



Statement of Corporate Intent

FY2025 - 2026



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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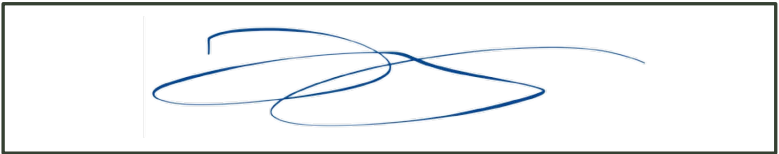
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Shareholder Agreement

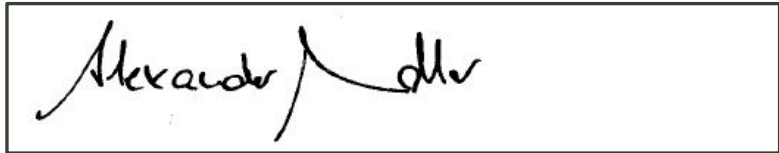
Statement of Corporate Intent



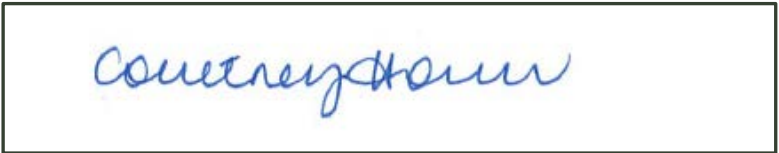
Ashley Mason
Chair
Landcom
on behalf of the Board



First Voting Shareholder
The Hon Daniel Mookhey, MLC
Treasurer



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) 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.

Landcom is currently forecast to deliver to the market 22,000 new residential lots between FY24 to FY29. Since inception, Landcom has delivered over 100,000 new homes.

Financial summary

KPI Summary			
Measure	2025-26 SCI (\$m)	2026-27 Forecast (\$m)	2027-28 Forecast (\$m)
Development Sales Revenue	376.1	632.1	791.4
BTR Rental Income	-	1.8	2.7
Operating Expenses	68.0	69.9	72.7
EBITDA	33.6	131.9	137.9
EBIT	30.5	128.7	133.7
Operating Profit Before Tax	28.6	127.5	133.6
Net Profit After Tax	20.0	89.3	93.5
CapEx	1.9	1.9	1.9
BTR Investment	93.2	58.6	108.0
Forecast Dividend	14.0	62.5	65.5
Dividend Payout Ratio	70%	70%	70%



Performance target summary

KPI Summary			
Measure	2025-26 SCI (\$m)	2026-27 Forecast (\$m)	2027-28 Forecast (\$m)
Development Sales Revenue	376.1	632.1	791.4
Development Gross Margin	90.1	186.2	198.0
EBIT	30.5	128.7	133.7
Operating Profit Before Tax	28.6	127.5	133.6
Net Profit After Tax	20.0	89.3	93.5
Return to Government - Tax	8.6	38.3	40.1
Return to Government - Dividend	14.0	62.5	65.5
Return to Government - GGF	2.0	1.8	0.8
Return on Equity	2%	7%	7%
Dwellings Settled	3,010	4,845	4,698

Performance target summary

Non-financial & Dividend Policy

Specific strategic targets

- Accelerate the development of projects to achieve settlement of lots for 22,000 homes from FY24 - FY29.
- Grow the affordable housing pipeline to deliver at least 1,800 affordable homes from FY24 - FY29.

Supporting initiatives to increase performance and impact

- Drive efficiencies to optimize financial performance.
- Acquire new projects across NSW from FY24 to FY29 that have capacity to deliver 30,000 residential lots.
- Strengthen our built form expertise and deliver on Build to Rent program.
- Develop and implement scorecard and performance framework.
- Establish and embed a Project Management Office to improve consistency and efficiency to achieve milestones.
- Realise Density Done Well supported by establishing Design and Place expertise across the business.
- Proactively build and promote Landcom's brand.
- Drive climate impact across the business and develop Net Zero Plan.

Dividend Policy Agreement

The dividend payout ratio is 70% of adjusted NPAT (excludes unrealised gains/losses from Investment Property).

Dividends for the FY26 financial year have been forecast at \$14.0 million.

Declaration of the Dividend is subject to the Voting Shareholders' consideration of the Board's recommended dividend for FY26, prior to 30 June 2026.

Real Property acquisitions and disposals

In accordance with Section 15(1) of the Landcom Corporation Act, an alternative amount of \$100m is specified.

The effect of this is that Landcom may acquire or dispose of any real property asset that has a value up to \$100m even if the acquisition or disposal of that real estate asset is not included in the underlying forecast or expressly authorised in this statement of corporate intent, without the prior written approval of the voting shareholders.

