

## YEAR IN REVIEW

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## CHIEF EXECUTIVE'S FOREWORD

Like the State of Western Australia, the Department of Land Information also celebrates its 175th anniversary in 2004. As the oldest State Government department, DLI and its forerunners have been responsible for surveying and mapping since a colony was first established in WA in 1829.

Although celebrating such a milestone compels us to look backwards, it also provides us the opportunity to look forward. It is an apt time to do so – the 2003/2004 financial year involved many changes in our structure and functions, and put in motion the mechanisms for DLI to take a significant new direction.

Our move towards becoming a statutory authority with commercial powers progressed strongly this past year. Crown land management was transferred to the Department for Planning and Infrastructure; new divisions and roles were established within the agency, and a reform of business processes, structures and products and services has occurred to align them to DLI's new strategic direction.

The creation of a separate entity known as Land Information within the portfolio of DLI's new Minister, The Hon Nick Griffiths MLC, also highlighted the growing importance that land information is taking within this State.

The past year also proved a winning year for us in terms of awards. Our ground-breaking Energy Performance Contract, established us as leaders in energy efficiency and cost savings, and won us both a Premier's Award and an Environment Award.

The Electronic Advice of Sale 2 (EAS2) initiative, one of DLI's successful e-commerce programs, was also presented with a WA Information Technology and Telecommunications Award.

And just recently, DLI scooped three awards for its 2002/2003 Annual Report (including a Gold) at the WS Lonnie Awards.

These awards have shown that DLI is achieving high standards in both our core duties and those that are

outside our traditional land information scope, but form part of our Government responsibilities.

Our achievements have taken place during a year that has been extremely busy across the agency but nowhere more so than in the business of titles and land registration.

Continuing the trend from the previous two years of record high document lodgements, DLI processed the highest of all time this last financial year. A total of 400,158 documents were lodged, equating to \$39 billion of mortgages secured by our registration system. On top of the hectic pace, DLI's staff continued to achieve excellent customer service and at the same time, constantly look to develop new ways of serving our customers better.

One such way was shown with the November launch of Landgate, DLI's new gateway to land and property information.

Marking a new era in land information, this DLI project is one of the first online land and property portals in Australia.

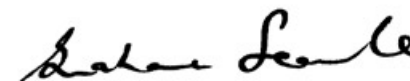
Landgate is in line with the worldwide trend to harness the Internet to directly link business needs with relevant government information. Utilising the concept of joined-up government services to improve service delivery, it has the potential to create new business opportunities by expanding the community's access to government land information.

Online services, such as Landgate, help to establish DLI as a leader in land information. It has created a first in e-government initiatives in our State, and has paved the way for even bigger and better ways to service the community of Western Australia.

Five years ago the agency developed its strategic plan 'New Horizons', which set the agency's goals and missions to the year 2005. We are now at the time when we need to take 'New Horizons' to a different level to meet the needs of Government, business and the community – as well as our staff. Setting a new

strategic direction for the next five years of the agency will be a challenge for the months ahead.

I believe we have the right people and we are travelling in the right direction. Experience and confidence, together with a clarity of vision that comes from having such a long history, will ensure that we are creating a benchmark organisation of national and international standards.



**GRAHAME SEARLE**  
CHIEF EXECUTIVE



## SIGNIFICANT ISSUES AND TRENDS

- The Western Australian property market continues to experience high activity levels, which directly impact the demand for land information, registration and valuation services.
- There is a continuing and growing demand for improved access to high quality, integratable, digital land information requiring new and innovative delivery models to meet an ever-increasing range of customer uses.
- Land information is gaining recognition as a key element underpinning Government decision making and the delivery of public policy.
- Cabinet approved, in October 2003, the drafting of a Bill to transform DLI from a Government department to a statutory authority with commercial powers to allow the delivery of a greater return to the State and community of Western Australia's land and property information.
- There are rising expectations by Government, industry and the community for more cost effective management and delivery of land and property information services, including:
  - A single point of electronic access to land and property information, particularly with regard to discovering the full range of interests in land;
  - Replacement of paper based documentation with electronic forms for land developers and conveyancers; and
  - Reducing duplication of land information maintenance across Government agencies.
- There is heightened Government and community commitment to sustainable development and increasing pressure for registration of water rights and carbon credits and the recording of Native Title.
- Impartial and accurate rating and taxing values continue to underpin the revenue collection of State and local governments. In other states, the level of criticism and litigation is increasing, which may mean more attention will need to be directed to data quality and justification of valuations in future.
- Independent valuation and property advice is critical to the transparency of all Government property transactions, in particularly compulsory acquisition.

