance at start of period	27	0	27	0
Expected credit losses expense	12	0	12	0
Balance at end of period	39	0	39	0

The Group classifies financial investments as 'held-to-maturity financial assets' or 'available-for-sale financial assets'. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period. Investments not at fair value are initially recognised at cost, being the fair value of consideration given, including directly attributable transaction costs.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity financial assets when management has a positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification.

Held-to-maturity financial assets, such as bonds and floating rate notes, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

After initial recognition, investments classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised. At that time, the cumulative gain on loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. From 2018, based on the implementation of AASB 9, the Group recognised a loss allowance for expected credit loss to reflect the risk of a credit event.

5.5 Amounts receivable for services

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
	2.2				
Current		3,981	830	3,981	830
Non-current		29,792	28,294	29,792	28,294
Total amounts receivable for services		33,773	29,124	33,773	29,124

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

Landgate receives appropriation funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable may be accessed as cash funding to cover leave entitlements and asset replacement.

5.6 Other assets

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Prepayments				
Information and technology services	2,538	2,384	2,538	2,329
Other	7	81	7	81
	2,545	2,465	2,545	2,410
Accrued interest				
Interest on financial investments	590	469	590	469
Interest on operating bank account	676	85	676	85
	1,266	554	1,266	554
Total other assets	3,811	3,019	3,811	2,964

Other non-financial assets include prepayments and accrued interest.

Prepayments represent payments in advance of receipt of goods or service or that part of expenditure made in one accounting period covering a term extending beyond that period. Accrued interest is the amount of interest earned on the operating bank account and financial investments but not yet collected.

5.7 Taxation equivalent

The Group pays company income tax as follows:

Landgate operates within the National Tax Equivalent Regime (NTER) whereby an amount equivalent to company income tax, calculated as if Landgate were a private sector business, is paid to the Western Australian Department of Treasury. The calculation of the income tax liability is governed by NTER guidelines and directions approved by the State Government.

The subsidiary is subject to company income tax as a private-sector company, paying its tax to the Australian Taxation Office.

As a consequence of paying company income tax, the Group must report under *AASB 112 Income Taxes*.

The income tax expense, or income tax expense equivalent is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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5.7 Taxation equivalent -- continued

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Major components of income tax expense as at 30 June 2019 and 30 June 2018 are:				
(a) Income tax expense				
Current income tax				
Current income tax charge	54,455	4,365	53,853	3,700
Adjustments in respect of current income tax of previous year	(1)	80	(1)	80
Deferred income tax				
Relating to origination and reversal of temporary differences	1,803	248	2,071	248
Benefit from previously unrecognised tax loss used to reduce deferred tax expense	(20)	(14)	(1)	(14)
Total income tax expense (i)	56,237	4,679	55,922	4,014
(i) 2019 includes income tax expense associated with the Group's disposal of its equity investment and subsidiary.				
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Reconciliations of income tax expense/(benefits) applicable to accounting profit before income tax equivalents (at the statutory income tax rate) to income tax expense at the effective income tax rate for the periods ended 30 June 2019 and 30 June 2018 are as follows:				
Profit/(loss) before income tax equivalents	182,791	13,810	185,369	11,772
Tax at the statutory income tax rate of 30%	54,837	4,141	55,611	3,531
Non-deductible expenses	313	454	313	399
Temporary differences not recognised	1,108	18	0	18
Adjustments in respect of previous current income tax	(1)	80	(1)	80
Adjustments in respect of previous deferred income tax	(20)	(14)	(1)	(14)
Income tax expense/(benefit)	56,237	4,679	55,922	4,014

(c) Deferred income tax

The Group's deferred income tax assets and liabilities are attributable to the following:

	CONSOLIDATED					
	ASSETS		LIABILITIES		NET	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Receivables	(2)	(8)	203	26	201	18
Financial investments	(20)	(75)	2	1	(18)	(74)
Equity accounted investments	0	(1,754)	0	0	0	(1,754)
Subsidiary set up costs	(87)	(115)	0	0	(87)	(115)
Property, plant & equipment	(2,312)	(2,056)	3,289	2,981	977	925
Payables	(5)	(16)	0	0	(5)	(16)
Provisions	(4,592)	(4,578)	888	888	(3,704)	(3,690)
Tax (assets) liabilities	(7,018)	(8,602)	4,382	3,896	(2,636)	(4,706)
Tax set off	4,382	3,896	(4,382)	(3,896)	0	0
Net tax (assets) liabilities	(2,636)	(4,706)	0	0	(2,636)	(4,706)

5.7 Taxation equivalent -- continued

CONSOLIDATED							
Movement in temporary difference during the year	Balance 30 June 2017 (\$'000)	Recognised in income (\$'000)	Recognised in equity (\$'000)	Balance 30 June 2018 (\$'000)	Recognised in income (\$'000)	Recognised in equity (\$'000)	Balance 30 June 2019 (\$'000)
Receivables	16	2	0	18	183	0	201
Financial investments	(39)	(35)	0	(74)	56	0	(18)
Equity accounted investments	(901)	(853)	0	(1,754)	1,754	0	0
Subsidiary set up costs	(145)	30	0	(115)	28	0	(87)
Property, plant & equipment	471	454	0	925	52	0	977
Payables	(23)	7	0	(16)	11	0	(5)
Provisions	(4,319)	629	0	(3,690)	(14)	0	(3,704)
Tax (assets) liabilities	(4,940)	234	0	(4,706)	2,070	0	(2,636)

There are no unrecognised deferred tax assets.

Landgate's deferred income tax assets and liabilities are attributable to the following:

	Landgate					
	ASSETS		LIABILITIES		NET	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Receivables	(2)	(8)	203	26	201	18
Financial investments	(20)	(75)	2	1	(18)	(74)
Equity accounted investments	0	(1,754)	0	0	0	(1,754)
Subsidiary set up costs	(87)	(115)	0	0	(87)	(115)
Property, plant & equipment	(2,312)	(2,056)	3,289	2,981	977	925
Payables	(5)	(16)	0	0	(5)	(16)
Provisions	(4,592)	(4,578)	888	888	(3,704)	(3,690)
Tax (assets) liabilities	(7,018)	(8,602)	4,382	3,896	(2,636)	(4,706)
Tax set off	4,382	3,896	(4,382)	(3,896)	0	0
Net tax (assets) liabilities	(2,636)	(4,706)	0	0	(2,636)	(4,706)

Landgate							
Movement in temporary difference during the year	Balance 30 June 2017 (\$'000)	Recognised in income (\$'000)	Recognised in equity (\$'000)	Balance 30 June 2018 (\$'000)	Recognised in income (\$'000)	Recognised in equity (\$'000)	Balance 30 June 2019 (\$'000)
Receivables	16	2	0	18	183	0	201
Financial investments	(39)	(35)	0	(74)	56	0	(18)
Equity accounted investments	(901)	(853)	0	(1,754)	1,754	0	0
Subsidiary set up costs	(145)	30	0	(115)	28	0	(87)
Property, plant & equipment	471	454	0	925	52	0	977
Payables	(23)	7	0	(16)	11	0	(5)
Provisions	(4,319)	629	0	(3,690)	(14)	0	(3,704)
Tax (assets) liabilities	(4,940)	234	0	(4,706)	2,070	0	(2,636)

There are no unrecognised deferred tax assets.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rate expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a

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5.7 Taxation equivalent -- continued

business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to use those temporary differences and losses.

Current and deferred income tax equivalents are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the tax balances relate to the same taxation authority.

5.8 Payables

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Accrued expenses (i)	2,987	7,922	2,987	3,093
Trade payables	1,587	1,654	1,587	2,939
Accrued salaries	189	183	189	183
Total payables	4,763	9,759	4,763	6,215

(i) Includes balances relating to government-related entities of \$1.874m (2018: \$1.843m).

Payables are recognised at the amounts payable when the Group becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Group considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.9 Other liabilities

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Unearned project revenue (i)	1,214	2,149	1,214	2,149
Electronic advice of sale – fees payable to other parties (ii)	849	859	849	859
Payroll tax	215	311	215	224
Service revenue received in advance	315	303	315	303
Other liabilities	223	326	223	279
Total current	2,816	3,948	2,816	3,814
<u>Non-current</u>				
Other liabilities	0	0	0	0
Total non-current	0	0	0	0
Total other liabilities	2,816	3,948	2,816	3,814

(i) Includes balances of \$0.153m (2018: \$0.132m) from government-related entities.

(ii) During 2019, government related entities were paid \$3.154m (2018: \$2.938m) through this account. At 30 June 2019, \$0.186m (2018: \$0.160m) was owed to a government-related entity.

6 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Group.

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Finance leases	6.1	7,909	12,051	7,909	12,051
Finance costs	6.2	934	1,264	934	1,264
Cash and cash equivalents	6.3	12,086	18,644	12,086	10,007
Commitments	6.4	70,966	52,579	70,966	73,382

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6.1 Finance leases

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Finance lease commitments	3.2				
Minimum lease payments commitments in relation to finance leases are payable as follows:					
Within 1 year		5,076	5,076	5,076	5,076
Later than 1 year and not later than 5 years		3,596	8,672	3,596	8,672
Later than 5 years		0	0	0	0
Minimum finance lease payments		8,672	13,748	8,672	13,748
Less: future finance charges (interest)		(763)	(1,697)	(763)	(1,697)
Present value of finance lease liabilities		7,909	12,051	7,909	12,051
The present value of finance leases payable is as follows:					
Within 1 year		4,771	4,771	4,771	4,771
Later than 1 year and not later than 5 years		3,138	7,280	3,138	7,280
Later than 5 years		0	0	0	0
Present value of finance lease liabilities		7,909	12,051	7,909	12,051
Financial lease liabilities are included in the financial statements as:					
<u>Current</u>					
Building		4,313	3,970	4,313	3,970
Land		187	172	187	172
Total current		4,500	4,142	4,500	4,142
<u>Non-current</u>					
Building		3,267	7,579	3,267	7,579
Land		142	330	142	330
Total non-current		3,409	7,909	3,409	7,909
Balance at end of period		7,909	12,051	7,909	12,051

The finance lease payments are made to a government-related entity.

The land under the building is owned by the State of Western Australia and is leased to a private sector entity until 14 March 2021. The private sector entity has leased the land and building to the Group until 14 March 2021 after which full control passes to the Group on behalf of the State.

The lease contains an escalation clause under which the minimum lease payments are increased by the movement in the Consumer Price Index (CPI) every six months. Any excess of lease payments above the minimum lease payments set at lease inception in 15 September 1993 is deemed contingent rent and is expensed each year.

In September 2013, the lease payments (minimum lease payments plus contingent rent) were reset to an equivalent market rent. Any excess of the lease payments above the minimum lease payments set at the lease inception will continue to be accounted for as contingent rent. The new lease payments will then increase by the movement in the CPI every 6 months until the lease expires.

Apart from the September 2013 reset of lease payments, the lease has a 'ratchet clause' that prevents the lease payments from falling. In the event of payment default, the remaining lease payments become due and payable. The finance lease does not impose restrictions on the Group's financial operations such as dividends, debt or further leasing.

Finance lease rights and obligations are initially recognised, at the start of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The leased assets are disclosed as land and building under finance lease in Note 4.1 'Property, plant and equipment'. The building asset is depreciated over the period during which the Group is expected to benefit from its use.

6.1 Finance leases -- continued

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

6.2 Finance costs

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Finance lease charges				
- Building	895	1,211	895	1,211
- Land	39	53	39	53
Finance costs expensed	934	1,264	934	1,264

Finance costs includes the interest component of finance lease repayments and are paid to a government-related entity.

6.3 Cash and cash equivalents

Reconciliation of Cash

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Cash and cash equivalents	7.1				
Operating bank account		11,203	17,942	11,203	9,305
Cash on hand		11	18	11	18
Total cash and cash equivalents		11,214	17,960	11,214	9,323
Restricted cash and cash equivalents	7.1				
<u>Current</u>					
Rental bond (i)		7	7	7	7
Paid parental leave (i)		1	0	1	0
Indian Ocean Territories (i)	8.13	224	224	224	224
<u>Non-current</u>					
Accrued salaries suspense (ii)		640	453	640	453
Total restricted cash and cash equivalents		872	684	872	684
Balance at end of period		12,086	18,644	12,086	10,007

(i) Funds are held in the operating bank account and are restricted in that they can only be used for a designated purpose.

(ii) Funds held in the suspense account for the purpose of meeting the 27th pay in reporting period that occurs every 11th year. The next 27th pay will occur on 29 June 2028. This account is classified as non-current for 10 out of 11 years.

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

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6.4 Commitments

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
6.4.1 Non-cancellable operating lease commitments				
Commitments relating to non-cancellable operating leases, contracted for at the end of the reporting period date but not recognised as liabilities, include leases for office accommodation, office equipment, and motor vehicles, and are payable as follows:				
Within 1 year	502	617	502	617
Later than 1 year and not later than 5 years	1,422	1,827	1,422	1,827
Later than 5 years	1,765	2,099	1,765	2,099
	3,689	4,543	3,689	4,543
6.4.2 Capital expenditure commitments				
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:				
Within 1 year	26	0	26	0
Later than 1 year and not later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
	26	0	26	0
6.4.3 Other expenditure commitments				
Expenditure commitments relating to general administration expenses including IT services, software, licensing and maintenance, photographic services, and building maintenance, are payable as follows:				
Within 1 year (i)	16,791	19,906	16,791	25,005
Later than 1 year and not later than 5 years (i)	50,460	28,130	50,460	43,834
Later than 5 years	0	0	0	0
	67,251	48,036	67,251	68,839
Total commitments	70,966	52,579	70,966	73,382

(i) Landgate has IT commitments to Advara. In 2018 the Group had significantly less contract commitments due to eliminations on consolidation of Landgate IT commitments to Advara. In the 2019 consolidated view, due to the disposal of Advara shares, Landgate's commitments are the same as the Group.

The commitments above are GST inclusive.

Judgements made by management in applying accounting policies – Operating lease commitments

The Group has entered into several leases of buildings for branch office accommodation. Some of these building leases are temporary in nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

7 Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the Group.

	Notes
Financial risk management	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2
Fair value measurements	7.3

7.1 Financial risk management

Financial instruments held by the Group are cash and cash equivalents, restricted cash and cash equivalents, receivables, investments, amounts receivable for services, payables, finance lease liabilities, and other current liabilities. The Group has limited exposure to financial risks. The Group's overall risk management program focuses on managing the risks identified below.

a) Summary of risks and risk management

Credit Risk

Credit risk arises when there is the possibility of the Group's receivables defaulting on their contractual obligations resulting in financial loss to the Group.

Credit risk associated with the Group's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Group trades only with recognised, creditworthy third parties. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Group is unable to meet its financial obligations as they fall due. The Group is exposed to liquidity risk through its trading in the normal course of business. The Group has appropriate procedures to manage cash flows, including drawdowns of appropriations, and by monitoring forecast cash flows to ensure that sufficient funds are available when required to meet its commitments.

Market risk

Market risk arises when changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

The Group has minimal exposure to foreign exchange risk. The Group manages foreign exchange risk arising from agreements or arrangements in foreign currencies through its Foreign Exchange Risk Policy. In addition the Group has a Foreign Exchange and Derivatives Master Agreement with the Western Australian Treasury Corporation (WATC).

The Group is exposed to interest rate risk primarily on financial investments. There is no Treasurer's Advance or borrowings, other than finance leases (with fixed interest rates).

Fair Values

All financial assets and liabilities recognised in the Consolidated Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent approximation of fair value unless otherwise stated in the applicable notes.

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7.1 Financial risk management -- continued

b) Categories of financial instruments

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
The carrying amounts of each of the categories of financial assets and financial liabilities at the end of the reporting period are:				
Financial assets				
Cash and cash equivalents	11,214	17,960	11,214	9,323
Restricted cash and cash equivalents	872	684	872	684
Financial investments	72,917	62,731	72,917	62,731
Amounts receivables for services	33,773	29,124	33,773	29,124
Receivables (i)	13,271	13,203	13,271	12,966
Total financial assets	132,047	123,702	132,047	114,828
Financial liabilities				
Payables	4,763	9,759	4,763	6,215
Finance lease liabilities – Building	7,580	11,549	7,580	11,549
– Land	329	502	329	502
Other current liabilities	2,816	3,948	2,816	3,814
Total financial liabilities	15,488	25,758	15,488	22,080

(i) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

c) Credit risk exposure

The following table details the credit risk exposure on the Group's trade receivables using a provision matrix.