Performance Target Summary

Sustainability Performance Indicators (SPIs)

Performance Indicator	FY25 Performance (current status)	Long Term Target
Environmental		
Projects acquired from FY24 will achieve a certified Green Star rating.	100% of new projects acquired in FY25 adopted the use of industry recognized rating tools.	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 in FY25	Maintain certification and reduce annual gross emissions in line with Net Zero Plan targets
Social		
Implement Reflect Reconciliation Action Plan (RAP)	Closed out our Reflect RAP and progressed our Innovate Reconciliation Action Plan which was endorsed by Reconciliation Australia.	Implement the objectives and initiatives in Innovate RAP over FY25-FY26
Mitigation Risk of Modern Slavery in our supply chain	Published our disclosures against both the Federal and State Modern Slavery Acts	Move beyond compliance with the Acts and operationalize to broader business
Meet the Aboriginal/Torres Strait Islander representation target	1.03% (March 2025)	3.3% by FY25
Gender diversity in senior leadership	48.6% Women (March 2025)	50% Women by FY25
Governance		
Board review	Reviewed by Board in March 2025	A review of the Board's performance is conducted annually (external every 2 nd year or as otherwise determined by the Board)

Note the above indicators and performance reported is for the period of FY25, which is based on actual data and has been independently assured.

Regional & Essential Workers Built to Rent (BTR) Programs

Pilot BTR Program Status

- 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.
- 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 has been secured in Lismore in the Northern Rivers region and Development Consent for both projects have been achieved. Construction on the Bomaderry site commenced in April 2025 and construction on the Lismore site is set to commence in Q3 2025. Practical completion on both sites are expected by December 2026.

BTR Essential Workers

- 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.
- A requirement of the program is for Landcom to give preference to sites identified as being suitable for housing under the NSW Government Land Audit program.
- The first site has been acquired for the program in Annandale which will hold 200 BTR dwellings and further sites are currently being assessed. In addition to the BTR dwellings, there will be an additional 282 market dwellings delivered on the Annandale site.
- Construction on the Annandale site is forecast to commence in early 2026. Keys in doors for the program is expected to be achieved by December 2028.

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Public Accountability & Corporate Governance	Proactively communicate and engage with the Government to keep them informed of relevant matters of interest related to their accountabilities	Regular Meetings with Treasury and the relevant Ministers	Regular Meetings are held with The Minister for Planning, the Treasurer and Treasury officials	Ongoing meetings are scheduled
	Maintain the highest standards of governance, probity and integrity in line with government policies and community expectations	No material breaches of Policies or Procedures	No material breaches of Policies or Procedures	Compliance processes in place to ensure any breaches are identified
Efficiency	Optimise business performance and deliver efficiencies to ensure it maximises sustainable returns to government without compromising service quality, community outcomes and safety	Achieve the following nominated efficiency targets: 1. Asset Management and Maintenance. 2. Information Technology	Exploring opportunities to reduce security costs on some projects and replace it with surveillance cameras. Setting up a Land & Grounds Maintenance Panel with additional contractors to allow for competitive commercial tenders. Reviewing our licensing model for our CRM and land management tool. This is expected to reduce the annual licensing cost for the product going forward. Further, Landcom are changing its current document management system, which will reduce the annual licencing and maintenance costs.	We are currently working through all these initiatives. The outcomes will result in savings across these costs, which will increase our returns to the Government.

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Efficiency	Undertake regular external efficiency reviews at least once every five years. The financial benefit from efficiencies should be returned to the state via dividends	Identify a minimum of two permanent savings initiatives per annum	Landcom undertakes an internal efficiency review annually in March each year An external review will be undertaken in 2026.	Savings in efficiency will be returned to the state via the current tax and dividend arrangements
	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 & Poor's) (Minimum Credit Rating)	Maintain or better the Fitch BBB rating	Regular forecasts are undertaken to ensure the forecast financials for the business meet or better the required Fitch BBB rating	Achieved a "A-" rating in April 2025. This is two rating levels above the required "BBB" rating
	Proactively identify surplus or underutilised assets and land whose value could be realised	Nominate a minimum of five sites in the NSW Government Land Audit	Assess all chosen sites for development potential	Landcom has nominated circa 10 sites from the NSW Government Land Audit and has run assessments across all the sites. Two sites have been acquired to-date in 2024-25.