## ACHIEVEMENTS 2003-2004

### CORPORATE HIGHLIGHTS

#### Determining Our Values

A review of our values and behaviours commenced to ensure that they support the business direction during the transition to a statutory authority and into the future. All staff were invited to participate in one of the 41 workshops held throughout the agency from December 2003 to June 2004. During these workshops, staff members had the opportunity to identify the agency's future values and the behaviours that underpin these.

To assist in the process, staff were asked to respond to an e-survey that was placed on DLI's Intranet. An overwhelming 73% of staff attended the workshops with approximately 63% responding to the e-survey.

The new DLI Code of Business Conduct will incorporate the most important values and behaviours identified by staff through the e-survey and workshops.

In the future, our corporate values and behaviours will become a part of all aspects of our business; from decisions made at the Corporate Executive level to performance management, recruitment and selection processes and training and development programs.

#### Energy Performance Contract – Winner of Premier's Award and Environment Award

DLI's strong commitment to sustainability and energy efficiency earned it two prestigious awards in late 2003.

The agency's long-term strategy to reduce its energy use and costs in its Midland building, and the subsequent signing of the Energy Performance Contract (EPC) saw it presented with a 2003 Premier's Award for Excellence in Public Sector Management, in the Sustainable Environment Category; and secondly, a WA Environment Award, in the Energy Efficiency category.

The EPC has made history in WA, as DLI is the first public sector agency to embark on a such a contract. It establishes the agency as a reference site for both government and private industry.

#### WA Information Technology and Telecommunications Award (WAITTA)

The Electronic Advice of Sale 2 (EAS2) initiative, a first of its kind in Australia, won DLI a WAITTA award in March 2004.

The Award recognises the outstanding performance and contributions by members of the industry. EAS2 provides conveyancing customers with an online service, bringing together the services of DLI, the Office of State Revenue, the Department of Treasury and Finance, and the Water Corporation.

The WAITTA Awards also recognised the support DLI has given to students within the industry through the Corporate Education for Enterprise Development project. In collaboration with Edith Cowan University, students are invited to join various DLI projects to develop their business and project skills. The program has been successfully held since 1999.

#### Landgate

Landgate – DLI's gateway to land and property information – was launched in November 2003. This project is one of the first online land and property portals in Australia, and harnesses the Internet to directly link business needs with relevant government information.

Operating as a single point of access for land related information, it currently includes service channels for planning, survey, conveyancing, government and business. The value of Landgate will expand more as agencies participate in supplying and integrating information, aiding in such aspects as planning and road issues, conservation, mining, emergency services and more.

#### Shared Land Information Platform (SLIP)

State Cabinet agreed to DLI developing an approach to linking all Government land and property information, allowing it to be accessible online. Initially, four key areas have been identified as potential business opportunities for the Shared Land Information Platform (SLIP).

These four key areas identified for development are:

1. Enquiries on land interests;
2. Land development (or subdivision process);
3. Emergency management and recovery; and
4. Managing natural resources

The SLIP initiative aims to deliver online access to the WA Government's land and property information and improve the delivery of services across government.

Agencies will be better able to share their information using a common framework, leading to customers having better access to data and services. There will also be an opportunity to reduce the amount of capital investment required across Government.

#### Cooperative Research Centre for Spatial Information (CRC-SI) Funding

Funding received from the CRC-SI will allow DLI, NGIS Australia and Curtin University of Technology to demonstrate how advanced spatial information technology can support Emergency Management activities.

The three organisations, who are members of the CRC-SI, have been granted \$190,000 over the next 18 months to develop a prototype that will enable emergency managers to access and use critical map-based information on a national scale.

Along with Emergency Management, the project will also focus on creating a Bushfire Management System. This will build on the work already achieved by DLI's Firewatch program and the Federal Sentinel Fire Mapping website.

### Mapping for FuelWatch Website

The Department of Consumer and Employment Protection (DOCEP) website FuelWatch now has the capability for its users to access online maps to find cheaper petrol, thanks to DLI's mapping application.

Custom made for FuelWatch, DLI has created maps of the entire State, to complement locations of petrol stations. The maps, which include a zoom-in and zoom-out feature, enable users to also plan their journeys through a built in Trip Planner.

### Transition to a Statutory Authority

In October 2003, Cabinet approved the drafting of a Bill to establish a land information statutory authority with commercial powers, to deliver a greater return to government and the community on the State's land information asset. The decision followed extensive community and stakeholder consultation, incorporating groups representing surveying, spatial, conveyancing and housing industries, government agencies and staff.

### Implementation Plan

In March 2004, the Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information, the Hon Nick Griffiths MLC, endorsed an Implementation Plan for the transition to the statutory authority. The purpose of the Plan is to ensure that the transition from department to statutory authority occurs in a staged and managed way, with agreed timeframes and minimal risk to service delivery. It sets out the objectives, principles, processes, key targets and timeframes for establishing the new authority and managing the transition.