	CONSOLIDATED						
	Total (\$'000)	Current (\$'000)	Days past due				
			<30 days (\$'000)	31-60 days (\$'000)	61-90 days (\$'000)	91-180 days (\$'000)	>181 days (\$'000)
30 June 2019							
Expected loss rate (i)		0.0094%	0.0418%	0.1086%	3.3310%	-1.3081%	28.9461%
Estimated total gross carrying amount at default	7,286	7,169	89	21	3	(16)	20
Expected credit loss	(7)	0.6703	0.0373	0.0224	0.1071	0.2118	5.7760
1 July 2018 (Remeasurement)							
Expected loss rate (i)		0.0061%	0.0437%	0.0063%	2.8338%	-64.0304%	57.148%
Estimated total gross carrying amount at default	9,441	9,061	61	301	8	0	10
Expected credit loss	(7)	0.5545	0.0269	0.0191	0.2249	0.3066	5.8015

(i) Negative loss rate is due to cumulative effect of overall credit balances on customer accounts that were paid in advance or are yet to be applied.

7.1 Financial risk management -- continued

c) Credit risk exposure

The following table details the credit risk exposure on Landgate's trade receivables using a provision matrix.

	LANDGATE						
	Total (\$'000)	Current (\$'000)	Days past due				
<30 days (\$'000)			31-60 days (\$'000)	61-90 days (\$'000)	91-180 days (\$'000)		
30 June 2019							
Expected loss rate (i)		0.0094%	0.0418%	0.1086%	3.3310%	-1.3081%	28.9461%
Estimated total gross carrying amount at default	7,286	7,169	89	21	3	(16)	20
Expected credit loss	(7)	0.6703	0.0373	0.0224	0.1071	0.2118	5.7760
1 July 2018 (Remeasurement)							
Expected loss rate (i)		0.0061%	0.0437%	0.0063%	2.8338%	-64.0304%	57.148%
Estimated total gross carrying amount at default	9,204	8,833	60	293	8	0	10
Expected credit loss	(7)	0.5406	0.0262	0.0186	0.2192	0.2989	5.6559

(i) Negative loss rate is due to cumulative effect of overall credit balances on customer accounts that were paid in advance or are yet to be applied.

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7.1 Financial risk management -- continued

d) Liquidity risk and interest rate exposure

The following table details the Group's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	2019				CONSOLIDATED									
	Weighted average effective interest rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates							
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)		Up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)			
Financial assets														
Cash and cash equivalents	2.08	11,214	0	11,203	11	11,214	11,214	0	0	0	0	0	0	0
Restricted cash & cash equivalents	2.08	872	0	872	0	872	8	0	224	0	0	0	640	0
Financial investments	2.48	72,917	57,956	14,961	0	75,006	0	14,366	22,881	37,759	0	0	0	0
Receivables (i)		13,271	0	0	13,271	13,271	13,271	0	0	0	0	0	0	0
Amounts receivable for services		33,773	0	0	33,773	33,773	332	664	2,986	29,791	0	0	0	0
		132,047	57,956	27,036	47,055	134,136	24,825	15,030	26,091	67,550	640	0	0	0
Financial liabilities														
Payables		4,763	0	0	4,763	4,763	4,763	0	0	0	0	0	0	0
Finance lease liability - Building	8.46	7,580	7,580	0	0	8,310	405	811	3,648	3,446	0	0	0	0
- Land	8.46	329	329	0	0	362	18	35	159	150	0	0	0	0
Other liabilities		2,816	0	0	2,816	2,816	2,816	0	0	0	0	0	0	0
		15,488	7,909	0	7,579	16,251	8,002	846	3,807	3,596	0	0	0	0

(i) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

7.1 Financial risk management -- continued

d) Liquidity risk and interest rate exposure

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	CONSOLIDATED							CONSOLIDATED										
	Weighted average effective interest rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates											
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)		Up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)							
2018																		
Financial assets																		
Cash and cash equivalents	1.80	17,960	0	17,942	18	17,960	17,960	0	0	0	0	0	0	0	0	0	0	0
Restricted cash & cash equivalents	1.80	684	0	684	0	684	684	7	0	224	0	0	0	0	0	0	0	453
Financial investments	2.87	62,731	43,833	18,898	0	64,950	64,950	0	7,121	36,582	21,247	0	0	0	0	0	0	0
Receivables (i)		13,203	0	0	13,203	13,203	11,776	11,776	0	0	1,427	0	0	0	0	0	0	0
Amounts receivable for services		29,124	0	0	29,124	29,124	69	69	138	623	28,294	0	0	0	0	0	0	0
		123,702	43,833	37,524	42,345	125,921	29,812	7,259	37,429	50,968	0	0	0	0	0	0	0	0
Financial liabilities																		
Payables		9,759	0	0	9,759	9,759	9,759	9,759	0	0	0	0	0	0	0	0	0	0
Finance lease liability - Building	8.46	11,549	11,549	0	0	13,175	405	405	811	3,648	8,311	0	0	0	0	0	0	0
- Land	8.46	502	502	0	0	573	18	18	35	159	361	0	0	0	0	0	0	0
Other liabilities		3,948	0	0	3,948	3,948	3,948	3,948	0	0	0	0	0	0	0	0	0	0
		25,758	12,051	0	13,707	27,455	14,130	846	3,807	8,672	0	0	0	0	0	0	0	0

(i) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

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7.1 Financial risk management -- continued

d) Liquidity risk and interest rate exposure

The following table details Landgate's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interests and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	LANDGATE					LANDGATE						
	Interest rate exposure					Maturity dates						
	Weighted average effective interest rate %	Carrying amount (\$'000)	Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)	Nominal amount (\$'000)	Up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)	
2019												
Financial assets												
Cash and cash equivalents	2.08	11,214	0	11,203	11	11,214	11,214	0	0	0	0	0
Restricted cash & cash equivalents	2.08	872	0	872	0	872	8	0	224	0	0	640
Financial investments	2.48	72,917	57,956	14,961	0	75,006	0	14,366	22,881	37,759	0	0
Receivables (i)		13,271	0	0	13,271	13,271	13,271	0	0	0	0	0
Amounts receivable for services		33,773	0	0	33,773	33,773	332	664	2,986	29,791	0	0
		132,047	57,956	27,036	47,055	134,136	24,825	15,030	26,091	67,550	640	0
Financial liabilities												
Payables		4,763	0	0	4,763	4,763	4,763	0	0	0	0	0
Finance lease liability - Building	8.46	7,580	7,580	0	0	8,310	405	811	3,648	3,446	0	0
- Land	8.46	329	329	0	0	362	18	35	159	150	0	0
Other liabilities		2,816	0	0	2,816	2,816	2,816	0	0	0	0	0
		15,488	7,909	0	7,579	16,251	8,002	846	3,807	3,596	0	0

(i) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

7.1 Financial risk management -- continued

d) Liquidity risk and interest rate exposure

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	LANDGATE						LANDGATE								
	Weighted average effective interest rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates								
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest bearing (\$'000)		Up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)				
2018															
Financial assets															
Cash and cash equivalents	1.97	9,323	0	9,305	18	9,323	0	0	0	0	0	0	0	0	0
Restricted cash & cash equivalents	1.97	684	0	684	0	684	0	0	224	0	0	0	0	453	0
Financial investments	2.87	62,731	43,833	18,898	0	64,950	0	7,121	36,582	21,247	0	0	0	0	0
Receivables (i)		12,966	0	0	12,966	12,966	0	0	0	1,427	0	0	0	0	0
Amounts receivable for services		29,124	0	0	29,124	29,124	0	138	623	28,294	0	0	0	0	0
		114,828	43,833	28,887	42,108	117,047	20,938	7,259	37,429	50,968	453	0	0	0	0
Financial liabilities															
Payables		6,215	0	0	6,215	6,215	0	0	0	0	0	0	0	0	0
Finance lease liability - Building	8.46	11,549	11,549	0	0	13,175	405	811	3,648	8,311	0	0	0	0	0
- Land	8.46	502	502	0	0	573	18	35	159	361	0	0	0	0	0
Other liabilities		3,814	0	0	3,814	3,814	3,814	0	0	0	0	0	0	0	0
		22,080	12,051	0	10,029	23,777	10,452	846	3,807	8,672	0	0	0	0	0

(i) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

Western Australian Land Information Authority (Landgate)
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7.1 Financial risk management -- continued

e) Interest rate sensitivity analysis

The tables below represent a summary of the interest rate sensitivity of the Group's financial assets and liabilities at the end of the reporting period on the profit/(loss) for the period and equity for a 0.5% change in interest rates (after tax). It is assumed that the change in interest rates is held constant throughout the reporting period.

CONSOLIDATED					
2019	Carrying amount (\$'000)	-0.5% AFTER TAX		+0.5% AFTER TAX	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Financial Assets					
Cash and cash equivalents	11,203	(39)	(39)	39	39
Restricted cash and cash equivalents	872	(3)	(3)	3	3
Financial investments	14,961	(52)	(52)	52	52
Total increase / (decrease)	27,036	(94)	(94)	94	94

CONSOLIDATED					
2018	Carrying amount (\$'000)	-0.5% AFTER TAX		+0.5% AFTER TAX	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Financial Assets					
Cash and cash equivalents	17,942	(63)	(63)	63	63
Restricted cash and cash equivalents	684	(2)	(2)	2	2
Financial investments	18,898	(66)	(66)	66	66
Total increase / (decrease)	37,524	(131)	(131)	131	131

The tables below represent a summary of the interest rate sensitivity of Landgate's financial assets and liabilities at the end of the reporting period on profit/(loss) for the period and equity for a 0.5% change in interest rates (after tax). It is assumed that the change in interest rates is held constant throughout the reporting period.

LANDGATE					
2019	Carrying amount (\$'000)	-0.5% AFTER TAX		+0.5% AFTER TAX	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Financial Assets					
Cash and cash equivalents	11,203	(39)	(39)	39	39
Restricted cash and cash equivalents	872	(3)	(3)	3	3
Financial investments	14,961	(52)	(52)	52	52
Total increase / (decrease)	27,036	(94)	(94)	94	94

7.1 Financial risk management -- continued

e) Interest rate sensitivity analysis

LANDGATE					
		-0.5% AFTER TAX		+0.5% AFTER TAX	
2018	Carrying amount (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Financial Assets					
Cash and cash equivalents	9,305	(33)	(33)	33	33
Restricted cash and cash equivalents	684	(2)	(2)	2	2
Financial investments	18,898	(66)	(66)	66	66
Total increase / (decrease)	28,887	(101)	(101)	101	101

f) Fair value hierarchy

The following hierarchy is used for determining and disclosing the fair value of financial instruments:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3 – Unobservable inputs for the asset or liability

The following tables show the financial assets measured at fair value:

CONSOLIDATED					
2019	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)	Fair Value (\$'000)
Term deposits	0	52,939	0	52,939	53,853
Bonds	5,017	0	0	5,017	5,140
Floating rate notes	14,961	0	0	14,961	15,156
Total	19,978	52,939	0	72,917	74,149

2018	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)	Fair Value (\$'000)
Term deposits	0	31,657	0	31,657	31,983
Bonds	12,176	0	0	12,176	12,348
Floating rate notes	18,898	0	0	18,898	19,121
Total	31,074	31,657	0	62,731	63,452

LANDGATE					
2019	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)	Fair Value (\$'000)
Term deposits	0	52,939	0	52,939	53,853
Bonds	5,017	0	0	5,017	5,140
Floating rate notes	14,961	0	0	14,961	15,156
Total	19,978	52,939	0	72,917	74,149

2018	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)	Fair Value (\$'000)
Term deposits	0	31,657	0	31,657	31,983
Bonds	12,176	0	0	12,176	12,348
Floating rate notes	18,898	0	0	18,898	19,121
Total	31,074	31,657	0	62,731	63,452

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7.2 Contingency assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

In addition to the assets reported in the financial statements, the Group has one contingent asset in relation to a counterclaim against a party who committed fraud. Landgate paid compensation to the affected party and has sought recompense from the perpetrator of the fraud. The amount claimed was \$1.625m but it is unlikely that any of this money will be recovered.

No contingent assets exist for the Group's subsidiary or joint ventures.

7.2.2 Contingent liabilities

In addition to the liabilities reported in the financial statements, the Group has pending or potential litigation arising from the administration of the Western Australian Land Titles Register that may effect its financial position to the value of \$1.617m.

No contingent liabilities exist for the Group's subsidiary or joint ventures.

7.3 Fair value measurements

Land reserves measured at fair value:

2019	CONSOLIDATED			
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Fair value (\$'000)
Opening balance at 1 July 2018	0	223	3,418	3,641
Reserves transferred to the Group	0	0	0	0
Transfers from Level 2 to Level 3	0	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	17	20	37
Closing balance at 30 June 2019	0	240	3,438	3,678

2018	CONSOLIDATED			
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Fair value (\$'000)
Opening balance at 1 July 2017	0	217	3,416	3,633
Reserves transferred to the Group	0	0	0	0
Transfers from Level 2 to Level 3	0	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	6	2	8
Closing balance at 30 June 2018	0	223	3,418	3,641

7.3 Fair value measurements -- continued

Land reserves measured at fair value:

2019	LANDGATE			
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Fair value (\$'000)
Opening balance at 1 July 2018	0	223	3,418	3,641
Reserves transferred to Landgate	0	0	0	0
Transfers from Level 2 to Level 3	0	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	17	20	37
Closing balance at 30 June 2019	0	240	3,438	3,678

2018	LANDGATE			
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Fair value (\$'000)
Opening balance at 1 July 2017	0	217	3,416	3,633
Reserves transferred to Landgate	0	0	0	0
Transfers from Level 2 to Level 3	0	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	6	2	8
Closing balance at 30 June 2018	0	223	3,418	3,641

Valuation process

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as 'non-current assets held for sale', as the Treasurer's Instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise Level 3 inputs on a recurring basis.

Land reserves have restrictions placed on their use and disposal due to the land being held to deliver specific community services. Accordingly, the fair value of land reserves is measured as follows:

Level 2

Land reserves designated as 'low restricted use land' (high level utility) are valued using Level 2 valuation inputs. Level 2 fair value is based on market value, using market evidence of sales of comparable unrestricted land less restoration costs to restore the site to a vacant and marketable condition.

Level 3

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Significant Level 3 inputs used by the Group are derived and evaluated as follows:

Location of Land Reserves	Fair Value 2019 (\$'000)	Fair Value 2018 (\$'000)
Perth and Surrounds	2,988	2,988
Rest of State	450	430
	3,438	3,418

Reconciliation of the opening and closing balances is provided in Note 4.1 'Property, plant and equipment'.

Western Australian Land Information Authority (Landgate)
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8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Intellectual Property	8.1
Events occurring after the end of the reporting period	8.2
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8.1 Intellectual property

The Group's intellectual property consists of software, data, records created and processes developed by the Group as a result of its activity and transactions, publications, products, trademarks, and know-how, in the categories listed below. At the end of the reporting period the intellectual property cannot be reliably measured and accordingly has not been recognised as an asset in the financial statements. Moreover, *AASB 138 Intangible Assets* does not allow internally generated brands, mastheads, publishing titles, customer lists, and items similar in substance to be recognised as assets in the financial statements:

- 1) *Aerial Photography*
 Images and mosaics of Western Australia collected from 1948.
- 2) *Spatial Cadastral Database*
 Includes information about land parcel boundaries (including freehold and Crown lots), lodged cadastral boundaries, control marks, easements, surveyed mining tenements, and administrative boundaries.
- 3) *Geodetic Survey Marks Database*
 Information and metadata about the State's geodetic survey marks including three dimensional coordinates that provide the common geographic reference framework for the State's spatial data sets.
- 4) *GEONOMA Database*
 Place, feature and road name information for Western Australia, including position, origin, meaning and classification of names.

8.1 Intellectual property -- continued

- 5) *Authority's Branding and Ownership*

Various registered trademarks, business names, internet domain names, and unregistered trademark rights.
- 6) *Mapping Products*

Copyright, design, artwork, and know-how related to mapping products and publications (digital and analogue, including internet design).
- 7) *Application and Web Services*

Copyright in the software code for various application and web services and the associated documents and process maps used for their specification and description (including for such key applications as SmartPlan and SmartRegister).
- 8) *Tenure*
 - Tenure Systems - systems containing descriptions of how land is held, e.g. freehold or reserve.
 - Title and Document Images and hardcopy - digital and historical hard copies of titles, surveys, and documents that are held in a central location.
- 9) *Topographic Database/Geodatabase*

Repository of all geographic land information stored in terms of relief, cultural, transport, road centreline, hydrography, coastlines, and points of interest.
- 10) *Satellite Imagery*

Digital datasets of satellite value-added images maintained in a catalogue archive.
- 11) *Native Title Database*

Spatial data depicting external boundaries of Native Title Applications and Indigenous Land Use Agreements (ILUAs).
- 12) *Thematic Databases*

Data fundamentally used in the preparation of thematic mapping products.
- 13) *Land and Property Improvements Database*

A repository that contains a description of the physical characteristics of land and improvements to land.
- 14) *Land Valuations Database*

A database of current and previous values determined by the Valuer General.
- 15) *Property Sales and Rentals Database*

A repository of historical sales and rental information integrated with land and property descriptions.
- 16) *Computer Assisted Valuation Methodology*

A suite of integrated software that assists with the mass appraisal of values.
- 17) *Work Management System Database*

A suite of software that provides the recording and allocation of human resources across services.
- 18) *Property/Valuation GIS*

Integrated spatial and textual data displayed via a customised suite of software.
- 19) *Customer Information*

A collection of lists and databases that make up Landgate's information, location data, commercial activity, and interactions.

