



EMBRACING DISRUPTION: TRANSFORMING WESTERN AUSTRALIA'S LAND AGENCY, 2007–2017

BACKGROUND

In 2001, the leaders of Western Australia's Department of Land Administration recognized the agency had to bring its aging IT systems into the 21st century. A fully computerized title and cadastre system would lead to faster registration, easier access to land information, and better data security. However, obtaining state funding for major investments in technology was not politically feasible. Instead, they proposed changing the department's structure to make it self-financing—enabling it to invest in new systems by using the fees it collected.

After several years of negotiation, the state parliament passed the Land Information Authority Act in 2006, transforming the department into a statutory authority. Though the land agency remained a public entity and provided regulated services at a cost set by state government, it gained broad commercial powers to capitalize on land information and make investments. The new authority, called Landgate, opened its doors on January 1, 2007.

REFORM STRATEGY

Landgate's overarching goal was to invest in better services and systems while meeting its own operating expenses and keeping the public's costs low. The agency had to streamline and computerize its registration processes, develop new sources of revenue, and get staff on board with the new model.

At first, the leadership team focused on finding ways to market products that used its spatial data and on speeding up registration to handle a real estate boom. However, the 2008 global financial crisis led to a protracted slump in Western Australia's property market. The sharp drop in revenues forced Landgate to rethink its structure and work more efficiently. The agency overhauled its plan to develop an automated registration system, and it consolidated positions, reducing the workforce from 950 to 600.

KEY ISSUES

- **Restructuring institutions**
- **Achieving financial sustainability**
- **Automating processes**
- **Commercializing spatial data**

ACTIONS TAKEN

One of Landgate's first initiatives was to improve its registration processes. The agency's limited staff and manual processes could not keep pace with a surge in property transactions, so it brought in temporary contractors to handle the simplest and most-common transactions, which dramatically improved productivity. Meanwhile, registry managers reorganized the permanent staff into teams, enabling the most-productive staff to register transactions more quickly while others handled such tasks as responding to client queries, which had previously slowed their work. The agency also worked with lawyers and conveyancers to establish a system of improved identity verification after two cases of fraud in 2010 and 2011.

As Landgate improved its internal registration processes, it also contributed to a national effort to move land transactions online. Several land agencies and banks across Australia invested in a private company—eventually called Property Exchange Australia—that developed a platform for online transactions, and the first electronic transaction in Western Australia took place in 2014.

To expand its revenue base, early on the agency developed products that used satellite imagery and data to monitor everything from bushfires to pasture growth. However, when the products proved less profitable than expected, the agency shifted course to focus more on partnerships. Landgate eventually established an innovation hub to support third-party start-ups that used its proprietary land information.

To help generate ideas for new products and encourage worker involvement, Landgate also developed an internal innovation program. Any employee could submit an idea on an open online forum for peers to discuss, and a rotating group of volunteers decided which ideas to fund. Over time, the program also became a testing ground for new technologies.

Developing an automated registration system proved more difficult than anticipated. After three years of struggling with a project that did not deliver, in 2011 the agency canceled the failing effort and overhauled its approach. The second attempt established a partnership between Landgate and its IT provider that created an incentive for the provider to keep costs down and work quickly. The new project emphasized input from registry staff and process reviews. The resulting system, called the New Land Registry (NLR), launched in June 2015.

RESULTS

In the decade following Landgate's 2007 establishment, an emphasis on learning and adaptation enabled the agency to improve services, generate profits, and receive accolades for innovation—despite a challenging market and a few early stumbles. With the launch of the NLR in 2015,

Landgate fulfilled the mission that drove its formation: the development of an automated registration system.

Following the introduction of the NLR, registration time fell to 1.5 days from 7 to 10 for transactions submitted on paper. Transactions lodged electronically took only 23 seconds to process, although take-up of online transacting was slow. Advara—the company that Landgate and its IT provider, Ajilon Australia, created to market the NLR to other jurisdictions—was poised to enter New South Wales after advising the winning bidder on its land agency's privatization.

Landgate was profitable in every financial year except 2008–09, although profits varied depending on transaction volumes, from a low of 900,000 Australian dollars in 2011 to a peak of A\$40.6 million in 2014. Lower salary costs resulting from automation saved Landgate A\$15 million in the NLR's first year in use—almost 10% of its 2015–16 expenditures of A\$153 million. The agency anticipated total savings of A\$52 million over five years.

In addition to winning several product awards, Landgate also succeeded in delivering good service for its customers and the broader community. In the agency's 2015–16 customer satisfaction survey, 80% of respondents rated Landgate's service as "excellent."

LESSONS LEARNED

- **Fusing public and private.** The statutory authority structure exerted financial pressures for efficiency and the flexibility to invest revenues and pursue commercial opportunities while maintaining government control over key services such as registration. However, to make the hybrid model work, Landgate's managers had to overcome certain inherent challenges—from bridging public- and private-sector cultures to running commercial activities under government human resources and finance policies.
- **Getting software development right.** Learning from the initial, failed attempt to develop an automated registration system, Landgate changed its approach to establish a joint venture with the IT provider, emphasize business process reviews early on, and break up the project into manageable pieces.
- **Learning and adaptation.** Experimentation and changing course were crucial to Landgate's strong performance. The agency overhauled its software development process, shifted from developing its own spatial products to supporting and investing in other companies, and restructured after the 2008 financial crisis. The innovation program set the tone, but managers also encouraged people to think creatively and learn from missteps in their daily work.

For related interviews and in-depth analysis of Western Australia's land agency, Landgate, read the full case study:

<https://successfulsocieties.princeton.edu/publications/embracing-disruption-transforming-western-australia-land-agency>

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