Implementation of the plan will be complemented by a number of in-house initiatives designed to introduce a commercial focus to relevant products, services and business processes.

### Business Plan

A Business Plan for the statutory authority was developed with guidance from the Department of Treasury and Finance (DTF). The plan spans eight years from 2003/2004 to 2010/2011, and sets out the services to be delivered by the authority, and projections of its financial performance.

### Transition of IT Infrastructure Services

DLI managed a transition in the contract of its IT infrastructure services from the previous service arrangement with Computer Science Corporation, to Unisys West Proprietary Limited. This new contract will cover the provision of support for server management services and network manager services.

### New Telephony System

A preferred tenderer of a Voice-over IP system was selected, marking a new era in DLI telecommunications. This system will replace the department's multiple PABX systems with a technology enabled, customer centric service. The contract and implementation of the system will occur in the 2004/2005 financial year.

### Valuation Services Contribution to Commonwealth Grants Commission Review

A review conducted by the Commonwealth Grants Commission into the distribution of GST revenue to the States has changed its method of assessing land tax.

Ongoing and substantial contributions made by DLI's Valuation Services resulted in an increase of in WA's share of GST revenue by approximately \$5 million. This review has also assisted Department of Treasury and Finance (DTF) officials to recognise the strategic importance of the ValSys database to the State.

### National Street Addressing Standard

The new Standard was launched in WA in September 2003 to ensure that the eight State and Territory Governments and 800 local governments around Australia will assign street addresses using the same criteria.

An extension of the conventions developed by DLI's street addressing program, the Standard is a joint initiative between Standards Australia/New Zealand and the National Intergovernmental Committee on Surveying and Mapping (ICSM).

## FINANCIAL OVERVIEW

From 1 July 2003, Government transferred responsibility for Crown Land Services to the Department for Planning and Infrastructure. Consequently, all attendant Assets and Liabilities (both Controlled and Administered) were transferred effective from that date. Therefore, results for 2002/2003 and 2003/2004 are not strictly comparable.

### Operating Revenue

Operating revenue continued to be influenced by a buoyant property market. During 2003/2004 DLI's revenue exceeded \$65m of which a large proportion (83%) related to Land Titles Management activity.

### Cost of Services

The cost of services reduced markedly (around 14%) mainly as a result of the transfer of the Crown Land Services function.

### Capital Expenditure

Capital expenditure during 2003-04 exceeded \$8.5m. The majority of the investment continued to be in information technology, which included the ongoing asset replacement program, systems development and implementation of:

- Landgate, an online gateway to provide access to land and property information held by the Western Australian Government; and
- Electronic Advice of Sale 2 (EAS 2), enabling conveyancers to submit a single request to obtain rates and taxes information from the Department of Treasury and Finance, Water Corporation and Local Government.

### Financial Summary

|  | 2004<br>(\$'000) | 2003<br>(\$'000) |
|--|------------------|------------------|
| <b>Cost of Services</b>                |                  |                  |
| Operating Expenses                     | 86,515           | 100,672          |
| Operating Revenue                      | 65,750           | 60,782           |
| <b>Net Cost of Services</b>            | <b>20,765</b>    | <b>39,890</b>    |
| <b>Statement of Financial Position</b> |                  |                  |
| Total Assets                           | 72,857           | 92,809           |
| Total Liabilities                      | 23,110           | 20,491           |
| <b>Total Equity</b>                    | <b>49,747</b>    | <b>72,318</b>    |

## SUMMARY OF OUTPUT MEASURES

### Quantity Measures

|  | Actual<br>2001/2002 | Actual<br>2002/2003 | Target<br>2003/2004 | Actual<br>2003/2004 |
|--|---------------------|---------------------|---------------------|---------------------|
| Land registration actions .....                                    | 1,815,296           | 1,892,461           | 1,821,650           | 1,979,902           |
| Physical land information data sets maintained and developed ..... | 9                   | 9                   | 9                   | 9                   |
| Land boundary information data sets maintained and developed ..... | 3                   | 3                   | 3                   | 3                   |
| Valuations completed .....   | 1,371,492           | 1,145,529           | 1,392,091           | 1,522,666           |
| WALIS Key Result Areas .....                                       | na                  | na                  | 6                   | 6                   |