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

8.1 Intellectual property -- continued

20) *TRIM Database and Content Manager*

A register of Landgate's hard copy records, and storage of digital copies of surveys and related documents.

21) *Property Street Address Database*

A database of current property street address details and geocodes of all property in Western Australia.

22) *Soil Grade Classification Sketches*

Analogue Soil Classification Sketches for agricultural land throughout Western Australia used for rating valuations.

23) *Algorithms and Techniques*

Confidential customised and novel algorithms and techniques for work processes, assessments, and analysis to generate, depict, and manipulate land and auxiliary information, digital geographic information, valuation and property information (including such tools and methodology to automate the thematic presentation of data).

24) *Innovation Forum Database*

The Innovation Forum database of material (text and drawings) around opportunities or issues related to the location information domain, and associated markets.

25) *Licences*

Copyright in the compilation and design or a suite of licences to disseminate the Group's products and services, including the license framework and 'Find a License' decision tree.

26) *Publications*

Copyright in the imagery, design, and compilation of the Group's key documentation, including its reports, policies, frameworks, guidelines, manuals, and application forms.

27) *Marketing material and collateral*

Includes the copyright in marketing created photography, imagery, newsletters, videos, presentations, and website (including all code, design and content).

28) *Training*

Copyright in developed modules and training presentations.

29) *State Capture and Advice Register (SCAR)*

An application to manage the Capture WA program.

30) *Shared Location Information Platform (SLIP)*

Software, applications (DUET and WFS Translator), custom scripts, data dictionaries, and custodian instruction manuals.

31) *A System and Method for Multi-Tenanted Land Tenure Registration*

Software, system design, and methodologies for a cloud based multi-tenanted land registration platform.

32) *Location Information Product Suite*

Copyright, design, artwork, and know-how related to the creation and dissemination of products or services that combine a number of Group and non-Group databases and location information together (including such products as the Property Interest Report).

8.2 Events occurring after the end of the reporting period

Non-adjusting events occurring after the end of the reporting period

On 10 September 2019, the Treasurer and Minister for Lands announced the appointment of Land Services WA as the Service Provider for the Landgate Partial Commercialisation.

Land Services WA is a consortium comprising Macquarie Infrastructure and Real Assets, and Australian industry superannuation funds Sunsuper and HESTA.

Once operational, Land Services WA will deliver, improve and maintain Landgate's automated titling services. These services include the processing of property transactions and searches of the title register.

The appointment realised \$1.41 billion in upfront proceeds, as well as ongoing revenue for the State.

8.3 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurements* for annual reporting periods beginning on or after 1 January 2019, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.72.15, the Group has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Retained Earnings.

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 (\$'000)
Assets		
Trade receivables	(a), (b)	19
Financial investments	(a), (b)	(27)
Equity accounted investments – recognition of PSMA at fair value	(a), (c)	2,263
Total Assets		2,255
Total adjustments on Equity		
Fair value reserve – recognition of PSMA at fair value	(c)	2,263
Retained earnings	(a), (b)	(8)
Total adjustments on Equity		2,255

The nature of these adjustments is described below:

a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Group's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount standing.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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8.3 Initial application of Australian Accounting Standards -- continued

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group. The following are the changes in the classification of the Group's financial assets:

- *Trade receivables* and *Financial investments* as at 30 June 2018 are held to collect contractual cash flows.
- The Group did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, the Group had the following required reclassifications as at 1 July 2018:

	AASB 9 Category			
		Amortised cost	Fair Value through OCI	Fair Value through P/L
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
AASB 139 category				
Trade receivables	9,204	9,223	-	-
Financial investments	62,731	62,704	-	-
Equity accounted investments – PSMA	0	-	2,263	
Amounts receivable for services	29,124	29,124		
		101,051	2,263	-

b) Impairment

The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Group recognised an adjustment to the Group's trade receivables of \$0.019m and an additional impairment on the Group's financial investments of \$0.027m which resulted in a decrease in retained earnings of \$0.008m as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 1 July 2018
	(\$'000)	(\$'000)	(\$'000)
Trade receivables	26	(19)	7
Financial investments	0	27	27
	26	8	34

c) From 1 July 2018, the Group recognised for the first time the equal one ninth share of PSMA at fair value in accordance with AASB 9 *Financial instruments*. Fair value was determined by using the Group's ownership interest of 11% against the PSMA net asset value at 30 June 2018 balance date (30 June 2019 audited net asset value was not available). Any unrealised gains and losses will be recognised through Other Comprehensive Income. Refer to Note 5.2(c).

8.4 Key management personnel

Landgate has determined that Key Management Personnel includes the responsible Minister, members of the accountable authority (Landgate's board of management) and executive management of Landgate. Landgate does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

8.4 Key management personnel -- continued

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of Landgate for the reporting period are presented within the following bands:

a) For the accountable authority:

Compensation band (\$)	Landgate		
	2019	2018	
300,001 - 310,000	0	1	(ii)
120,001 - 130,000	1	0	(i)
110,001 - 120,000	1	0	(i)
50,001 - 60,000	1	1	
40,001 - 50,000	2	0	(i)
30,001 - 40,000	2	2	
10,001 - 20,000	0	3	
0 - 10,000	1	2	
	8	9	

(i) Includes the Chief Executive and the acting Chief Executive who are both members of the accountable authority and members of executive management.

(ii) Includes the acting Chief Executive who is both a member of the accountable authority and a member of executive management.

b) For key management personnel, who were part of the executive management of Landgate, other than the Chief Executive and acting Chief Executive:

Compensation band (\$)	Landgate	
	2019	2018
220,001 - 230,000	1	1
200,001 - 210,000	0	2
190,001 - 200,000	0	1
180,001 - 190,000	1	0
150,001 - 160,000	1	0
140,001 - 150,000	0	1
100,001 - 110,000	1	0
90,001 - 100,000	1	1
50,001 - 60,000	1	0
30,001 - 40,000	2	0
20,001 - 30,000	1	0
0 - 10,000	0	1
	9	7

c) The total compensation of key management personnel (excluding Cabinet Ministers) was:

Compensation	Landgate	
	2019 (\$'000)	2018 (\$'000)
Short-term employee benefits	1,122	1,220
Post-employment benefits	113	122
Other long-term benefits	119	128
Termination benefits	0	71
Total compensation of senior officers	1,354	1,541

The total compensation includes superannuation expense incurred by Landgate in respect of senior officers. No key management personnel are members of the Pension Scheme.

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8.5 Related Party Transactions

a) Related parties of the Group

The Group comprises Landgate, a wholly owned public-sector entity controlled by the State of Western Australia, and its subsidiary, Advara Ltd.

Related parties of the Group include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority and their close family members, and their controlled or jointly controlled entities;
- all members of executive management and their close family members, and their controlled or jointly controlled entities;
- departments and other statutory authorities, including their related bodies, that are included in the whole-of-government consolidated financial statements;
- associates and joint ventures of Landgate and those also included in the whole-of-government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

b) Significant transactions with Government-related entities

Significant transactions with government-related entities for 2018/19 were:

- land title services and valuation services (Note 2.1 'Provision of services'), sale of land information, data and imagery (Note 2.3 'Sale of land information, data and imagery'), recovery of costs and project revenue (Note 2.4 'Interest and other revenue'), and recoup of salary costs (Note 3.1(a) 'Employee benefits')
- lease rentals paid to the Department of Finance for motor vehicle fleet leasing (Note 3.2 'Other expenditures' – Supplies and services)
- finance lease payments to the Department of Finance for the Midland building and land (Note 6.2 'Finance costs', Note 3.2 'Other expenditures – Accommodation expenses, Note 6.1 'Finance leases')
- building maintenance, lease rentals, and minor works payments to the Department of Finance for the Midland building and other offices (Note 3.2 'Other expenditures' – Accommodation expenses)
- service appropriation (Note 2.2 'Service appropriation') and amounts receivable for services (Note 5.5 'Amounts receivable for services')
- services received free of charge (Note 2.2 'Services received free of charge')
- trade debtors and accrued revenue (Note 5.1 'Receivables')
- accrued expenses (Note 5.8 'Payables') and unearned project revenue and amounts owed under Electronic Advice of Sale (Note 5.9 'Other liabilities - current')
- amounts due to the Treasurer for income tax payable and dividends paid (Note 5.7 'Taxation equivalent' and Note 8.9 'Equity' – Retained earnings)
- services provided free of charge to other government agencies (Note 8.11 'Services provided free of charge')
- remuneration for services provided by the Auditor General (Note 8.7 'Remuneration of auditor')

8.5 Related Party Transactions -- continued

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
c) Transactions with related parties					
Apart from the transactions below, the Group is not aware of any other significant transactions between related parties and the Group.					
The following transactions occurred with related parties:					
Sale of goods and services					
PEXA Ltd - Lodgement Support Service charges	2.1 & 5.2(c)	592	742	592	742
Purchase of goods/services					
Advara Ltd - IT services	3.2 & 5.3	0	0	31,215	35,777
d) Outstanding balances					
The following balances were outstanding at the reporting date for transactions with related parties:					
Current receivables					
Advara Ltd - recoup of administration costs (i)	5.1	0	0	0	137
PEXA Ltd - Lodgement Support Service charges (i)	5.1	0	78	0	78
Current payables					
Advara Ltd - IT services (i)	5.8	0	0	0	2,390
(i) Due to full disposal of shares in Advara Ltd and PEXA Ltd, there are no related party transactions were outstanding as at 30 June 2019.					
e) Terms and conditions					
For the outstanding balances in (d) above, no amounts have been included in the allowance for impairment of receivables and the debt to Landgate is payable in cash.					
f) Subsidiaries, Associates, and Joint Ventures					
See Notes for the percentage of shares held in the:					
- subsidiary	5.3				
- associate	5.2 (a)				
- joint venture	5.2 (b)				

g) Transactions and agreements with subsidiary

During the year Landgate had transactions and agreements with a related party (to date of disposal 23 May 2019), its subsidiary 'Advara', in addition to the matters listed above.

Through these transactions, Landgate:

- entered into an agreement with Advara for IT and other service provision to Landgate for a five-year term with a two-year option;
- provided Advara with a free licence to use its premises for the purpose of carrying out Advara's obligations under the agreement;
- granted Advara a licence to use Landgate materials, including Landgate's land registry software (the 'Platform'), so that Advara can provide services to Landgate under the agreement;
- granted Advara a Call Option, exercisable on satisfaction of preconditions, for a Worldwide Licence of the Platform (except in Western Australia), with no consideration payable for the grant of the Call Option or the Worldwide Licence; and
- transferred the trademark 'Advara' and the Advara logo to Advara for nominal consideration.

See also Note 5.3 'Subsidiary'.

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8.5 Related Party Transactions -- continued

h) Material transactions with other related parties

Outside of normal citizen type transactions with the Group, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.6 Affiliated body

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Resources provided to the Land Surveyors' Licensing Board				
Administrative support	212	183	212	183
Grant	24	24	24	24
Total	236	207	236	207

The Land Surveyors' Licensing Board is an affiliated body as it receives more than half of its resources from the Group but it is not subject to the Group's operational control. The Board reports to Parliament separately.

8.7 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Auditing the accounts, financial statements, controls, and key performance indicators	181	198	181	178

8.8 Supplementary financial information

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
a) Write offs by the accountable authority				
Bad debts	7	4	7	4
Public property	0	0	0	0
	7	4	7	4
b) Losses through theft, default and other causes				
Losses of public moneys and public and other property by theft or default	0	0	0	0
Amounts recovered	0	0	0	0
	0	0	0	0
c) Gifts of public property by the Group	0	1	0	1

8.9 Equity

The Government holds the controlling equity interest in the Group on behalf of the community. Equity represents the residual interest in the net assets of the Group. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

8.9 Equity -- continued

	Notes	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Contributed equity					
Balance at start of period		91,935	91,935	90,379	90,379
Capital attributable to subsidiary					
-Landgate share of equity contributed by non-controlling interest derecognised	5.3	(1,556)	0	0	0
		90,379	91,935	90,379	90,379
Reserves					
Balance at start of period		18,926	18,918	18,926	18,918
Initial application of Australian Accounting Standards (i)	8.3	2,263	0	2,263	0
Reserves, adjusted		21,189	18,918	21,189	18,918
Asset revaluation surplus	2.5(f)				
- Building under finance lease		1,917	0	1,917	0
- Land under finance lease		(24)	0	(24)	0
- Land reserves		37	8	37	8
		1,930	8	1,930	8
Fair value reserve - recognition of PSMA at fair value	2.5(f) & 5.2(c)	407	0	407	0
		23,526	18,926	23,526	18,926
Balance at end of period					
Retained earnings					
Balance at start of period, unadjusted		111,739	108,972	110,225	108,527
Initial application of Australian Accounting Standards (i)	8.3	(8)	0	(8)	0
Retained earnings, adjusted		111,731	108,972	110,217	108,527
Profit for period		126,377	8,827	129,447	7,758
Capital attributable to subsidiary derecognised		1,556	0	0	0
Distributions to owner - dividends (ii)		(144,596)	(6,060)	(144,596)	(6,060)
		95,068	111,739	95,068	110,225
Balance at end of period					
Total equity attributable to equity holder of Landgate					
		208,973	222,600	208,973	219,530

(i) Adjustments pertain to implementation of AASB 9 as of 1 July 2018.

(ii) Dividends payable by the Group to the State are provided for in the reporting period in which the dividends recommended by the Landgate Board of Management are accepted by the Minister for Lands, with the concurrence of the Treasurer of Western Australia. In 2019, the State was paid an interim dividend (\$141.364m) that resulted from the disposal of the Group's equity interest in PEXA Ltd and the final dividend (\$3.232m) based on the 2017/18 after tax profit.

Dividends receivable are recognised when the Group's right to receive the payment is established, which is generally when the relevant board of directors recommends, and the shareholders approve, the dividend.

8.10 Equity attributable to non-controlling interest

	Note	CONSOLIDATED		LANDGATE	
		2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
The movement in the equity attributable to the non-controlling interest in Advava Ltd is:					
Opening Equity for non-controlling interest		877	573		
Profit attributable to non-controlling interest		177	304		
Movement in equity attributable to non-controlling interest		(1,054)	0		
Balance at end of period in equity attributable to non-controlling interest	5.3	0	877		

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8.11 Services provided free of charge

During the reporting period, Landgate provided services free of charge to:

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
a) More than \$10,000 per general government-related entity				
Department of Finance (Office of State Revenue)	11,381	11,606	11,381	11,606
Department of Planning, Lands and Heritage	6,918	4,452	6,918	4,452
Main Roads Western Australia	1,034	333	1,034	333
Department of Fire and Emergency Services	943	662	943	662
Department of Water and Environmental Regulations	862	746	862	746
Department of Mines, Industry Regulation and Safety	740	4,778	740	4,778
Western Australia Police Service	553	415	553	415
Department of Biodiversity, Conservation and Attractions	531	269	531	269
Department of Justice	367	319	367	319
Department of Treasury	284	392	284	392
Department of Transport	199	209	199	209
Department of Education	184	280	184	280
Department of Health	180	155	180	155
Department of Primary Industries and Regional Development	162	27	162	27
Office of the Director of Public Prosecutions	30	64	30	64
Department of the Premier and Cabinet	22	12	22	12
Department of Training and Workforce Development	20	5	20	5
Department of Jobs, Tourism, Science and Innovation	0	15	0	15
Department of Communities	0	10	0	10
	24,410	24,709	24,410	24,709
b) More than \$10,000 per non-general government entity				
Horizon Power	276	484	276	484
Water Corporation	247	601	247	601
Western Power	1,018	928	1,018	928
	1,541	2,013	1,541	2,013
c) Less than \$10,000 per State Government agency	41	150	41	150
d) Non-State government agencies	2,713	1,536	2,713	1,536
Total services provided free of charge	28,705	28,408	28,705	28,408

8.12 Special purpose accounts

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
Payroll Deductions				
Special Purpose Accounts can be created under section 16(1)(c) of the <i>Financial Management Act 2006</i> . This account holds income tax instalments deducted from employee salaries pending payment to the Australian Taxation Office.				
Balance at start of period	0	0	0	0
Receipts	12,197	14,094	12,197	14,094
Payments	(12,197)	(14,094)	(12,197)	(14,094)
Balance at end of period	0	0	0	0

8.13 Indian Ocean Territories

	CONSOLIDATED		LANDGATE	
	2019 (\$'000)	2018 (\$'000)	2019 (\$'000)	2018 (\$'000)
The Group provides services to the Indian Ocean Territories and recovers the cost from the Commonwealth government. Transactions for the reporting period were:				
Balance at start of period	224	130	224	130
Receipts	70	250	70	250
Payments	(70)	(156)	(70)	(156)
Balance at end of period (i)	224	224	224	224

(i) Funds are held in the operating bank account and are restricted in that they can only be used for a designated purpose.