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Sustainability	Support the delivery of NSW Government climate change net zero and adaptation objectives and guiding principles in legislation and policy	Maintain Landcom's certification as a Carbon Neutral Organisation	Plan in place to maintain certification	On track with Green Power and sourcing of Carbon Credits for Neutrality target
	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	Sustainable Places Strategy is in place, and drives a reduction in carbon for all Landcom assets A Net Zero Plan is currently in development and will address supply chain and Scope 3 emissions	Sustainable Places Strategy progress measured annually Net Zero Plan is being developed	On track Landcom has drafted a Net Zero plan approach. The plan will be approved by the Board and finalised by September 2025.
	Minimise the risks of climate change on assets, operations and services	Maintain Landcom's climate risk assessment protocols, and resilience planning to address asset exposure upfront and minimize operational impacts	Protocol in place to manage	On track and actively implementing

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Sustainability (continued)	Help support NSW communities to benefit from the economic and employment opportunities created by decarbonisation	Identify new Metropolitan and Regional Projects	New projects provided the economic and employment opportunities created by decarbonization in line with our Sustainable Places Strategy	Strategy has been in place for 5 years and is measured annually. Landcom will be reviewing the Sustainability strategy in FY26.
	Monitor and report annually its activities against agreed sustainability reporting and climate risk disclosure frameworks	Sustainable Places Strategy progress measured annually	All new projects contribute to the Sustainable Places Strategy	Strategy has been in place for 5 years and is measured annually
	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)	Sustainable Places Strategy, progress measured annually. No gas communities is a baseline standard for all new projects	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

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Support economic and social outcomes	Support diversity in its suppliers by considering procuring from small and medium enterprises, Aboriginal businesses, regional businesses, disability employment organisations, and social enterprises	Measurement systems are to be created to track procurement across target groups	Implement a Procurement Reporting system to track performance across target groups. RAP plan in place that has procurement targets	RAP Plan in place. Measurement systems are now in place and updated monthly
	Support female workforce participation	Target to maintain 50% female participation	Employment practices in place that target gender diversity	We are currently at 54.4% (March 2025)
	Consider the environmental sustainability of goods and services being procured, including supporting the transformation to a circular economy	Identify initiatives in sustainability and circular procurement	Building a sustainable display home for the Wilton project Reused as part of the office upgrade existing furniture, IT and building materials in the design	Display home as been contracted to McDonald Jones Homes and construction commenced early 2025 Fit-out was completed as part of the design

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Customers, stakeholders and communities	Develop partnerships with customers and communities to foster mutual understanding, relationships and responsiveness	Join In stakeholder engagement framework outlines principles to guide Landcom’s engagement practice	Regular engagement with key community groups to build and maintain relationships and provide opportunity to identify and respond to community needs and interests	On track, continue to deliver
	Consult with customers, stakeholders and communities prior to progressing initiatives that may have an adverse impact to improve engagement, understanding and outcomes	Join In stakeholder engagement framework outlines Landcom’s commitment to stakeholder engagement and to continued learning and improvement in engagement practice	Up-to-date, fit-for-purpose communications & engagement strategies in place for active projects Consultation undertaken in FY25 includes visioning, open place planning and concept planning for active projects	On track, continue to deliver
	Support sustainable initiatives in communities that demonstrate care and are underpinned by goodwill and respect	Continue to deliver Community Development and Engagement across Landcom’s communities	Community Development Plans in place for active projects. Up-to-date, fit-for-purpose communications & engagement strategies on place for active projects	On track, continue to deliver

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Affordable and Diverse Housing	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	Implement pilot 'Build to Rent' programs on the South Coast and in the Northern Rivers region by identifying suitable sites, refining product type, testing market suitability, and progressing planning and construction approvals	<p>Sites have been secured and Development Consent has been achieved for both the Regional BTR projects.</p> <p>On 16 June 2024, the NSW Government announced a \$450 million equity injection to Landcom to purchase sites and construct between at least 400 build to rent dwellings for Essential Workers in the Sydney Metropolitan area.</p>	<p>On track</p> <p>Bomaderry BTR project due to start construction Q2 2025</p> <p>East Lismore BTR project due to start construction Q3 2025</p> <p>Annandale site has been acquired for ~200 EW BTR apartments from TfNSW to Landcom.</p> <p>Currently in negotiations with vendor for other Land Audit sites.</p>
	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	Continue to develop and execute a rolling program of scalable and feasible affordable rental housing projects, leveraging new and existing partnerships and testing innovative delivery structures. to achieve the commitment of delivering 1,800 affordable homes by 2029	<p>Tender processes have progressed for several affordable housing(AH) opportunities.</p> <p>AH Team is actively engaged in preparation of DAs for a number of Landcom sites to ensure delivery by 2029.</p> <p>AH Team is pursuing other partnership AH projects with land owners to mitigate any shortfall of AH.</p>	<p>Targeting to deliver 1,800 Affordable Homes by 2029.</p> <p>Landcom is making good progress against our target and we have identified 1400 Affordable Homes in our pipeline. Like all developers, Landcom is facing significant challenges due to continuing high interest rates and rapidly increased construction costs. Landcom is working as quickly as possible to increase the number of Affordable Homes, including working with local councils, CHPs and third party developers.</p>