### Quality Measures

|  | Actual<br>2001/2002 | Actual<br>2002/2003 | Target<br>2003/2004 | Actual<br>2003/2004 |
|--|---------------------|---------------------|---------------------|---------------------|
| Maintain AS/NZS ISO 9001:2000 Quality Assurance for physical land information data set maintenance and development processes ..... | Maintained          | Maintained          | Maintained          | Maintained          |
| Maintain AS/NZS ISO 9001:2000 Quality Assurance for land boundary information data set maintenance and development processes ..... | Not Achieved        | Achieved            | Maintained          | Maintained          |
| Claims against registered interests, as a result of fraud, negligence or error, settled by the Crown .....                         | 1                   | 1                   | 0                   | 0                   |
| Benchmark against international standards for accuracy and taxing values using Means Ratio Test                                    |                     |                     |                     |                     |
| Gross Rental Valuations .....  | 92.38%              | 93.04%              | 92.5%               | 93.87%              |
| Unimproved Valuations .....  | 92.69%              | 91.76%              | 92.5%               | 90.58%              |
| Coefficient of dispersion applied to check uniformity of values  |                     |                     |                     |                     |
| Gross Rental Valuations .....  | 5.01%               | 5.69%               | <7%                 | 6.26%               |
| Unimproved Valuations .....  | 4.31%               | 5.17%               | <15%                | 7.80%               |
| Extent to which performance criteria for WALIS Business Plan projects and Key Result areas are achieved .....                      | 64%                 | 74%                 | 75%                 | 74%                 |

### Timeliness Measures

|  | Actual<br>2001/2002 | Actual<br>2002/2003 | Target<br>2003/2004 | Actual<br>2003/2004 |
|--|---------------------|---------------------|---------------------|---------------------|
| Time systems providing registration services are available for use .....                         | 98.6%               | 98.5%               | 98%                 | 99%                 |
| Requests for physical land information data met within target times .....                        | 99%                 | 99%                 | 95%                 | 93%                 |
| Land boundary information added to data sets within target times .....                           | 98%                 | 96%                 | 95%                 | 92%                 |
| Turnaround target or agreed times met for:   |                     |                     |                     |                     |
| General Valuations .....   | 93%                 | 95.4%               | 98%                 | 99%                 |
| Market values, stamp duty values, plant and equipment values,<br>and consultancy advice. ....    | na                  | 72.6%               | 85%                 | 74.8%               |
| Government Property Register values completed by 30 June .....                                   | 99.2%               | 100%                | 95%                 | 98.4%               |
| WALIS Business Plan projects completed or Key Result Areas<br>advanced within agreed times ..... | 57%                 | 75%                 | 90%                 | 82%                 |

### Unit Cost Measures

|  | Actual<br>2001/2002 | Actual<br>2002/2003 | Target<br>2003/2004 | Actual<br>2003/2004 |
|--|---------------------|---------------------|---------------------|---------------------|
| Land registration actions .....                                    | \$22.26             | \$24.28             | \$24.59             | \$24.36             |
| Physical land information data sets maintained and developed ..... | \$1,654,128         | \$1,658,527         | \$1,737,219         | \$1,811,147         |
| Land boundary information data sets maintained and developed ..... | \$996,537           | \$1,004,159         | \$1,044,709         | \$1,131,967         |
| Valuations completed .....   | \$12.16             | \$14.94             | \$12.40             | \$11.19             |
| WALIS Key Result Areas .....                                       | na                  | na                  | \$265,667           | \$258,500           |

## OUTLOOK 2004-2005

- It is anticipated that the statutory authority will be established in 2005, subject to the drafting of legislation and its passage through Parliament.
- Development of a new strategic plan, as the existing plan is now five years old
- New governance arrangements and appointment of a transitional advisory committee, as a precursor to the managing Board

## Business Realignment Program

It is expected that during the 2004/2005 financial year, the majority of the business realignment program will be completed. DLI is undergoing major change as it moves towards becoming a statutory authority with commercial powers. This change affects all aspects of the agency including its strategic directions, governance structures, funding, workforce and culture. The business realignment program has been introduced to facilitate the change process, and assist managers to adopt a more business-like approach to planning and decision making.

The program is fundamental to ensure that DLI:

- meets business plan targets agreed by the Expenditure Review Committee by improving efficiency, increasing revenue and controlling costs; and
- identifies opportunities to improve services; and
- makes the most effective use of resources.

The review process is based on a well-established methodology. It includes:

- detailed research on products and services;
- strategic marketing analysis for present and future value, and customer satisfaction;
- value chain analysis and full costing of product/ service delivery;
- identification of business improvement opportunities; and
- full documentation and audit trail.

Staff input and consultation occurs at every stage of the process. Customers provide input on the quality and use of services as appropriate.

The business realignment program began in October 2002 and is expected to be completed in June 2005. All areas of DLI's operations will be reviewed over this period. To date, reviews have been completed on geographic and customer service functions. A review of Valuation Services has recently commenced.