8.14 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$2.592m for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$5.101m for the Statement of Financial Position

Western Australian Land Information Authority (Landgate)
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a) Statement of Comprehensive Income Variances

LANDGATE						
	Variance note	Estimate 2019	Actual 2019	Actual 2018	Variance Between Estimate and Actual 2019	Variance between Actual 2018 and Actual 2019
		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
INCOME						
Revenue						
Provision of services	1	107,496	93,489	97,155	(14,007)	(3,666)
Sale of land information, data and imagery		7,883	5,787	8,080	(2,096)	(2,293)
Interest revenue		1,608	3,473	1,861	1,865	1,612
Other revenue		1,087	1,137	911	50	226
Gains						
Gains on equity accounted investments	2, A	4,653	153,496	1,243	148,843	152,253
Gain on disposal of subsidiary	2, A	0	7,236	0	7,236	7,236
Foreign currency exchange		0	58	17	58	41
TOTAL INCOME		122,727	264,676	109,267	141,949	155,409
EXPENSES						
Employee benefits	3, B	61,136	52,902	65,209	(8,234)	(12,307)
Supplies and services	4	38,936	33,635	33,729	(5,301)	(94)
Other expenses	5	10,308	5,570	6,732	(4,738)	(1,162)
Depreciation and amortisation		14,875	14,688	13,916	(187)	772
Finance costs		934	934	1,264	0	(330)
Accommodation		4,703	4,289	4,555	(414)	(266)
Loss on impairment		0	2,057	22	2,057	2,035
Loss on equity accounted investments	C	0	1,234	4,148	1,234	(2,914)
Loss on foreign currency exchange		0	0	0	0	0
Net loss on disposal of property, plant, equipment and intangibles		0	10	36	10	(26)
TOTAL EXPENSES		130,892	115,319	129,611	(15,573)	(14,292)
Profit/(loss) before grants and subsidies from State Government		(8,165)	149,357	(20,344)	157,522	169,701
GRANTS AND SUBSIDIES FROM STATE GOVERNMENT						
Service appropriation	6, D	34,789	35,629	31,640	840	3,989
Services received free of charge		440	383	476	(57)	(93)
TOTAL GRANTS AND SUBSIDIES FROM STATE GOVERNMENT		35,229	36,012	32,116	783	3,896
Profit before income tax equivalent		27,064	185,369	11,772	158,305	173,597
Income tax equivalent (expense)/benefit	7, E	(8,116)	(55,922)	(4,014)	(47,806)	(51,908)
PROFIT FOR THE PERIOD	8, F	18,948	129,447	7,758	110,499	121,689
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		0	1,930	8	1,930	1,922
Changes in fair value reserve		0	407	0	407	407
TOTAL OTHER COMPREHENSIVE INCOME		0	2,337	8	2,337	2,329
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,948	131,784	7,766	112,836	124,018

8.14 Explanatory statement -- continued

Major Estimate and Actual (2019) Variance Narratives

1. Provision of services was lower than the estimate by \$14 million mainly as a result of the continuation of the subdued Western Australian property market. During 2019 it was expected that there would be a marginal improvement in activity, however, the continuation of low interest rates in 2019 did not improve consumer sentiment in the property market. This together with low population growth and more stringent borrowing rules by banking institutions in response to the Royal Commission have hampered any expected recovery in property market activity.

Actual document registration activity levels were 9.5% below expectations, resulting in \$8.0 million lower than estimated revenue. This level of activity is similar to those achieved during the late 1980's - early 1990's when there were significantly less titles on the land titles register. Planned valuations activity was also well below target which contributed \$5.9 million to the lower than estimated revenue. This was the result of fewer subdivisions, building completions and requests from chargeable clients.

2. The gains on equity accounted investments and the disposal of subsidiary were both higher than expected as a result of the share sales of Landgate's 11.83% shareholding in PEXA Ltd, and 77.78% shareholding in Advava Ltd, which it held on behalf of the State Government. The Landgate Board, Minister for Lands and Treasurer accepted a trade sale of the shareholding in PEXA Ltd resulting in total proceeds of \$185.5 million. The gain on sale of PEXA Ltd represents the total net proceeds less the shares carrying value at the date of sale. Landgate also realised a gain on the disposal of its subsidiary, Advava Ltd (\$7.236 million). Neither share sale transaction had been anticipated when the budget was set.
3. Employee benefits expense was lower than the estimate as a result of fewer voluntary severances being paid and a focused recruitment strategy that resulted in the recruitment of priority positions.
4. Supplies and services costs were lower than the estimate as a result of the ongoing monitoring of expenditure and fiscal restraint in response to decreasing revenue expectations. This includes lower than previously planned expensed capital costs related to the Asset Investment Program.
5. Other expenses were lower than the estimate as a result of less project related work and general under budget expenditure as a result of cost containment implemented due to lower than planned revenue.
6. Landgate requested authority of the Treasurer under section 27(2) of the *Financial Management Act 2006*, to incur expenditure that exceeded the original appropriated amount for the 2019 year. An additional \$0.828 million in appropriation funding was received during 2019 to fund salaries for the agencies project team working on the Landgate Partial Commercialisation project.
7. Income tax equivalent expense was significantly higher than the estimate due to the recognition of the NTER tax expense on the sale of Landgate's shareholding in PEXA Ltd and its subsidiary, Advava Ltd during 2019. The NTER income tax expense applicable was \$46.095 million.
8. Profit for the period was significantly higher than the estimate mainly as a result of the recognition of a gain on the sale of Landgate's shareholding in PEXA Ltd and Advava Ltd during 2019.

Major Actual (2019) and Comparative (2018) Variance Narratives

- A. The gains on equity accounted investments and the disposal of subsidiary were significantly higher than 2018 as a result of the share sale of Landgate's 11.83% shareholding in PEXA Ltd, and 77.78% shareholding in Advava Ltd, which it held on behalf of the State Government. The Landgate Board, Minister for Lands and Treasurer accepted a trade sale of the shareholding resulting in total proceeds of \$185.5 million. Landgate also realised a gain on the disposal of its subsidiary, Advava Ltd (\$7.236 million).
- B. Employee benefits expense was \$12.3 million lower in 2019 due to less voluntary severance payments as compared to 2018. The agency has maintained its focused recruitment strategy that resulted in the recruitment of priority positions.

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8.14 Explanatory statement -- continued

- C. In 2018 the loss on equity accounted investments represented a full years loss on the PEXA Ltd shareholding of 11.83% prior to the mandating of electronic conveyancing in December 2018. The smaller loss on equity accounted investments in 2019 reflects the recognition of the loss as at the date of the share sale in January 2019, following the mandating of e-conveyancing.
- D. Recurrent appropriation was higher than 2018 as a result of agreed parameter funding adjustments. Landgate requested authority of the Treasurer under section 27(2) of the *Financial Management Act 2006*, to incur expenditure that exceeded the original appropriated amount for the 2019 year for the \$0.828 million in additional funding received during 2019 to fund the salaries of the Landgate project team working on the Landgate Partial Commercialisation.
- E. Income tax equivalent expense is significantly higher than 2018 as a result of the recognition of the NTER tax expense on the sale of Landgate's shareholding in PEXA Ltd and its subsidiary, Advara Ltd during 2019. The NTER income tax expense applicable to the gain was \$46.095 million.
- F. Profit for the period was higher than 2018 as a result of the recognition of the gain on the share sale of its investments in PEXA Ltd and Advara Ltd during 2019 together with lower expenditure, specifically employee benefit costs.

8.14 Explanatory statement -- continued

b) Statement of Financial Position Variances

LANDGATE						
	Variance note	Estimate 2019	Actual 2019	Actual 2018	Variance Between Estimate and Actual 2019	Variance between Actual 2018 and Actual 2019
		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
ASSETS						
Current Assets						
Cash and cash equivalents		3,983	11,214	9,323	7,231	1,891
Restricted cash and cash equivalents		231	232	231	1	1
Receivables	9	23,065	14,093	12,701	(8,973)	1,392
Financial investments	10, G	9,000	36,439	42,642	27,439	(6,203)
Amounts receivable for services		3,800	3,981	830	181	3,151
Prepayments		1,998	2,545	2,410	547	135
Accrued interest		377	1,266	554	889	712
Total Current Assets		42,454	69,769	68,691	27,316	1,079
Non-Current Assets						
Restricted cash and cash equivalents		686	640	453	(46)	187
Receivables		0	0	1,427	0	(1,427)
Equity accounted investments	11, H	35,346	2,670	33,026	(32,676)	(30,356)
Financial investments	10, G	52,000	36,478	20,089	(15,522)	16,389
Amounts receivable for services		29,973	29,792	28,294	(181)	1,498
Property, plant and equipment		50,491	52,945	52,472	2,454	473
Intangible assets		46,466	42,550	45,906	(3,916)	(3,356)
Deferred tax assets		5,151	2,636	4,706	(2,515)	(2,070)
Total Non-Current Assets		220,113	167,711	186,373	(52,403)	(18,662)
TOTAL ASSETS		262,567	237,480	255,064	(25,086)	(17,584)
LIABILITIES						
Current Liabilities						
Payables		8,323	4,763	6,215	(3,559)	(1,452)
Current tax liabilities		560	0	488	(560)	(488)
Finance lease liabilities		4,500	4,500	4,142	0	358
Employee related provisions		9,748	10,381	10,337	633	44
Other current liabilities		0	2,816	3,814	2,816	(998)
Total Current Liabilities		23,131	22,460	24,996	(670)	(2,536)
Non-Current Liabilities						
Finance lease liabilities		3,408	3,409	7,909	1	(4,500)
Employee related provisions		3,072	2,639	2,629	(433)	10
Total Non-Current Liabilities		6,480	6,048	10,538	(432)	(4,490)
TOTAL LIABILITIES		29,611	28,508	35,534	(1,102)	(7,026)
NET ASSETS		232,956	208,973	219,530	(23,982)	(10,558)
EQUITY						
Contributed equity		90,379	90,379	90,379	0	0
Reserves		19,412	23,526	18,926	4,114	4,600
Retained earnings		123,165	95,068	110,225	(28,097)	(15,156)
TOTAL EQUITY		232,956	208,973	219,530	(23,989)	(10,556)

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

8.14 Explanatory statement -- continued

Major Estimate and Actual (2019) Variance Narratives

9. Receivables were lower than the estimate as a result of lower than expected billed work on the triennial Metropolitan Revaluation Program, which is expected to be completed during 2020.
10. Financial Investments Current were higher than the estimate by \$27.4 million and Non-Current were lower than the estimate by \$15.5 million as a result of a higher value invested in shorter term facilities than planned when the budget was set.
11. Equity accounted investments in 2019 were lower than the estimate as a result of the sale of Landgate's shareholding in PEXA Ltd in January 2019, which was not included in the budget when it was set. The carrying value of the investment in PEXA Ltd (\$31.792 million) as at the date of disposal of the asset was transferred to the income statement prior to the recognition of the gain on the share sale.

The remaining balance in 2019 represents the fair value of Landgate's shareholding in PSMA Ltd, recognised for the first time during 2019, as a result of the application of *AASB 9 Financial Instruments*.

Major Actual (2019) and Comparative (2018) Variance Narratives

- G. Financial Investments Current were lower by \$6.2 million and Non-Current were higher than 2018 by \$16.4 million as a result of a higher value invested in longer term facilities during the 2019 year.
- H. The 2018 Equity accounted investments represented Landgate's shareholding in PEXA Ltd, which it sold in January 2019. The carrying value of the investment in PEXA Ltd (\$31.792 million) as at the date of disposal of the asset was transferred to the income statement prior to the recognition of the gain on the share sale.

8.14 Explanatory statement -- continued

c) Statement of Cash Flows Variances

		LANDGATE				
	Variance note	Estimate 2019	Actual 2019	Actual 2018	Variance Between Estimate and Actual 2019	Variance between Actual 2018 and Actual 2019
		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Provision of services	12, I	97,321	92,369	108,303	(4,952)	(15,934)
Sale of land information, data and imagery		7,733	6,961	7,984	(772)	(1,023)
Interest received		1,608	2,833	1,798	1,225	1,035
GST receipts on sales		1,895	1,098	1,128	(797)	(30)
GST receipts from taxation authority		4,420	4,787	4,245	367	542
Other receipts		1,087	1,068	1,245	(19)	(177)
Payments						
Employee benefits	13, J	(61,709)	(52,820)	(67,662)	8,889	14,842
Supplies and services	14, K	(38,921)	(35,380)	(31,601)	3,541	(3,779)
Other expenses	15	(9,868)	(4,873)	(6,578)	4,995	1,705
Accommodation		(4,703)	(4,219)	(4,366)	484	147
Finance costs		(934)	(941)	(1,370)	(7)	429
GST payments on purchases		(6,315)	(5,850)	(5,695)	465	(155)
Net cash flows from operating activities		(8,386)	5,033	7,431	13,419	(2,398)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Sale of –						
Property, plant and equipment		0	4	0	4	4
Financial investments	16, L	1,000	42,642	33,707	41,642	8,935
Equity accounted investments – PEXA Ltd	17, M	0	185,501	0	185,501	185,501
Subsidiary – Advava Ltd	17, M	0	7,236	0	7,236	7,236
Cash distribution received from discontinued joint venture		0	0	120	0	(120)
Payments						
Purchase of – Property, plant and equipment and intangible assets		(11,562)	(11,876)	(13,790)	(314)	1,914
Financial investments	16, L	0	(52,939)	(43,703)	(52,939)	(9,236)
Equity accounted investments – PEXA Ltd		0	(212)	0	(212)	(212)
Net cash flows from investing activities		(10,562)	170,356	(23,666)	180,918	194,022
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Finance lease payments		(4,143)	(4,057)	(3,721)	86	(336)
Net cash flows from financing activities		(4,143)	(4,057)	(3,721)	86	(336)
CASH FLOWS FROM STATE GOVERNMENT						
Receipts						
Service appropriation	18, N	29,310	30,150	26,253	840	3,897
Drawdowns from Amounts receivable for services (Holding Account)	O	830	830	4,666	0	(3,836)
Payments						
Income tax equivalents - payments	19, P	(6,405)	(55,637)	(5,553)	(49,232)	(50,084)
- refund		0	0	84	0	(84)
Dividends paid to Consolidated Account	19, P	(1,295)	(144,596)	(6,060)	(143,301)	(138,536)
Net cash flows from State Government		22,440	(169,253)	19,390	(191,693)	(188,643)
Net change in cash and cash equivalents		(651)	2,079	(566)	2,730	2,645
Cash and cash equivalents at start of period		5,551	10,007	10,573	4,456	(566)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		4,900	12,086	10,007	7,186	2,079

Western Australian Land Information Authority (Landgate)
Notes to the Consolidated Financial Statements
for the year ended 30 June 2019 (continued)

Major Estimate and Actual (2019) Variance Narratives

12. Expectations when setting the budget were for a slight upturn in property market activity, however this did not eventuate during 2019. Whilst interest rates remained low, weak consumer sentiment, low population growth and more stringent borrowing rules following the Royal Commission into the banking industry have hampered growth in the property market resulting in the provision of services activity being lower than expected resulting in \$5 million lower than planned receipts.
13. Employee benefits payments were lower than expected as a result of the lower than planned number of full-time equivalent employees and the implementation of expenditure containment strategies including recruitment of only priority positions.
14. Supplies and services payments were lower than the estimate by \$3.5 million as a result of fiscal restraint in response to decreasing revenue expectations. This included lower than expected expenditure that related to the Asset Investment Program.
15. Payments for other expenses was lower than the estimate as a result of less than planned project related work and general under budget expenditure as a result of cost containment in response to the lower than planned revenue.
16. Financial investments receipts from the sale, and payments for purchases, were higher than the estimate as a result of a higher value of investments maturing and being reinvested during 2019 than planned.
17. In 2019 Landgate sold its 11.83% shareholding in PEXA Ltd and 77.78% shareholding in Advara Ltd. Neither share sale transaction had been anticipated when the budget was set.
18. Landgate requested authority of the Treasurer under section 27(2) of the *Financial Management Act 2006*, to incur expenditure that exceeded the original appropriated amount for the 2019 year. An additional \$0.828 million in appropriation funding was received during 2019 to fund salaries for the agencies project team working on the Landgate Partial Commercialisation.
19. Income tax equivalent payments and dividends paid to the Consolidated Account were significantly higher than planned in 2019 mainly as a result of the sale of Landgate's 11.83% shareholding in PEXA Ltd and 77.78% shareholding in Advara Ltd which were not included when the budget was set. Proceeds from the PEXA Ltd share sale totalling \$185.501 million, net of transaction costs (\$0.212 million), were returned to government via the payment of NTER income tax (\$43.925 million) and an interim dividend (\$141.364 million), both of which were paid during 2019. The sale of Landgate's shareholding in Advara Ltd contributed an additional \$2.171m in NTER income tax payments.

