

A photograph of two people riding bicycles on a paved path. The person in the foreground is a man wearing a blue helmet, a dark jacket, and a white t-shirt. The person behind him is a woman wearing a green top and a light-colored helmet. They are riding on a reddish-brown paved path that curves through a green, tree-lined area. In the background, there are several trees and a building with a light-colored facade. The sky is clear and blue.

# Statement of Corporate Intent

FY 2024 - 2025



A photograph of a sunset over a body of water. The sun is low on the horizon, casting a warm glow across the sky and reflecting on the water. In the background, there is a bridge with a blue railing. The overall scene is peaceful and scenic.


In the spirit of reconciliation, Landcom respectfully Acknowledges the Traditional Custodians of Country throughout NSW and recognises and respects their continuing cultural heritage, beliefs and connection to land, sea and community. We pay our respects to their Elders past, present and emerging. This land always was and always will be traditional Aboriginal land.

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# Shareholder Agreement

## Statement of Corporate Intent




**Professor Pamela Hanrahan**  
Interim Chair  
Landcom  
on behalf of the Board



First Voting Shareholder  
**The Hon Daniel Mookhey, MLC**  
Treasurer

**Alexander  
Wendler** Digitally signed by  
Alexander Wendler  
Date: 2024.09.20 10:25:56  
+10'00'

**Alexander Wendler**  
CEO  
Landcom



Second Voting Shareholder  
**The Hon Courtney Houssos, MLC**  
Minister for Finance and Natural Resources

# Objectives

## Statutory objectives

As a State Owned Corporation we operate under the Landcom Corporation Act 2001. Our activities are guided by the following objectives in the Act:

- a) To be a successful business and: 1. to operate at least as efficiently as comparable businesses, and 2. to maximise the net worth of the State's investment in it;
- b) To exhibit a sense of social responsibility by having regard to the interests of the community in which we operate; c)
- c) To protect the environment by conducting its operations in compliance with the principles of ecologically sustainable development;
- d) To exhibit a sense of responsibility towards regional development;
- e) To undertake, or assist the Government in undertaking, strategic or complex urban development projects;
- f) To assist the Government in achieving its urban management objectives; and
- g) To be a responsible developer of residential, commercial and industrial land.

The first four apply to all State Owned Corporations and the final three are specific to Landcom.

In addition, we were issued a Statement of Priorities by the responsible Minister to:

- a) Establish a sustainable and scalable Build-to-Rent program with pilot projects on the NSW South Coast and in the Northern Rivers Region in accordance with Government policy;
- b) Demonstrate leadership in affordable housing through the delivery of an Affordable Housing Program. The program should deliver 1,800 affordable homes by 2029 in line with the NSW Government's commitment to the National Housing Accord, with a goal to deliver substantially more if provided access to surplus government land and relevant approvals;
- c) Intensify Landcom's work to increase the supply, affordability and diversity of housing and achieve more sustainable communities by being the lead developer for surplus Government land and transacting with private landowners;
- d) Continue to deliver leading sustainability outcomes across Landcom's portfolio to achieve shared social, environmental, and economic value, with all future developments being entirely electrified (no gas connections);
- e) Expand the activities of Landcom to regional NSW with a focus especially on areas where the regional economy is impacted by low housing supply and/or low rental vacancy rates; and
- f) Partner with NSW Government agencies on a commercial basis to deliver housing supply and improve housing affordability in accordance with Government policy and any relevant housing targets

# Landcom Overview

**Our ambition is to make a positive difference to people's lives in NSW by increasing the supply, affordability and diversity of housing and creating sustainable communities.**



## **Who we are**

Landcom develops land and property, increasing the supply of housing for the people of NSW. As a State Owned Corporation, we are a commercial business that achieves public outcomes while also generating financial returns for the NSW government.



## **What we do**

Landcom supplies home sites through the delivery of sustainable masterplanned communities and development projects, with a focus on expanding the stock of affordable and diverse housing.

We enable development by de-risking and unlocking strategic and complex sites in collaboration with landowners and the market.