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Affordable and Diverse Housing (continued)	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	Landcom's Housing Policy sets percentage targets for the amount of Affordable Housing, Diverse Housing and Universal Housing projects need to provide.	The Housing Policy applies to all projects approved from 1 July 2021 onwards.	All projects subject to the Housing Policy are on track to meet the Affordable Housing, Diverse Housing and Universal Housing targets.
	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	Secure new projects regional areas.	Landcom is pursuing several new project opportunities in regional NSW. For example, 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.	Landcom's current regional projects include major greenfield developments at Orange (Orange LGA), Lismore (Lismore LGA), North Tuncurry (Mid Coast LGA), Fennell Bay (Lake Macquarie LGA) and Garden Suburb (Lake Macquarie LGA). Other regional commitments include the Build to Rent pilot projects and Affordable Housing projects in Mullumbimby (Byron Shire LGA) and Goonellabah (Lismore LGA)

Statement of Expectation (SoE)

Action Plan:

Topic	Expectation	KPI/Target	Activities	Status / Forecast Outcomes
Affordable and Diverse Housing (continued)	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	N/A	Landcom continues to work closely with several NSW Government agencies to deliver additional housing supply and improve housing affordability	<p>Landcom and Sydney Metro have been working together for several years to facilitate development along the Metro North West Line</p> <p>In partnership with the Homes NSW, Landcom is delivering a contemporary, socially mixed community with diverse housing types at Airds and Claymore</p> <p>Our Crown Lands portfolio of projects includes sites at Garden Suburb (Hillsborough) and North Tuncurry</p>

Risk Appetite Statement (RAS)

Specific strategic targets

Landcom faces a broad range of risks reflecting its business as a NSW Government-owned development organisation. These risks arise from the Strategic Goals of increasing housing supply, expanding into regional NSW, providing leadership in affordable housing, and delivering built form projects in innovative ways.

To successfully deliver the Landcom FY24-29 Strategic Plan, the Board, CEO, Executive Committee and other Staff of Landcom must have a consistent understanding of the Corporation's appetite for risk in pursuing its objectives.

The Risk Appetite Statement, a component of the Landcom Enterprise Risk Management Framework, is Landcom's expression of risk appetite that it is willing to take in a range of activities undertaken by the Executive Committee and other Staff.

General Statement of Risk

Landcom's appetite for risk is fundamental to the Strategic Plan. It provides the boundaries for the types of projects, research and innovation we will undertake over the period of the Strategic Plan.

Landcom has an appetite for risk that allows us to innovate, collaborate and push boundaries to deliver a better outcome for the people of NSW. Our levels of risk appetite and tolerance are applied across focus areas within risk categories (including commercial, operations, sustainability, stakeholders and people) ranging from "Averse" to "Open". Achieving the Strategic Goals of the Strategic Plan will require Landcom to assertively pursue opportunities in a manner that is consistent with the levels of risk appetite agreed to between the Board and the Executive Leadership Team.

Statement of Corporate Intent: Representation and Commitment statement

The Board of Landcom confirms that:

- a) Key Performance Indicators within the 2025-26 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', including climate related and cyber security, 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 Australian Standard ISO 31000:2018 and standards recommended for Australian Securities Exchange (ASX) listed companies. Where appropriate and relevant, the corporation has referred to Treasury's Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08) for the NSW Public Sector, and the Risk Management Toolkit (TPP20-08) to support the development of their risk management systems.
- f) The Chief Executive Officer has an employment contract and performance agreement. The employment contract is appraised annually, with the next appraisal scheduled for August 2025. The contract expires in May 2027.
- g) Landcom adheres to Commercial Policy Framework policies, as listed in State Owned Corporations: Applicable TPPs under the Commercial Policy Framework;
- h) Landcom agrees it will pay charges fixed by the Treasurer in respect of government guarantee fees for borrowings from TCorp, in accordance with section 20U of *State Owned Corporations Act 1989*.
- i) Landcom complies with Treasury accounting circulars and policies applicable for State Owned Corporations; and
- j) 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.
- k) 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