Major Actual (2019) and Comparative (2018) Variance Narratives

- I. Provision of services receipts was lower than 2018 by \$15.9 million as a result of a further decline in the Western Australian property market during 2019 with the number of document registration actions 7% below 2018 activity levels. Document registration activity levels this low have not been experienced since the late 1980's and have resulted from a continuation of weak consumer sentiment, low population growth and a tightening of borrowing rules by banking institutions. The low interest rates did not result in an upturn in property market activity towards the end of the 2019 year.
- J. Employee benefits payments were lower in 2019 as a result of less voluntary severance payments as compared to 2018. The agency has maintained its focused recruitment strategy that resulted in the recruitment of priority positions.
- K. Supplies and services payments were more than 2018 largely as a result of increased use of cloud-based services during 2019.
- L. Financial investments receipts from the sale and payments for purchases were higher than 2018 as a result of a higher value of investments maturing and being reinvested during 2019 when compared to the prior year.
- M. In 2019 Landgate sold its 11.83% shareholding in PEXA Ltd and 77.78% shareholding in Advara Ltd.

8.14 Explanatory statement -- continued

- N. Recurrent appropriation was higher than 2018 as a result of agreed parameter funding adjustments. Landgate requested authority of the Treasurer under section 27(2) of the *Financial Management Act 2006*, to incur expenditure that exceeded the original appropriated amount by \$0.828 million in additional funding received during 2019 to fund the salaries of the Landgate project team working on the Landgate Partial Commercialisation.
- O. Drawdowns from amounts receivable for services (holding account) were lower than 2018 as a result of the agreed funding arrangements to access funds when required for the replacement of assets in accordance with Landgate's approved Asset Investment Program. In 2019, a larger portion of the Asset Investment Program was funded from operating surpluses that were specifically set aside for this purpose through responsible financial management.
- P. Income tax equivalent payments and dividends paid to the Consolidated Account were significantly higher than 2018 as a result of the sale of Landgate's 11.83% shareholding in PEXA Ltd in January 2019. Proceeds from the sale totalling \$185.5 million, net of transaction costs, were returned to government via the payment of NTER income tax and an interim dividend, both of which were paid during 2019.

Detailed Key Performance Indicators

Certification of Key Performance Indicators

In the opinion of the Board, Western Australian Land Information Authority, the accompanying key performance indicators:

- based on proper records
- relevant and appropriate for assisting users to assess the Authority's performance
- fairly represent the performance of the Authority and its subsidiary for the financial year ended 30 June 2019.



Caroline de Mori

Chair

Board

Western Australia Land Information Authority

20 September 2019



Graeme Gammie

Chief Executive

Member, Board

Western Australia Land Information Authority

20 September 2019

Key Performance Indicators

for the year ended 30 June 2019

Relationship to Government Goals

The following table illustrates the relationship between the Authority's services, the desired outcomes and the relevant Government Goal. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service. Refer to the Outcome Based Management framework section of the Annual Report for further details.

Government Goal	Outcomes	Services
Sustainable Finances: Responsible financial management and better service delivery.	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.	1. Land Administration A land administration service that provides a land information base, certainty of ownership and other interests in land.
	Independent valuations support government's collection of rates and taxes and management of property assets.	2. Valuations An impartial valuations service.
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Coordinated capture and access to the State's location information.	3. Access to Government Location Information Effective access to land and location information can be demonstrated by improved data capture, access and useability of location information.

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Key Effectiveness Indicator (1 of 2):	The land titles register is updated and maintained in a timely and accurate manner. ¹

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Timeliness				
Simple and correct documents are registered within two working days of lodgement.	N/A	N/A	80%	84.96%
Accuracy				
The number of adjusted Certificates of Title arising from identified errors as a percentage of the total Certificates of Title on the land titles register.	N/A	N/A	≤1%	0.1227%

¹ A revision to the Outcome Based Management framework was undertaken in 2017/18, introducing two new measures for this indicator.

Key Performance Indicators

for the year ended 30 June 2019 (continued)

Why is this a key indicator of our performance?

Landgate's primary purpose is to ensure and maintain the certainty of ownership and other interests in land through the integrity of its land titles register. Measuring the timeliness and accuracy of service delivery pertaining to land titles transactions provide a reflection of the agency's performance.

Documents are lodged by customers, requiring updates to relevant Certificates of Title in the register. In addition, these updates may identify errors that require rectification to the Certificates of Title. The required changes should be processed in a timely, accurate manner, and both elements are calculated in the two measures provided.

How were these indicators derived?

The indicators provide a combined view of both automated and manual document lodgement transaction processes, defined by the following:

1. Timeliness

- a. Simple and correct documents represent any combination of the following forms that have been submitted with all required information completed, and are not subject to any dealings:
 - i. Discharges of Mortgage,
 - ii. Transfers,
 - iii. Mortgages;
 - iv. Caveats; and
 - v. Withdrawal of Caveats
- b. Registration of a document is a formal change to the land titles register, with relevant adjustments made to a Certificate of Title.

2. Accuracy

- a. Identified errors² include errors that are reported and/or discovered during an investigation process, that may require a change to a Certificate of Title.
- b. Service performance is monitored by tracking the number of Certificates of Title adjusted due to identified errors. This provides the agency with an overall view of the customers impacted by the changes applied to the land titles register.
- c. As the land titles register is a live system, the total number of Certificates of Title is extracted as nearest to close of business, 30 June annually.

What do these indicators show?

1. Timeliness

Final result for the year was 84.96% of simple and correct documents registered within two working days of lodgement, above the target of 80% for 2018/19. Regulations requiring electronic lodgement of eligible land registry documents occurred in December, resulting in a larger volume of documents being lodged electronically. Despite this shift in lodgement channels, the additional processing stages associated with paper lodgements slightly hindered results for this period. Performance for this indicator is expected to improve over the next twelve months as further development of Landgate's New Land Registry system progressively improves average processing times for electronically lodged documents.

This is the first year this measure is being implemented, therefore historical data cannot be provided for comparison.

² These figures describing errors on the WA land register are intended as an indication only. What is viewed as an error can be subjective.

2. Accuracy

As at 30 June, 0.1227% of Certificates of Titles were adjusted due to identified errors, representing strong performance against the annual target of less than 1%. This result represents 1,794 adjusted Certificates of Titles compared with 1,462,468 Certificates of Titles in the land titles register.

This is the first year this measure is being implemented, therefore historical data cannot be provided for comparison.

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Key Effectiveness Indicator (2 of 2):	The extent to which the currency and relevance of the Land Information Databases meet the needs of the Western Australian community. ³

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Topography				
Completion rate of the annual topographic maintenance plan	N/A	N/A	100%	70.72%
Names and Addressing				
Completion rate of names and addressing jobs delivered within 10 business days	N/A	N/A	80%	88.46%
Property Boundaries				
Completion rate of property boundary related jobs within the agreed benchmarks	N/A	N/A	98.2%	94.4%

Why is this a key indicator of our performance?

Landgate maintains its strategic land information datasets so that they are fit for purpose, match the level of land related activity and change through cyclical and targeted data maintenance. Currency and relevance relate to how well the data is kept up to date and the support given to requests for new and updated land information received. As the maintenance is needs-based, the achievement of set targets reflects the extent to which these user needs are met and therefore it is an indicator of effectiveness.

How were the indicators derived?

For 2018/19 the indicators are derived from core land information databases that describe and record the location and physical attributes of the State's land and location data. The currency of the information provides a measure of Landgate's effectiveness in responding to land development and social changes.

1. Topography

The maintenance plan captures and updates topographic data for metropolitan Western Australia on an annual basis, and Bunbury, Geraldton, Albany and Kalgoorlie biannually. Topographic data maintenance is scheduled based on the availability of imagery from the CaptureWA program, government priorities and

³ A revision to the Outcome Based Management framework was undertaken in 2017/18, replacing the combined measure with three separate indicators.

Key Performance Indicators

for the year ended 30 June 2019 (continued)

previous identified changes. Through this process, scans are undertaken, anomalies are analysed and topographic data updated for these areas.

2. Names and Addressing

This database is updated in response to land development requirements submitted by local government areas (LGAs). Working closely with LGAs, naming approvals are completed in line with the geographic naming policy. Landgate ensures it delivers a timely service by benchmarking and communicating the complexity of requests that are being received.

The majority of requests received are of simple to medium complexity, with a completion benchmark of ten working days. Complex requests require additional time and resources to complete, but comprise a minority of the requests received.

3. Property Boundaries

Data accuracy for property boundaries is continuously improved in response to market activity in the land development process. Changes to data are captured and updated in the relevant databases, ensuring certainty of ownership in land is maintained. The indicator provided is derived from the following combination of property boundary activities:

- (a) Update lodgement of layers is an automatic process that contributes to the accuracy of geographic positioning in the database. However, manual update lodgement may be required to rectify systemic anomalies. Timeliness in performing this manual action is maintained by measuring against a benchmark of five business days on 99% of jobs;
- (b) Integration of lodged layers are also triggered and completed automatically, however, system failures may occur due to data conflicts. In this case and with all manually lodged layers, manual integration is required to update the database. Timeliness in performing this manual action is managed by measuring against a benchmark of five business days on 99% of jobs;
- (c) Linking surveys to the control network on Landgate's Spatial Cadastral Database (SCDB) increase location data accuracy, and therefore, supports certainty of ownership. Timeliness in performing this action is managed by measuring against a benchmark of five business days on 90% of jobs;
- (d) Resolution of anomalies are conducted to ensure spatial and tenure data remain accurate in Landgate's systems. All reported and identified standard anomalies are rectified within five business days to maintain accuracy of Landgate's databases.

All of the above define the minimum requirements to maintain the land information base and deliver the levels of accuracy, currency and completeness expected by users of the data.

What do the indicators show?

The indicators show how well Landgate has maintained its topographic, names, addressing and property boundary information overall. They represent averages measured via achievement against benchmarks for each of the core databases. These benchmarks are gauged on Landgate's capacity to satisfy the expected levels of data maintenance and user community requests for new information as well as maintain cyclical revision programs.

In 2018/19 Landgate was effective in meeting overall user expectations as per the following:

1. Names and Addressing

As at the end of June 2019, the final combined performance for this indicator was 88.46%, exceeding the 80% annual target. 387 of the 503 requests received for naming approvals were completed within ten business days. 22,100 of the 22,102 requests received for new and/or revisions to addresses were completed within the same benchmark (ten business days).

Exceptions against individual targets are described as follows:

1. Topography

Topographic data for 70.72% of the plan has been updated this year. This includes 71% of metropolitan WA and 73% of the biennial targeted rural WA completed.

For 2018/19, the topographic maintenance plan effectiveness measure changed approach, shifting from volume of edits to completion of areas in m² against the annual program. Focusing on the Perth metropolitan area and 4 major rural centres, performance fell short of the intended target. The data collected over the year for this measure will be used to review the maintenance program and recommend actions to improve performance.

2. Property Boundaries

The manual update of lodgement layers continued to track under its target of 99%, ending the June period with a score of 97%. This was due to the ongoing requirement for manual processes whilst automation evolves.

The final figures for the manual integration of lodged layers scored 97.2% against its target of 99%. During May and June the Integration function encountered substantial technical issues requiring production to stop whilst the error could be investigated, causing a backlog in jobs for the team. The investigation is ongoing due to a recurrence of the issue.

Linking surveys to the control network have consistently scored above its target of 90% throughout the year, with 93.6% of jobs being completed within less than five business days.

Resolution of standard anomalies averaged longer than the benchmark of five business days, scoring 73.7% against its target of 100% mainly due to the complexity and investigation times required to resolve the anomalies.

This is the first year since these measures were implemented, therefore historical data cannot be provided for comparison.

Western Australian Land Information Authority (Landgate)

Key Performance Indicators

for the year ended 30 June 2019 (continued)

Service 1:	Land Administration
Service description:	A land administration service that provides a land information base, certainty of ownership and other interests in land.

Key Efficiency Indicator	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Average cost of maintaining a land information base, certainty of ownership and other interests in land, per Certificate of Title. ⁴	N/A	N/A	\$61.18	\$53.44

Why is this a key indicator of our performance?

The land administration service delivered by Landgate includes a wide range of activities associated with capturing, maintaining and delivering land and location data, with the primary purpose of ensuring that ownership and interests in land are preserved. The final outputs of the service result in an up-to-date and accurate land titles register, capable of producing a Certificate of Title when and as required.

The indicator provides a measure of the full cost of maintaining land titles, including the range of interests, boundaries and ownership relevant to that land. This is a clear indicator of the efficiency with which the land registration system and service is maintained.

How was the indicator derived?

The average cost refers to the total cost of land administration service per Certificate of Title. The number of Certificates of Title is derived from a live register that records Crown and Freehold land titles for the State of Western Australia. As the register is live, the total number of Certificates of Title is extracted as nearest to close of business, 30 June annually.

The cost of land administration services includes all direct costs and an appropriate share of indirect and overhead recurrent costs.

What does this indicator show?

The average cost of maintaining a land information base, certainty of ownership and other interests in land, expressed as a dollar value per Certificate of Title. The final cost of maintaining a land information base for 2018/19 was \$53.44 per Certificate of Title. The average cost was \$7.74 lower than the 2018/19 target of \$61.18 and the total number of Certificates of Title at the end of the year was 1,462,468, slightly below the original forecasted number of 1,466,478.

This strong performance was due to full year expenditure for Land Administration services being \$78.10m, \$11.61m less than the 2018/19 target of \$89.71m.

⁴ A revision to the Outcome Based Management framework was undertaken in 2017/18, combining the average Land Information Action (LIA) and Land Registration Action (LRA) indicators into one representing Land Administration Action (LAA).

Outcome:	Independent valuations support Governments' collection of rates and taxes, and management of property assets.
Key Effectiveness Indicator (1 of 2):	International standards for accuracy and uniformity of rating and taxing values are met.

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Benchmark against international standards for accuracy using Median Ratio Test:				
Gross Rental Value	92.00%	91.40%	>92.50%	91.92%
Unimproved Value	91.95%	91.67%	>92.50%	90.67%
Coefficient of dispersion to check uniformity of values:				
Gross Rental Value	3.98%	4.33%	<7.00%	4.21%
Unimproved Value	6.32%	7.68%	<15.00%	6.92%

Why is this a key indicator of our performance?

State and local governments rely on impartial, uniform and accurate property values as a base for levying rates and taxes. Therefore, measuring the uniformity and accuracy of valuations provides a useful indicator of our contribution to their effectiveness in meeting this outcome.

How was this indicator derived?

The uniformity and accuracy of Unimproved Values are checked against international ratio standards published by the International Association of Assessing Officers (IAAO) in their 'Standard on Ratio Studies'. Coefficient of Dispersion (COD) and the Median Value Price Ratio (MPR) tests are the key standards. These are used extensively in both Australia and New Zealand. Both were adopted as ideal indicators suited to Western Australia. Gross Rental Values are compared against our own standards developed in 1998 along similar lines to the IAAO land value standards.

In relation to the MPR, the IAAO Standards state that "the overall level of appraisal for a jurisdiction.... for vacant land.... should be between 90 percent and 110 percent", and that the "Coefficient of Dispersion (COD) for vacant land should be 20 percent or less". In larger urban jurisdictions dealing with uniform land releases and availability of sales, the COD should be <15%.

For Unimproved Values the Valuer General of Western Australia has set an MPR standard of >92.5% and a COD of <15%.

While there is currently no international standard for Gross Rental Values, the Valuer General has adopted the same accuracy and uniformity measures applying to Unimproved Values but with a tighter COD target of <7%.

The quality of the outcome is reflected in the extent to which the results exceed the minimum targets.