# Financial summary

KPI Summary			
Measure	2024-25 SCI (\$m)	2025-26 Forecast (\$m)	2026-27 Forecast (\$m)
Sales Revenue	294.1	501.3	545.1
Operating Expenses	37.0	37.4	39.0
EBITDA	62.0	72.8	74.7
EBIT	58.8	69.5	71.4
Operating Profit Before Tax	59.2	68.5	70.9
Net Profit After Tax	41.5	48.0	49.6
CapEx	1.5	1.7	1.7
Forecast Dividend	40.0	33.6	34.7
Dividend Payout Ratio*	96%	70%	70%

\*Dividend Payout Ratio in 2024-25 is per agreement with NSW Treasury

# Performance target summary

## KPI Summary

Measure	2024-2025 SCI (\$m)	2025-2026 Forecast (\$m)	2026-2027 Forecast (\$m)
Sales Revenue	294.1	501.3	545.1
Gross Margin	116.9	123.4	126.0
EBIT	58.8	69.5	71.4
Operating Profit Before Tax	59.2	68.5	70.9
Net Profit After Tax	41.5	48.0	49.6
Return to Government - Tax	17.8	20.6	21.3
Return to Government - Dividend*	40.0	33.6	34.7
Return to Government - GGF	1.1	2.8	4.0
Return on Equity**	6%	7%	4%
Dwellings Settled	4,500	3,800	3,400

\*Return to Government - Dividend in 2024-25 is per agreement with NSW Treasury

\*\*Return on Equity drops in 2026-27 to reflect the recently announced equity injection by the NSW Government to construct 400 BtR dwellings

8 From the above list of KPIs, emphasis is placed on Operating Profit Before Tax as it determines the amount of tax and dividends that is returned to the NSW Treasury, and Dwellings Settled as it is an objective of Landcom to increase supply of homesites to the market.





# Performance target summary

## Non-financial & Dividend Policy

### Non financial KPIs

- Create a strong culture and achieve full strategic alignment for all people across the organisation.
- Secure new projects in metropolitan and regional areas by 2029 that have the capacity to deliver 30,000 dwellings.
- Develop projects to achieve settlement of lots for 22,000 dwellings, by 2029.
- Demonstrate and promote the benefits of density done well for communities.
- Grow the affordable housing pipeline, to deliver at least 1,800 affordable homes by 2029.
- Grow and deliver on a build to rent program.
- Establish and embed our built form expertise.
- Proactively build and promote Landcom's brand.

### Dividend Policy Agreement

Dividends for the 2024-25 financial year has been forecast at \$40 million.

Approval of the dividend to be declared is subject to the Voting Shareholders' consideration of the Board's recommended dividend for 2024-25, prior to 30 June 2025.

# Performance target summary

## Sustainability Performance Indicators (SPIs)

Performance Indicator	FY24 Performance	Long Term Target
<b>Environmental</b>		
Projects acquired from FY24 will achieve a certified Green Star rating.	100% of new projects in FY23 adopted the use of industry recognised rating tools. Next update due in July 2024.	All new projects enable carbon neutral, zero waste, water positive and net positive ecological outcomes by 2028.
Certified Carbon Neutral Organisation under the Climate Active Carbon Neutral Standard	Maintained certification	Maintain certification and reduce annual gross emissions
<b>Social</b>		
Implement Reflect Reconciliation Action Plan (RAP)	Progressed our Reflect Reconciliation Action Plan and first annual progress report to Reconciliation Australia.	Develop an Innovate RAP (currently in the process of engaging consultants)
Meet the Aboriginal/Torres Strait Islander representation target	0.6%	3.3% by FY25
Gender diversity in senior leadership	46.2% Women (at 31 January 2024)	50% Women by FY25
<b>Governance</b>		
Board review	Reviewed by Board in March 2024	Yearly review of metrics (at least external every second year)

*Note the above indicators and performance reported is for the period of FY23, which is based on actual data and has been independently assured.*



# Regional & Essential Workers Built to Rent (BtR) Programs

## Regional BtR Pilot Program

- The NSW Government announced an election commitment in 2023 to build two pilot BtR projects, one in the Shoalhaven area and another in the Northern Rivers tasking Landcom with the construction and delivery of the two projects and committing \$65m for the projects.
- The main objective for the pilot projects was to provide extra rental accommodation in the regions with commercial returns for the Government.
- Landcom has since successfully acquired a site in Bomaderry in the Shoalhaven region and a second site in Lismore in the Northern Rivers region. Development Application has been achieved on the Bomaderry site and Development Application has been submitted to council on the Lismore site. Both projects are expected to be completed by December 2026.

## Essential Workers BtR

- The NSW Government in June 2024 announced an investment of \$450m in Landcom to build up to four new BtR projects delivering at least 400 new BtR dwellings.
- Landcom will select the sites with preference given to surplus government land identified as being suitable for housing with the specific locations to be determined.
- Landcom is expected to commence acquisition, detailed planning work and subject to planning approvals, construction on the first site is expected to commence in early 2026 and delivery of the projects is expected by December 2028.

# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<b>Public Accountability &amp; Corporate Governance</b>	<i>Proactively communicate and engage with the Government to keep them informed of relevant matters of interest related to their accountabilities</i>	<i>Regular Meetings are held with The Minister for Planning, the Treasurer and Treasury officials</i>
	<i>Maintain the highest standards of governance, probity and integrity in line with government policies and community expectations</i>	<i>No material breaches of Policies or Procedures. Compliance processes in place to ensure any breaches are identified</i>
<b>Efficiency</b>	<i>Optimise business performance and deliver efficiencies to ensure it maximises sustainable returns to government without compromising service quality, community outcomes and safety</i>	<i>Successfully negotiated new lease for the offices at 60 Station Street with the landlord</i>  <i>Designed and delivered a new fitout to create larger more flexible spaces to reduce external facility hire for large meetings</i>  <i>Sold old fleet cars and replaced them with new EV/hybrid cars. Reduced fleet numbers from 6 to 4 cars</i>
	<i>Undertake regular external efficiency reviews at least once every five years. The financial benefit from efficiencies should be returned to the state via dividends</i>	<i>Landcom undertakes an internal efficiency review annually in March each year</i>  <i>An external review will be undertaken in FY2028</i>
	<i>Seek to align their Target Capital Structure with the strongest performers among their industry peers while also ensuring their capital structure allows them to maintain a standalone credit rating at or above Baa2/BBB (Moody's / Fitch or Standard &amp; Poor's) (Minimum Credit Rating)</i>	<i>Regular forecasts are undertaken to ensure the forecast financials for the business meet or better the required Fitch BBB rating. A rating of "A-" was achieved in April 2024</i>

# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<i>Efficiency (continued)</i>	<i>Proactively identify surplus or underutilised assets and land whose value could be realised</i>	<i>Assess all chosen sites for development potential</i>
<i>Sustainability</i>	<i>Support the delivery of NSW Government climate change net zero and adaptation objectives and guiding principles in legislation and policy</i>	<i>Plan in place to maintain certification On track with Green Power and sourcing of Carbon Credits for Neutrality target</i>
	<i>Reduce the carbon footprint of operations, including in the supply chain, contributing to NSW's emissions reduction targets in alignment with the Climate Change (Net Zero Future) Bill 2023</i>	<i>Sustainable Places Strategy progress measured annually Net Zero Plan is being developed</i>
	<i>Minimise the risks of climate change on assets, operations and services</i>	<i>Maintaining Landcom's climate risk assessment protocols, and resilience planning to address asset exposure upfront and minimise operational impacts</i>
	<i>Help support NSW communities to benefit from the economic and employment opportunities created by decarbonisation</i>	<i>Strategy has been in place for 5 years and is measured annually At the last review in April 2023, it was confirmed that the current strategy is on track</i>

# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<i>Sustainability (continued)</i>	<i>Monitor and report annually its activities against agreed sustainability reporting and climate risk disclosure frameworks</i>	<i>All new projects contribute to the Sustainable Places Strategy Strategy has been in place for 5 years and is measured annually</i>
	<i>Continue to deliver leading sustainability outcomes across Landcom's portfolio to achieve shared social, environmental and economic value, with all future developments being entirely electrified (no gas connections)</i>	<i>All new projects contribute to the Sustainable Places Strategy and are delivered or enabled as gas free Strategy has been in place for 5 years and is measured annually</i>
<i>Support economic and social outcomes</i>	<i>Support diversity in its suppliers by considering procuring from small and medium enterprises, Aboriginal businesses, regional businesses, disability employment organisations, and social enterprises</i>	<i>Implemented a Procurement Reporting system to track performance across target groups. RAP plan in place with procurement targets</i>
	<i>Support female workforce participation</i>	<i>Employment practices in place that target gender diversity. We are currently at 50.3%</i>
	<i>Consider the environmental sustainability of goods and services being procured, including supporting the transformation to a circular economy</i>	<i>Procured a sustainable display home for the Wilton project Reused as part of the office upgrade existing furniture, IT and building materials in the design</i>

# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<i>Customers, stakeholders and communities</i>	<i>Develop partnerships with customers and communities to foster mutual understanding, relationships and responsiveness</i>	<i>Regular engagement with key community groups to build and maintain relationships and provide opportunity to identify and respond to community needs and interests</i>
	<i>Consult with customers, stakeholders and communities prior to progressing initiatives that may have an adverse impact to improve engagement, understanding and outcomes</i>	<i>Up-to-date, fit-for-purpose communications &amp; engagement strategies in place for active projects</i>  <i>Consultation undertaken in FY24 includes visioning, open place planning and concept planning for active projects</i>
	<i>Support sustainable initiatives in communities that demonstrate care and are underpinned by goodwill and respect</i>	<i>Community Development Plans in place for active projects.</i>  <i>Up-to-date, fit-for-purpose communications &amp; engagement strategies on place for active projects</i>

# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<i>Affordable and Diverse Housing</i>	<i>Establish a sustainable and scalable Build-to-Rent program with pilot projects on the NSW South Coast and in the Northern Rivers Region in accordance with Government policy</i>	<p><i>Development Application (DA) for the South Coast Build to Rent Bomaderry site was lodged in April 2024. Preparation of the DA for the Northern Rivers site is underway.</i></p> <p><i>On 16 June 2024, the NSW Government announced a \$450 million equity injection to Landcom to purchase sites and construct between 400 to 450 new build to rent dwellings for key workers in the Sydney Metropolitan area.</i></p>
	<i>Demonstrate leadership in affordable housing through the delivery of an Affordable Housing Program. The program should deliver 1,800 affordable homes by 2029 in line with the NSW Government's total commitment of 3,100 to the National Housing Accord, worth a goal to deliver substantially more if provided access to surplus government land and relevant approvals</i>	<p><i>Tender processes have progressed for several affordable housing opportunities.</i></p> <p><i>On track to deliver 1,800 affordable homes by 2029.</i></p>
	<i>Intensify Landcom's work to increase the supply, affordability and diversity of housing and achieve more sustainable communities by being the lead developer for surplus Government land and transaction with private landowners</i>	<p><i>Landcom's Housing Policy applies to all projects approved from 1 July 2021 onwards</i></p> <p><i>Projects subject to the Housing Policy are on track to meet the Affordable Housing, Diverse Housing and Universal Housing targets.</i></p>



# Statement of Expectation (SoE)

## Action Plan

Topic	Expectation	Activities
<i>Affordable and Diverse Housing (continued)</i>	<i>Expand the activities of Landcom to regional NSW with a focus especially on areas where the regional economy is impacted by low housing supply and/or low rental vacancy rates</i>	<i>Landcom is pursuing several new project opportunities in regional NSW. In February 2024, Landcom, Southern Cross University and the NSW Reconstruction Authority signed a Heads of Agreement to deliver over 400 dwellings in East Lismore</i>
	<i>Partner with NSW Government agencies on a commercial basis to deliver housing supply and improve housing affordability across the state and in accordance with Government policy and any relevant housing targets</i>	<i>Landcom continues to work closely with several NSW Government agencies to deliver additional housing supply and improve housing affordability</i>

# Statement of Corporate Intent representation and commitment statement

## The Board of Landcom confirms that:

- a) Key Performance Indicators within the 2024-25 Statement of Corporate Intent are based on, and supported by, Landcom's Business Plan;
- b) The Voting Shareholders will be provided with financial and other information, including information on major capital expenditure projects, on a quarterly basis to assess the performance against commitments in this Statement of Corporate Intent and to assess the value of the Shareholders' investment in the business;
- c) Asset maintenance policies and processes are adequate and appropriate to manage and control risks associated with physical assets;
- d) All known 'key risks' and 'major emerging contingent liabilities' which could materially impact the current and future results of Landcom for the coming year have been disclosed;
- e) Internal audit and risk management practices are consistent with standards recommended for Australian Securities Exchange (ASX) listed companies and, where appropriate, have applied any additional requirements that are set out in TPP20-08 Internal Audit and Risk Management Policy for the NSW Public Sector;
- f) The Chief Executive Officer has an employment contract and performance agreement. The employment contract is appraised annually;
- g) Landcom adheres to Commercial Policy Framework policies, as listed in State Owned Corporations: Applicable TPPs under the Commercial Policy Framework;
- h) Landcom complies with Treasury accounting circulars and policies applicable for State Owned Corporations; and
- i) Landcom agrees to provide information during the year to Treasury, as the representative of the Voting Shareholders, as specified in the State Owned Corporation Reporting Obligation Requirements.
- j) Landcom acknowledges requirements of M2023-04 – *NSW Government Fair Pay and Bargaining Policy 2023* for State Owned Corporations and, where possible in the context of the enterprise bargaining environment facing the business, will seek to comply with those requirements.



**LANDCOM**