Key Performance Indicators

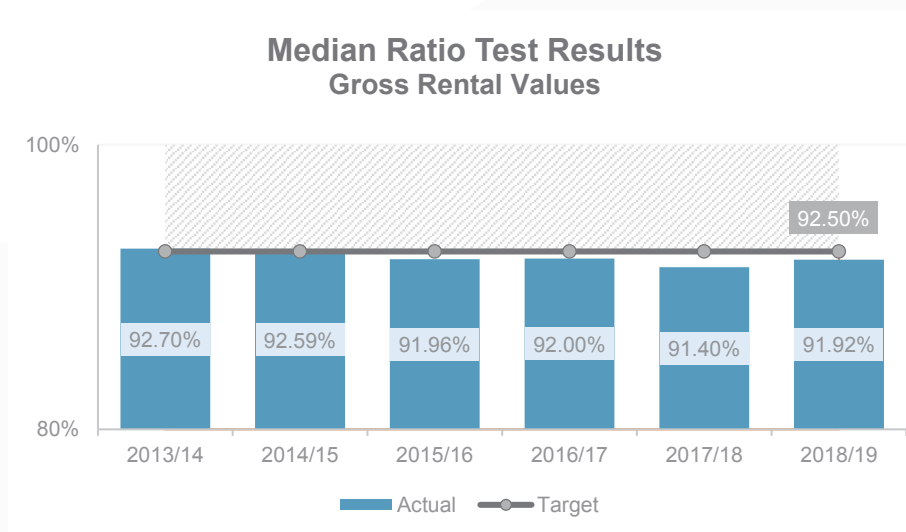
for the year ended 30 June 2019 (continued)

What does this indicator show?

Gross Rental Values: Median Ratio Tests

The Western Australian country Gross Rental Valuation (GRV) general valuation program for the 2018/19 period, produced a Median Price Ratio (MPR) accuracy value of 91.92% for GRV against a target of >92.5%. Although 91.92% is below target it is considered a good result. The degree with which it falls below target reflects the caution in the assessment process caused by continued softness in the rental market.

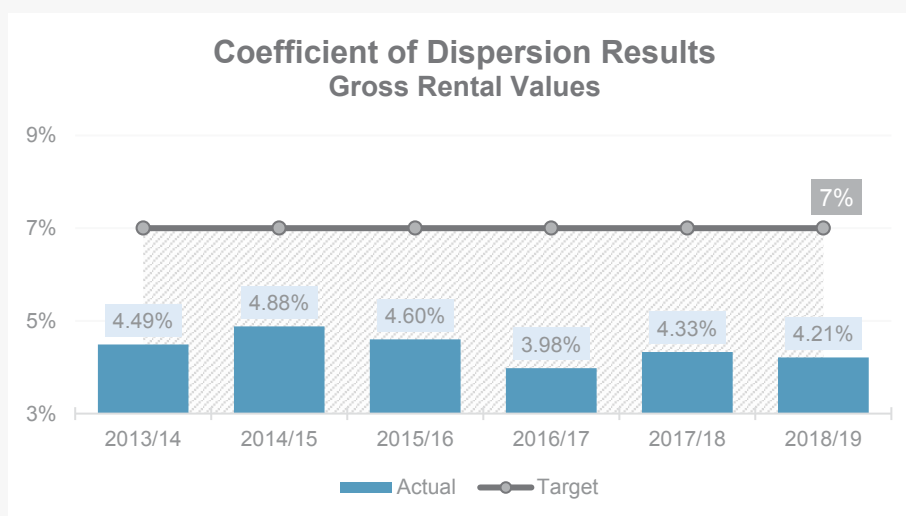
The graph summarises MPR of GRVs for six continuous years, showcasing Landgate's satisfactory performance in continuing to track closely to the 92.50% target.



The MPR for GRV was determined on a statistical analysis which compared assessed values as at the date of valuation being 1 August 2018 with rent occurring between 1 September 2017 and 31 August 2018.

Gross Rental Values: Coefficient of Dispersion

The COD for GRV of 4.21% meets the requirement target of < 7% as a measure of valuation uniformity. The graph demonstrates that Landgate has met this measure of effectiveness for six continuous financial years.



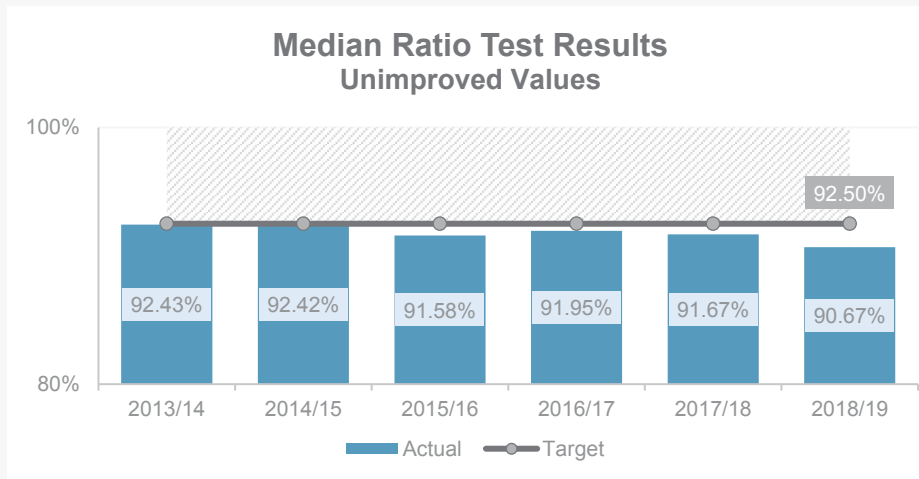
The COD for GRV is a measure of divergence between the assessed land values and rents during the regulation period of 1 September 2017 and 31 August 2018.

Unimproved Values: Median Ratio Tests

The MPR for Unimproved Values (UV) of 90.67% is under the target of > 92.5%. The degree with which it falls below target reflects the caution in the assessment process caused by continued softness in the land

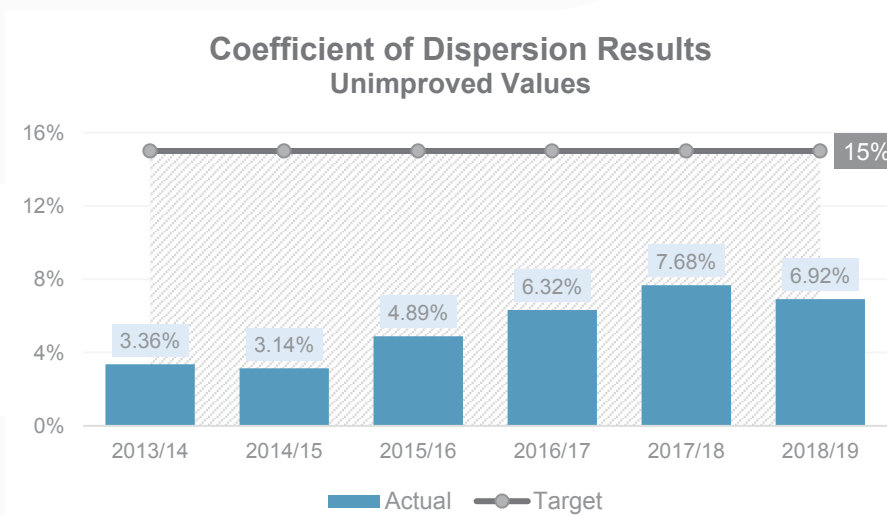
market with falls recorded in some areas. The MPR for UV was determined on a statistical analysis which compared assessed values as at the date of valuation being 1 August 2018 with sales occurring between 1 June 2018 and 31 August 2018.

The graph showcases the six-year trend for this measure with Landgate consistently scoring above 90%, a satisfactory outcome for this service.



Unimproved Values: Coefficient of Dispersion

The Coefficient of Dispersion (COD) for UV at 6.92% is well under the standard of <15% and within the range of results for six continuous years as depicted in the graph.



The COD for UV is a measure of divergence between the assessed land values and sales evidence during the regulation period of 1 June 2018 and 31 August 2018.

Western Australian Land Information Authority (Landgate)

Key Performance Indicators

for the year ended 30 June 2019 (continued)

Outcome:	Independent valuations support Governments' collection of rates and taxes, and management of property assets.
Key Effectiveness Indicator (2 of 2):	Adjustments of rating and taxing values as a result of Objections and Appeals as a percentage of total values in force.

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Adjustments of rating and taxing values as a result of Objections and Appeals as a percentage of total values in force.	0.0247%	0.0190%	<0.2%	0.0147%

Why is this a key indicator of our performance?

The percentage of values amended as a consequence of owners exercising their right to challenge values is a reasonable measure of the integrity and fairness of the values contained in Valuation Rolls.

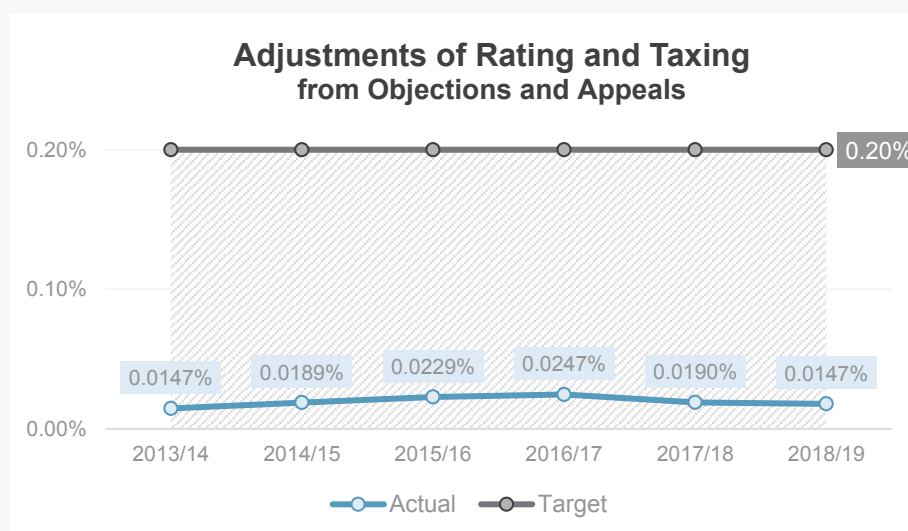
How was this indicator derived?

The figure is derived by dividing the number of values that have been amended as a result of an objection or appeal by the total number of rating and taxing values in force.

What does this indicator show?

As at 30 June 2019, there were 2,373,492 values in force in Western Australia. During the year 349 of these were amended as a result of formal objections determined by the Valuer-General or review of valuations by the State Administrative Tribunal. This indicates that only one in every 6,801 values was amended. The outcome of 0.0147% remains well below the target which was derived from an international standard and is similar to previous outcomes.

The result is slightly lower than that achieved in 2017/18 and demonstrates the effectiveness of the valuation process for rating and taxing in Western Australia and its general acceptance by ratepayers and taxpayers. The graph showcases Landgate's performance in exceeding this target for the past six years.



Service 2:	Valuations
Service description:	An impartial valuation service.

Key Efficiency Indicator	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Average cost per valuation	\$16.69	\$23.65	\$22.90	\$19.47

Why is this a key indicator of our performance?

The number of valuations made and the average cost per valuation provide a reliable measure of overall performance against forecast targets and previous years' outcomes. Some variation does occur from year to year due to the cyclical nature of gross rental valuation (GRV) based general valuations.

How was this indicator derived?

Cost per valuation refers to the total cost per value of unimproved and gross rental values including general valuations, interim valuations, objections, appeals and queries made during the financial year, and other valuations including stamp duty, market, and asset valuations, and property related valuation consultancy services.

The total cost includes all direct costs and an appropriate share of indirect and overhead recurrent costs.

What does this indicator show?

At the end of 2018/19, the average cost per valuation was \$19.47, which represents a positive outcome when compared with the target of \$22.90. Strong performance was a result of total expenditure of \$28.35m for the delivery of this service (\$4.6m less than the 2018/19 target of \$32.98m) and 1,456,144 valuations being completed during the year, exceeding the target of 1,440,000 valuations.

Outcome:	Coordinated capture and access to the State's location information.
Key Effectiveness Indicator (1 of 1):	Use of location information

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Overall satisfaction with the capture of, access to and useability of Government Location Information	72%	75%	80%	76%

Why is this a key indicator of our performance?

The Shared Location Information Platform (SLIP) and Capture WA program support the implementation of the WA Whole-of-Government Open Data Policy by enabling the WA public sector to avoid duplication of costs in the capture, management and sharing of location-based data and information. Customers of this data from across the public and private sectors are surveyed annually to understand how accessible and useful this data is to the community.

Western Australian Land Information Authority (Landgate) Key Performance Indicators for the year ended 30 June 2019 (continued)

How was this indicator derived?

The satisfaction level is derived through independent survey results obtained during May to June 2019. The survey is conducted on an annual basis to address this indicator.

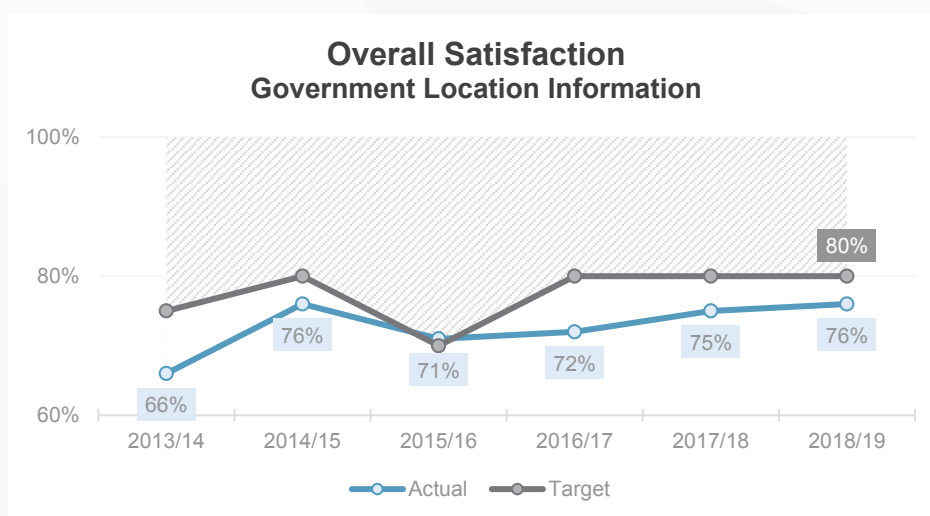
The independent survey consists of an online questionnaire with two parts, one for users and contributors of SLIP and the other for participants in the Capture WA program. Reliability and validity testing was undertaken prior to launch. Data collection was done over a 6-week period with reminders sent weekly to non-respondents or partially completed surveys. A total sample size of 270 SLIP users and 71 Capture WA users was achieved. Based on this sample size the combined margin of error at the 95% level of confidence is $\pm 5\%$.

What does this indicator show?

This indicator shows the level of satisfaction of the publishers and users of public sector location information with regard to the coordinated capture, access and useability of this information.

The 2018/19 result of 76% indicates that Landgate did not meet its target of 80%, although this is an improvement on last year's outcome of 75%.

Feedback collated during the survey indicates that ease of system use, relevant information and quality of imagery have been contributory to user satisfaction. The graph showcases the survey results for six continuous years, which five of them have remained relatively stable above the 70% mark



The survey was opened for 6 weeks, conducted from 21 May to 1 July 2019. There was a one-week extension of the survey compared to last year to collect sufficient responses to meet the sample size. Overall weighted satisfaction was 76% and unweighted 79%. The change in satisfaction was driven by sentiment towards SLIP which increased significantly this year to 83%. This increase to satisfaction with SLIP was driven by Local Government clients.

Service 3	Access to Government Location Information
Service Description:	Effective access to land and location information can be demonstrated by improved data capture, access and useability of location information.

	Actual 2016/17	Actual 2017/18	Target 2018/19	Actual 2018/19
Average cost of maintaining and providing access to land and location datasets, per SLIP dataset.	N/A	N/A	\$1,854	\$1,860

Why is this a key indicator of our performance?

The Shared Location Information Platform (SLIP) and Capture WA program support the implementation of the WA Whole-of-Government Open Data Policy by enabling the WA public sector to avoid duplication of costs in the capture, management and sharing of location-based data and information.

This indicator is the average cost of capturing, managing and sharing this data and information, inclusive of resources and infrastructure required to make the information available for re-use.

How was the indicator derived?

The average cost per dataset refers to the combined resource and infrastructure costs of coordinating and managing the CaptureWA program, SLIP, and support for customers, divided by the total number of SLIP datasets that have been made available for use by the community through these services.

The total cost includes all direct costs and an appropriate share of indirect and overhead recurrent costs.

What does the indicator show?

The average cost per SLIP dataset equated to \$1,860, slightly over the target of \$1,854.

The total number of datasets available at the end of the financial year resulted in 4,781, exceeding the target of 4,420. Full year expenditure for this service was \$8.892m, exceeding the original target allocation of \$8.196m. This variance was mainly due to increased costs associated with a rise in the use of cloud services. Overall use of cloud facilities is increasing as Landgate moves away from on-premise infrastructure.

Ministerial Directives

Landgate received no Ministerial Directives under section 65(3) of the *Land Information Authority Act 2006* in 2018/19.

Other Financial Disclosures

Pricing policies

Landgate charges for goods and services rendered.

Under section 13(i) of Treasurer's Instruction 903, Landgate advises Treasury of the policies underlying the pricing of its goods and services.

The following pricing policies apply to the major categories of the goods and services rendered:

Land registrations

The setting of fees for land transaction documents, memorial registrations and survey plan lodgements complies with section 181 of the *Transfer of Land Act 1893*, section 130 of the *Strata Titles Act 1985*, and section 22 of the *Registration of Deeds Act 1856*.

The fees are determined in accordance with 'Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector' published by the Department of Treasury. The 2018/19 schedule of fees for all land registration services increased within CPI of 1.5%.

Land searches

The schedule of fees for inspecting and copying (searching) land registration information, including Certificates of Title, survey plans and documents, was increased within CPI of 1.5%.

Land valuations

Pricing for valuations and valuation consulting services complies with the *Valuation of Land Act 1978* and the *Land Information Authority Act 2006*.

Other goods and services

In addition, Landgate charges for other goods and services, including:

- maps and aerial photography
- remote sensing satellite imagery
- native title mapping
- geospatial data sales
- property value and sales information
- location information and services.

Prices of non-regulatory goods and services are determined under the Authority's Pricing Framework.

This framework ensures compliance with section 16 of the *Land Information Authority Act 2006*. The framework includes processes and procedures to ensure prices are set in a transparent, methodical and accountable way.

Capital Works Program

Total expenditure for the year ended 30 June 2019 was as follows:

	Capital expenditure	Estimated cost to complete
	(\$'000)	(\$'000)
Location infrastructure	2,440	-
Products and services	-	-
Asset replacement	1,206	16
Business reform initiatives	8,282	7
Total	11,928	23

All projects closed out in 2018/19 Financial Year within budget. Immaterial committed expenditure remains due to minor invoice adjustments being finalised in July 2019.

Landgate's capital works consist of four continuing programs detailed in the following sections:

Location infrastructure

Location information forms the basis of Landgate's operations. This information about land ownership, land boundaries and geographic features is crucial to the operations of Government, industry and the wider community. The location infrastructure program ensures the location data meets the quality and currency requirements of users. The program also supports the State's Location Information Strategy (LIS) and funds the Authority's innovation program.

Products and services

Historically this program covered the research, development and delivery of new products and services. In 2018/19 the focus of capital investment has been on improving the delivery of core services rather than creating new offerings, and as such there has been minimal investment in this area.

Asset replacement

The asset replacement program manages the maintenance and replacement of facilities, physical infrastructure and information technology systems.

Business reform initiatives

This program is designed to meet the increased demand for integrated services and technological change. Through a program of process automation and redesign, Landgate can supply a range of new commercial services and integrated or bundled solutions.

The major project under this program is the redevelopment of our land registration process (conveyancing) and the underlying software platforms. It builds on the National Electronic Conveyancing System, which was established by the COAG to deliver a uniform and seamless national approach to electronic conveyancing.

Employees

Number of employees by division

Business unit	Number of employees 2018/19	Number of employees 2017/18
Office of the Chief Executive	5	15
Strategy, Customers & Culture	107	99
Valuations & Property Analytics	143	130
Location Data Services & Business Enablement	166	153
SPUR & Location Intelligence	77	86

Number of employees by employment status

Employee by employment status	Number of employees 2018/19	Number of employees 2017/18
Full time	440	432
Part time	58	51
Casual	0	0
Permanent	445	445
Fixed-term contract	53	38

Staff learning and development

Landgate continued to improve the capabilities of its workforce during 2018/19 through staff learning and development to meet changing business needs. Programs such as the Discover, Explore 2.0, Beyond and 'Path to Leaders' program were designed and delivered in-house to ensure the continued development of our people. 294 participants completed these various programs, which will support the development of business acumen, business efficiency and the 'Way of Working' cultural reform.

During this financial year and beyond, leadership and management development will continue to be a focus, with several programs aimed at upskilling our leaders rolled out across the business.

Landgate's Growth Performance and Satisfaction (GPS) system continues to be the driving force behind performance management, with managers and employees continuing to align their objectives with corporate outcomes. At the end of this financial year, 92% of employees had completed a plan.

Governance Disclosures

Act of Grace payments

Under the *Land Information Authority Act 2006*, Landgate may make an Act of Grace payment at discretion. Such payments are made in circumstances where it would be morally correct but not a specific legal requirement for Landgate to rectify the loss through financial compensation.

Landgate did not make any act of grace payments in 2018/19.

Purchasing card expenditure

Six Landgate cardholders have inadvertently used the corporate purchasing card for personal use during the financial year 2018/19. These transactions were immediately acknowledged voluntarily by the card holders concerned and moneys have been refunded.

Personal Usage of Purchasing Cards

Number of instances the WA Government Purchasing card has been used for personal purpose	7
Total value of personal expenditure for 2018/19	\$156.09
How much owing but not due	\$0
How much was repaid before the due date	\$156.09
How much was repaid after the due date	\$0
How much was still owing at 30 June 2019	\$0
Number of referrals for disciplinary action instigated during the reporting period	Nil



Government Policy Requirements

Substantive equality and diversity outcomes

Diversity progress report – representation

In accordance with the *Equal Opportunities Act 1984*, Landgate demonstrates commitment to equal opportunity principles and recognises that all people, regardless of age, cultural background, disability and gender, possess qualifications, skills, experience and attitudes valuable to our authority.

Landgate's women in management

Women in management	Landgate representation (%) 2018/19	Landgate representation (%) 2017/18
Distribution (equity index)	90	86
Management tier 1	0	100
Management tier 2	20	25
Management tier 3	86	62
Management tier 2 & 3 combined	58	56

The following information represents diversity of Landgate employees against other state sectors.

The equity index measures the extent to which members of the main diversity groups are distributed across salary levels. An ideal measure is 100. Under-participation of any group or clustering of a diversity group in lower salary ranges will result in a measure of less than 100. Over-representation or clustering of a diversity group in higher salary ranges will result in a measure of more than 100.

Landgate's workforce diversity

Diversity Group	Landgate representation (%) 2018/19	Landgate representation (%) 2017/18	Equity Index 2018/19	Equity Index 2017/18
People from culturally diverse backgrounds	18	18	81	81
Indigenous Australians	2	1.6	36	47
People with disability	3	3.5	74	58
Youth (<25)	3	1	28	28

Note: as the responses (other than for Youth) rely on voluntary self-nomination, it is likely the data under-represents these diversity groups at Landgate.

Compliance with Occupational Safety, Health and Injury management

Required by Public Sector Commissioner's Circular 2012-05 – Code of Practice: Occupational Safety and Health in the Western Australian Public Sector.

Landgate is committed to providing and maintaining healthy environments for workers and visitors through development and implementation of effective safety, wellness and injury management systems.

This assurance is articulated in relevant policies and these are available via Landgate's internal intranet.

Landgate demonstrates commitment to OSH and injury management by:

- accepting shared responsibility for safety and health of anyone affected by Landgate's activities
- continuous improvement of workplace safety, health conditions and OSH culture
- ensuring people are not exposed to hazards and encouraging employees to immediately report health and safety concerns
- promoting a consultative environment to resolve issues while improving OSH systems in the workplace
- provision of appropriate resourcing for OSH activities to support OSH performance-based objectives and targets to eliminate work-related illness and injury.

Landgate has five OSH representatives. These officers:

- conduct workplace inspections to assess risks and hazards
- provide a central point for collecting reports from other employees
- report issues to the OSH Committee and Corporate Executive
- resolve OSH issues.

OSH officer details and availability are displayed via our intranet, newsletter and intranet articles promote recruitment roles for new representatives.

The Landgate OSH Committee meets every six weeks, or as required. It provides a forum for discussion and development of safety programs. Minutes from committee meetings are available to all employees via Landgate's intranet. Continuous monitoring is ensured by producing the Landgate Quarterly OSH Performance Report. It contains the following performance indicators and trend analysis:

- engagement – number of OSH representatives and visits to OSH intranet material
- OSH and injury management training – percentage of managers trained, and timeliness of OSH training completed
- incidents, first aid treatments and ergonomic assessments – number of reported incidents, treatments by a First Aid Officer and assessments performed by Landgate's internal assessors
- employee assistance program – overall use and ratio of work-related use, benchmarked against the wider public service
- summary of incidents – description of all recent incident investigations, corrective actions and outcomes.

Performance reports are made available to all employees via the intranet, after formal reviews by Landgate's Board, Corporate Executive and OSH committee.

Landgate complies with an Injury Management Policy developed in accordance with the Workers' *Compensation and Injury Management Act 1981* and WorkCover WA guidelines. The policy documents the Authority's approach to work-related and non-work-related illness and injury.

Workplace-based injury management service at Landgate is available to all employees who suffer a work-related injury or illness, and employees who suffer a non-work-related injury or illness that may impact on work output. Where required, return to work and injury management plans are developed and monitored in accordance with the requirements of the *Workers' Compensation and Injury Management Act 1981* and the Landgate Injury Management Policy. Ongoing workplace inspections and systems auditing form an integral part of Landgate's effort to support health and safety expectations.

Bi-annual workplace hazard inspections are conducted in conjunction with those periodically performed by OSH representatives, annual legislative and procedural compliance audits and five-yearly safety management system audits conducted in accordance with the code of practice for OSH in the Western Australian public sector and AS4801:2000.

The next external audit on Landgate's Occupational Safety and Health processes is planned in 2019/20.

The following table shows our OSH performance in 2018/19.

Actual Results	Results against Target				
	Measure	2017/18*	2018/19	2018/19 Target	Comment on Result
Number of fatalities	0	0	0		Landgate achieved its goal in 2018/19 with only two claims during this period. Neither claim was rated as severe and no time was lost.
Lost time injury and/or disease incidence rate	0.420	0	0.178		
Lost time injury and/or disease severity rate	50%	0%	0		
Percentage of injured workers returned to work:					
i) within 13 weeks	100%	100%	≥ 80%		
ii) within 26 weeks	100%	100%	≥ 80%		
Percentage of managers trained in OSH and injury management responsibilities	32%	82.4%	≥ 80%		OSH Managers training has increased significantly in 2018/19 with a view to 95% completion rate in 19/20

*Note: actual results are three-year trends, with the third year being the end of 2017/18 (for comparative) and 2018/19 (for current year).

Board and Committee Remuneration

Minister

The Minister for Lands has responsibility for Landgate and is administratively responsible for the *Land Information Authority Act 2006*.

The Minister approves Landgate's budget, strategic direction, strategic initiatives and financial decisions. The Minister tables in parliament Landgate's annual report and any directions given to the Authority and is accountable to parliament for Landgate's performance.

Board

The Board is accountable to the Minister for the performance and the efficient and effective financial management of the Authority. The role and functions of the Board are set out in the *Land Information Authority Act 2006* and the Board is subject to the provisions within the *Statutory Corporations (Liability of Directors) Act 1996*.

The Board is responsible for:

- setting the broad strategic direction of Landgate and objectives, plans and performance targets through the annual development of a five-year Strategic Development Plan and one-year Statement of Corporate Intent (SCI), which must be agreed to by the Minister
- approving the budget and capital submissions to Government (*under the Financial Management Act 2006*)
- reporting to the Minister on the operational and financial performance of Landgate
- recommending as soon as practicable after the end of the financial year whether a dividend is to be paid to the consolidated account and, if so, the amount to be paid
- monitoring financial and operational performance of Landgate (against agreed goals/ targets)
- providing risk management oversight via the Audit and Risk Committee
- consulting and communicating with the Minister
- monitoring and approving major business transactions
- reviewing the internal financial and operational control environments
- determining the scope (and any relevant limits) of authority delegated to the Chief Executive
- overseeing the management of the Authority by the Chief Executive to ensure it is operating effectively and has a culture of compliance and best practice business performance in financial, human resource, risk and asset management.

Board structure

The Minister appoints the members of the Board, which is to comprise no fewer than four and no more than six persons in addition to the Chief Executive (ex officio member) in accordance with the *Land Information Authority Act 2006*.

Board members are required to have relevant knowledge and experience to enable Landgate's functions under the *Land Information Authority Act 2006* to be performed and a range of skills and expertise is required, including commercial acumen, information technology, strategy development and financial management. The skills and experience of the current Board members are set out in the [Overview](#) section of this report.

Members are appointed for fixed terms of up to three years and can be reappointed. The Minister designates appointed members to the roles of Chair and Deputy Chair.

Board remuneration

The Landgate Board is established under the *Land Information Authority Act 2006*. The board is responsible for the performance of the Authority's statutory functions and determine its strategic direction. The board meets at Landgate's Midland office on the fourth Wednesday of the month. Meeting dates and arrangements are subject to change to address special requirements.

The Audit and Risk Committee (ARC) is a subcommittee of the Landgate Board, comprising two Board members. In charter alignment, the committee may invite other participants to quarterly meetings. The primary function of the committee is to assist the Board and Chief Executive to fulfil corporate governance responsibilities.

Landgate board

Position	Name	Type of Remuneration	Period of Membership	Gross/actual remuneration
Chair	Caroline de Mori*	Annual	1/08/15-31/07/20	\$46,403.00
Deputy Chair	Anne Arnold*^	Annual	1/01/13-31/12/20	\$37,122.00
Member	Claire Poll^	Annual	22/02/12-31/12/19	\$27,842.00
Member	Monish Paul	Annual	13/11/17-31/12/19	\$27,842.00
Member	Ian Callahan*	N/A	30/07/18-31/12/19	\$0.00
Chief Executive member	Graeme Gammie^	N/A	Ex officio, 05/03/19-04/03/24	N/A

*Also a member of the Audit and Risk Committee

^Also a member of the Special Projects Committee

Other committee remuneration

The Geographic Names Committee (GNC) was established by the Minister for Lands in 1936 to advise the Minister on geographical naming issues. The Minister for Lands approves appointments to the GNC to represent diverse points of view, from local communities to professional institutions and Government agencies within Western Australia.

The GNC is served by a Chairman, Executive Officer and a Secretariat, provided by Landgate. The GNC is responsible for provision of advice regarding nomenclature needs for geographical features, administrative boundaries, localities and roads. Delegated authority from the Minister enables Landgate to administer formal application processes and maintain the State's nomenclature database, known as GEONOMA (geo = geographic, noma = Latin for names).

GEONOMA is recognised by the Western Australian Government as the single source of truth and official register for all approved named geographic features, administrative boundaries, road names and their positions and extent.

Geographical Names Committee

Position	Name	Type of Remuneration	Period of Membership	Gross/actual remuneration
Member	Cathrin Cassarchis	N/A	1/7/18-30/6/19	\$0.00
Member	Patricia Mobilia	N/A	1/7/18-5/3/19	\$0.00
Member	Jon Lee	N/A	1/7/18-5/3/19	\$0.00
Member	Damien Martin	N/A	5/3/18-30/6/19	\$0.00
Member	Paul McCluskey	N/A	1/7/18-30/6/19	\$0.00
Member	Ron Tolliday	N/A	1/7/18-30/6/19	\$0.00
Member	Shaun Coldicutt	N/A	1/7/18-30/6/19	\$0.00
Member	Tanya Butler	N/A	1/7/18-5/3/19	\$0.00
Member	Cliff Winfield	Annual	1/7/18-30/6/19	\$320.00
Member	Brooke O'Donnell	Annual	1/7/18-30/6/19	\$160.00
Member	Allison Hailes	N/A	1/7/18-5/3/19	\$0.00
Member	Logan Howlett	Annual	1/7/18-30/6/19	\$160.00
Member	John Nicholas	N/A	1/7/18-30/6/19	\$0.00
Member	Chris Green	N/A	5/3/18-30/6/19	\$0.00
Member	Richard Brooks	N/A	5/3/18-30/6/19	\$0.00
Member	Tom Stephens	Annual	5/3/18-30/6/19	\$160.00



JETTIES APPLECROSS

Audit and Risk Committee (ARC)

Board subcommittee – Audit and Risk Committee

The Audit and Risk Committee (ARC) is a subcommittee of the Board established under section 29(1) of the *Land Information Authority Act 2006*.

The primary objective of the committee is to assist the Board and Chief Executive to fulfil their corporate governance responsibility. This is achieved by providing oversight of the following key areas of responsibility:

- the processes relating to the Authority's risk and control environment
- financial reporting
- the Authority's compliance framework
- the internal and external audit functions.

ARC financial reporting

The committee reviews annual financial statements and key performance indicators before submitting recommendations to the Board for approval.

The committee also considers financial reports and financial matters as required throughout the year including:

- any significant or unusual accounting or new transaction issues
- new accounting standards or changes to existing ones and how they may impact on Landgate's financial management
- the appropriateness of Landgate's accounting policies and practices.

ARC risk management (including business continuity)

Over the course of the year the committee:

- reviews Landgate's risk management policies and frameworks, which includes risk management, business continuity, fraud, misconduct and corruption and corporate insurance
- monitors the progress of risk management improvement projects including the implementation of the Enterprise Risk Management System
- contributes to the establishment of Landgate's risk appetite and risk tolerances
- monitors Landgate's strategic (material) risk exposures
- provides oversight of operational and project risk management and responses to plans for reduction of unacceptably high risks (treatment action plans)
- provides oversight of business continuity and IT disaster recovery activities
- assists the Board to ensure appropriate corporate governance is set within the scope of its remit.

ARC legal and regulatory obligations (compliance)

In the area of compliance, the committee:

- reviews Landgate's approach to achieving compliance with statutory and regulatory obligations through the Compliance Policy and Compliance Framework
- monitors legislative changes, standards and other forms of regulation to determine the impact on Landgate's activities
- confirms the Annual Compliance Certification, completed by each General Manager as part of the annual reporting process
- monitors any high-risk legal or compliance matters through to conclusion.

Internal and external audit functions

While ensuring the independence of internal audit activities, the Committee:

- endorses the risk-based three year rolling Strategic Internal Audit Plan and the Annual Internal Audit Plan
- monitors progress of the Annual Internal Audit Plan and approves any changes required to the plan
- has oversight of outcomes and recommendations from internal audits
- provides advice and guidance in relation to contemporary audit methodology including the application of audit data analytics
- oversees the annual Office of Auditor General (OAG) Audit Plan and subsequent reports
- monitors follow-up action in response to internal audit and external audit recommendations
- reviews and approve the Internal Audit Charter on a two-year cycle.

Audit and Risk Management Branch (ARB)

The ARB forms part of Landgate's Strategy, Customers and Culture Division. While it reports administratively through SCC it does have direct access to the Audit and Risk Committee, thereby ensuring independence. Activities of the branch include development and delivery of the three-year rolling Strategic Internal Audit Plan and the Annual Internal Audit Plan and development and oversight of the risk management, business continuity, compliance and corporate insurance frameworks. The ARB is guided by accepted best practice under relevant Australian and international standards including the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, Treasurer's Instructions and relevant regulatory Guidelines.

Landgate has an established risk management framework that incorporates strategic, operational and project risks. The Board reviews its appetite for risk annually in conjunction with the strategic planning processes. The Authority's strategic risks are identified in the annual review of the Strategic Development Plan and are monitored on a quarterly basis. Operational risk registers are in place for all key business units and are reviewed on a continuous basis with support from the Audit and Risk Branch. The status of strategic and significant operational risks is reported quarterly to the Board, ARC and Corporate Executive.

Project risks identified for each key project throughout its life cycle are monitored and reported in line with project management methodology. Landgate also has a structured business continuity program incorporating business and IT disaster recovery protocols and simulations. Scenario testing of IT and business plans is conducted regularly.

Other Legal Requirements

Sponsorships

International Women's Day

Landgate proudly supported and celebrated the social, economic, cultural and political achievement of women within its community through an annual breakfast for International Women's Day. Landgate held an event with special guests Ingrid Cumming and Len Collard, providing employees and members of the community with opportunities to network and enjoy a keynote speech.

The theme was #BalanceforBetter – a call-to-action for driving gender balance across the world. The total value of the sponsorship was \$2,000, donated to Indigo Junction.

Real Estate Institute of Western Australia (REIWA)

REIWA is the peak industry body for real estate professionals in WA. They aim to create the best possible business environment for its members to promote professionalism within the industry. Landgate had the opportunity to increase brand awareness through editorials and networking. The total value of sponsorship for the REIWA Connect Conference was \$3,487.25.

Master Builders Association WA (MBA WA)

The MBA WA is a member-based association that services home builders, commercial builders, subcontractors, suppliers and consultants in both commercial and residential sectors across Perth and WA.

A sponsorship arrangement with MBA WA helped Landgate promote products and services to an engaged audience in the property development industry. The total value of the sponsorship was \$1,211.82.

Start-up Weekend

Start-up Weekend was held from April 5-7 organised by Landgate, through SPUR, and helped to provide great brand awareness and exposure to new entrepreneurs with great business ideas. Teams at the event spent time trying to turn their great ideas into a validated business.

Data expertise was provided by Landgate throughout the event as in-kind sponsorship. This event provided an opportunity to promote the start-up support services provided through SPUR and Landgate's role in making location data more accessible to the community.

Western Australian Institution of Surveyors (WAIS)

WAIS advocates for the Land, Engineering and Mine Surveyors of Western Australia. WAIS helps to advocate to government and industry on issues relating to land, its planning and development and other survey and land tenure issues that are constantly evolving with technology.

The partnership included networking opportunities through events, as well as promotion through editorials. The total value of the sponsorship was \$4,000.

Expenditure on advertising, market research, polling and direct mail

Advertising and Market Research Expenditure

Requirement under section 175ZE of the *Electoral Act 1907*.

The Western Australian Land Information Authority incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Advertising	\$4,422
Captivate Global	\$1,014
Initiative Media Australia	\$1,669
Koori Mail	\$904
National Indigenous Times	\$230
Quickmail	\$605
Market Research	\$47,605
Painted Dog Research	\$47,310
Surveymonkey	\$295
Direct Mail	Nil
Media Advertising Providers	\$133,378
AdCorp	\$10,851
Carat Australia Media Services	\$65,305
Facebook	\$769
Fuel Creative	\$9,645
Google	\$1,216
GradAustralia Pty Ltd	\$6,350
Identity Perth	\$37,743
State Law Publisher	\$1,499
Polling	Nil

Total expenditure for 2018/19 was **\$185,405**.

Disability access and inclusion plan outcomes

Requirement under section 29 of the *Disability Services Act 1993*

Our Disability Access and Inclusion Plan (DAIP) ensures that people with disability, their families and carers can access our services and facilities, providing them with the same opportunities, rights and responsibilities enjoyed by all.

Our plan outlines a suite of strategies against the seven outcomes. Landgate report progress to the Disability Services Commission annually and present this information to employees and the Board. Landgate is updating our plan in 2019/20 and will seek public feedback on any changes.

The Landgate DAIP is available on the Authority's website.

The Authority's actions for each of the outcomes are listed below:

Outcome 1

People with disability have the same opportunities as other people to access the services of, and any events organised by, the Authority.

- ensure that all events and activities organised by Landgate are accessible to people with disability.
- encourage people with disability, who have access or inclusion requirements, to contact us.

Outcome 2

People with disability have the same opportunities as other people to access the buildings and other facilities of the Authority.

- ensure that the Authority's client contact areas are accessible to people with disability.
- ensure Landgate employees are aware of our facilities and resources available to people (employees and visitors) with disability (e.g. ramps, automatic door openers, toilets).
- provide wheelchair and hearing-impaired assistance services at the Midland Customer Centre.

Landgate acquires funds from the Federal Government for workplace modifications to ensure people with disability have equal opportunity to access its facilities and services.

Outcome 3

People with disability receive information from the Authority in a format that will enable them to access the information as readily as other people are able to access it.

- continue to provide ready access to information about Landgate services via various means including face-to-face contact, telephone, teletypewriter (TTY), internet (website and social media) and alternative formats on request.
- continue to enhance website, improving compliance with the Web Content Accessibility Guidelines 2.0 Level AA.
- continue to ensure that updates to the Landgate websites meet the needs of people with disability (e.g. video captions and ability to change text size) and incorporating new techniques as they become available.
- ensure web content authors have the knowledge and skills in creating documents that are accessible to all members of the community.

Outcome 4

People with disability receive the same level and quality of service from the staff of the Authority as other people receive from the staff of the Authority.

- ensure all employees have the knowledge and skills to provide quality services for people with disability.
- provide information and guidance to management and employees on policies, codes of conduct and strategies that prohibit discrimination, harassment and victimisation of people with disability.

Outcome 5

People with disability have the same opportunities as other people to make complaints to a public authority.

- ensure our existing complaints and feedback mechanisms are accessible for people with disability, and that those systems are reviewed periodically.

Outcome 6

People with disability have the same opportunities as other people to participate in any public consultation by the Authority.

- ensure that public consultations are held in an accessible manner and inclusive of people with disability.
- provide interpreters and an appropriate level of support to people with disability who are directly involved in any consultation process.
- commit to ongoing monitoring of our DAIP to ensure implementation and satisfactory outcomes.

Outcome 7

People with disability have the same opportunities as other people to obtain and maintain employment with the Authority.

- ensure employees with a disability (3.5%) get the support they require in order to be successful in their job (e.g. Auslan interpreters, workplace literacy and language support programs).
- continue to refine strategies to attract, recruit and retain employees to ensure a diverse workforce.
- commit to ongoing monitoring of our DAIP to ensure implementation and satisfactory outcomes.
- continue to enrich the employment of people with disability via job redesign and flexible work practices.

Compliance with public sector standards and ethical codes

Requirement under *Public Sector Management Act 1994*, section 31(1)

Human Resource Management Standards, Public Sector Standards and Ethical Codes Compliance Statement for 2018/19 Overview

Landgate works within the Public Sector Accountability, Integrity and Ethics Framework.

We ensure compliance with the:

- Landgate Code of Conduct
- Public Sector Standards in Human Resource Management
- WA Public Sector Code of Ethics
- Relevant awards, agreements and policies.

The Landgate Code of Conduct was developed as part of our commitment to the Public Sector Code of Ethics and the *Public Sector Management Act 1994*. The Code of Conduct illustrates the values our employees consider fundamentally important to operations and our way of working.

Actions are taken to ensure all employees are familiar with the Code of Ethics and Code of Conduct, accessible during the induction process and are required to complete an online training module. Ongoing compliance is ensured with employees undertaking accountable and ethical decision-making training; 95% of employees have completed the training.

Actions to ensure compliance

Managers and employees are informed of, and required compliance with, the Public Sector Standards in Human Resource Management. Monitoring actions and ensuring compliance with public sector standards include:

- employees are aware of the public sector standards, available on Landgate's intranet and embedded in relevant policies and procedures
- recruitment selection and appointment standard is followed during recruitment processes, ensuring reviewable decisions are fair and equitable and properly recorded
- employees are advised and encouraged to report noncompliance to the Public Information Disclosure Officer
- ensuring our People and Culture team is kept current with changes and regulations to Public Sector Standards, Commissioner's Instructions, and *Public Sector Management Act 1994*.

Recordkeeping Plans

Requirement under *State Records Act 2000* and State Records Commission Standard 2, Principle 6 – Compliance.

The efficiency and effectiveness of the organisations recordkeeping systems is evaluated not less than once every five years

Landgate's current Recordkeeping Plan (RKP) 2015 – 2020, was approved by the State Records office in August 2015. Our RKP demonstrates that Landgate is in compliance with the evaluation of the efficiency and effectiveness of Landgate's information and ICT resources, at least once every five years. In addition, the *State Records Act 2000* allows for the creation and storage of Government information in a digital domain, and this is enabling Landgate to work towards its own digital information transformation. Work has begun on a new RKP due in 2020, which will demonstrate Landgate's digitisation progress in line with the WA Government expectations by 2022.

The organisation conducts a recordkeeping training program

Landgate uses an electronic document and records management system (eDRMS) that provides for 'super-users' within business areas. These employees are comprehensively trained in using the corporate records management system and the eDRMS. All other employees are normally provided continuous training on our record management system, or as required by each area. Landgate successfully upgraded the eDRMS in December 2019, to take advantage of enhanced features and integration with its corporate applications, and to promote the use of a web-based version. Training in the new version included end user classroom training and the introduction of an online training module.

The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time

Landgate's Information Strategy works towards a digital future, and this has highlighted the need to improve our recordkeeping training program. Landgate's Information Strategy works towards a digital future, and this has highlighted the need to improve our recordkeeping training program. During the upgrade of the eDRMS system over 170 employees attended End User, or Administrator, classroom training. An online training module was made available in June 2019; this will be complemented with targeted online training modules during 2019/20.

The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan

Landgate ensures all employees regularly undertake training for responsible recordkeeping. On induction, employees undertake mandatory Records Awareness Training. This training addresses employees roles and responsibilities concerning compliance with our RKP. Employees are informed of the importance in keeping records and provided with a demonstration of the recordkeeping system.

In line with the upgrade of the eDRMS, Content Manager Webclient Training has been developed. This training addresses the technical use of the eDRMS.

Information statement

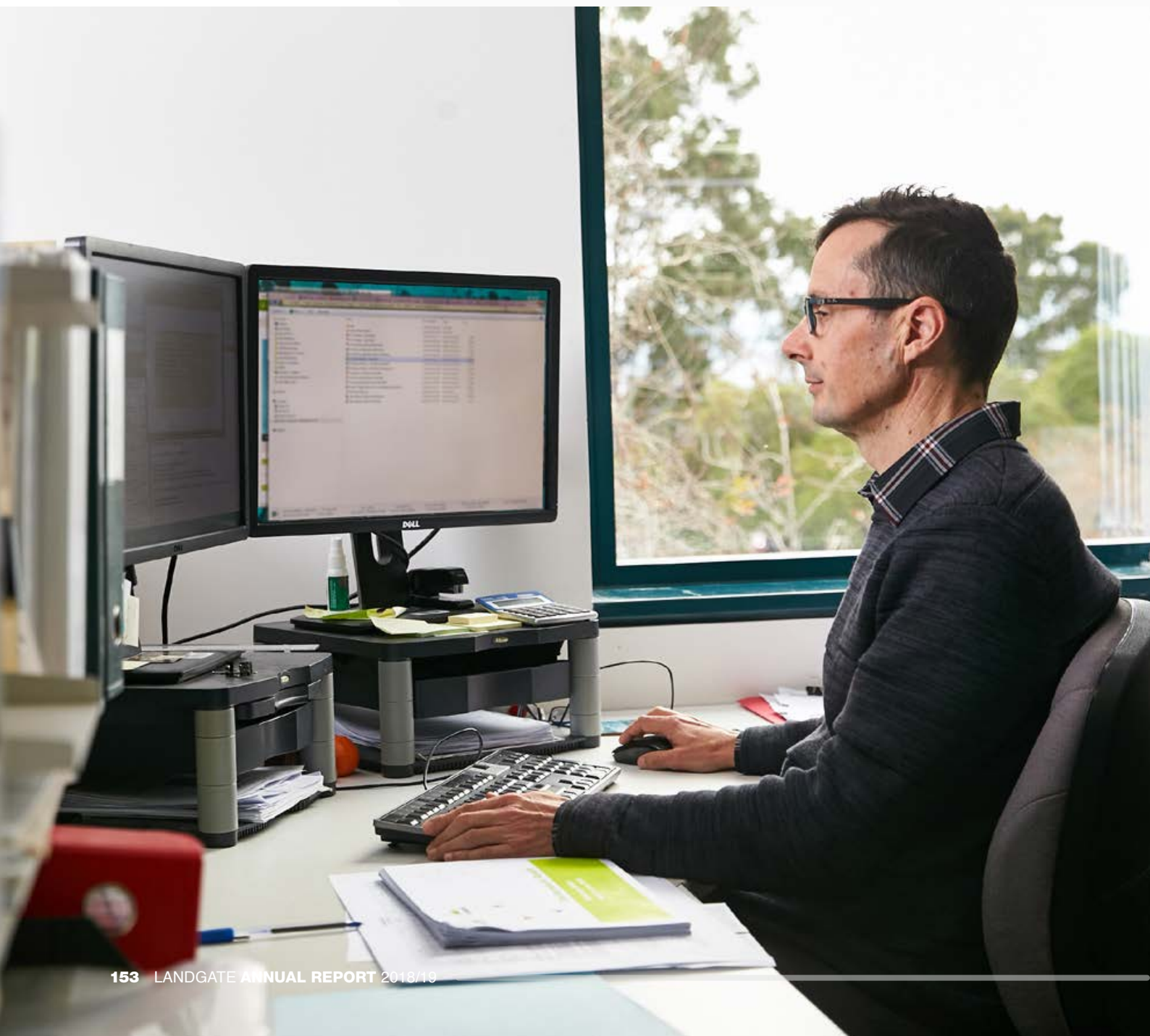
The *WA Freedom of Information Act 1992* requires agencies to publish certain information about their operations, policies and practices. To meet the requirements of Part 5 of the Act, Landgate publishes an Information Statement accessible on our website: www.landgate.wa.gov.au.

Arrangements can be made to inspect and/or obtain a copy by calling Customer Service on +61 (0)8 9273 7373.

Freedom of Information Applications for 2018/19

This year, Landgate received 11 applications under Freedom of Information (FOI) legislation. 14 were finalised this year, (with 3 requests that continued into the 2018/19 financial year).

Statistics for 2018/19 reported for inclusion in the Information Commissioner's Annual Report are available at www.foi.wa.gov.au.





CANNING RIVER

STATEMENT OF COMPLIANCE

OVERVIEW

SIGNIFICANT ACHIEVEMENTS

AGENCY PERFORMANCE

SIGNIFICANT ISSUES IMPACTING THE AGENCY

DISCLOSURES AND LEGAL COMPLIANCE



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