TOWARDS SUSTAINABILITY: LESSONS FROM AUSTRALIA FOR PNG UNIVERSITIES AND RESEARCH INSTITUTES ABOUT THE COMMERCIALISATION OF LANDHOLDINGS

Charles Yala
Lucy Hamago

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Charles Yala
Lucy Hamago
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### Abbreviations & Acronyms

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<tr>
<td>ACC</td>
<td>Australian Capital Commission</td>
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<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
</tr>
<tr>
<td>ANU</td>
<td>Australian National University</td>
</tr>
<tr>
<td>BOOT</td>
<td>Build, Own, Operate and Transfer</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>JV</td>
<td>Joint Venture</td>
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<td>NCA</td>
<td>National Capital Authority</td>
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<td>NSW</td>
<td>New South Wales</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>PNG NRI</td>
<td>Papua New Guinea National Research Institute</td>
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<tr>
<td>UC</td>
<td>University of Canberra</td>
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<tr>
<td>Unitech</td>
<td>Papua New Guinea University of Technology</td>
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<tr>
<td>UPNG</td>
<td>University of Papua New Guinea</td>
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<tr>
<td>UNSW</td>
<td>University of New South Wales</td>
</tr>
<tr>
<td>WSU</td>
<td>Western Sydney University</td>
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</table>
Abstract

The main objective of this paper was to draw lessons for Papua New Guinea (PNG) institutions from Australian universities on the commercialisation of their landholdings to generate much needed income to fund their operations. The research focused on two universities from the Australian Capital Territory, because PNG and the Australian Capital Territory share the same land administration system: the lease-based Torrens title land registration and land transfer system. Western Sydney University was included for comparative analysis, almost like a counterfactual. We also were aware that the PNG University of Technology was drawing lessons from Western Sydney University for the development of their landholdings.

The main finding from the study is that no single model can be used for the development of real estate by tertiary institutions. Each university’s landholding commercialisation was influenced by their own Acts, terms and conditions of the land titles, location and size of land, town planning authority, and interaction with government policy. PNG institutions could adopt specific lessons from each university. It also became evident, through the course of the research, that reforms into the country’s national land planning, development and management system are critical in order for the commercialisation of the landholdings by PNG institutions.
Introduction

Universities worldwide provide a means for investment in human capital, and their research is intended to contribute to the social, political, and economic development of the nations they serve. Australian universities, including the Australian National University (ANU), the University of Canberra (UC), and Western Sydney University (WSU), the subjects of this study, contribute to investment in human capital and research for social, economic, and political advancement of Australia. Likewise, the University of Papua New Guinea (UPNG) and the University of Technology (Unitech) in Papua New Guinea (PNG) are the two State-owned universities that contribute to investment in human capital and research for social, economic, and political advancement of PNG. The Papua New Guinea National Research Institute (PNG NRI), which is included in this research to represent the research institutes in PNG, contributes to research for the social, economic, and political advancement of PNG.

A challenge for many universities and research institutes, both in Australia and PNG, is securing a stable source of funding. Historically, universities such as the ANU and the UPNG were fortunate in securing substantial government funding over many years. Regional universities such as WSU and UniTech also receive government funding; though, not as much as that received by their national counterparts. Fiscal austerity and government shifts towards user-pay ideologies, in both Australia and PNG, mean access to government funding in these countries may be constrained in future. Consequently, Australian universities have explored innovative ways, including the commercialisation of their landholdings, to generate income. This paper focused on the commercialisation of landholdings by three Australian universities — ANU, UC, and WSU — with the view to generate policy lessons for PNG institutions.

The main finding from this study is that there is no single model used by the three Australian universities. Each university used models largely dictated by their own Acts, covenant conditions on the land, location, land size, and government policy. For example, both the ANU and the UC have perpetual leases of similar duration within the ACT. However, the development of their landholdings is dictated by two authorities: ANU landholding development is subjected to the Australian Capital Commission (ACC), while the UC falls within the jurisdiction of the ACT.

The commercialisation of the landholdings for WSU, on the other hand, is dictated by the University Act and the New South Wales (NSW) State Government’s intent to drive development of Greater Western Sydney. Major investments in this region include the proposed second Sydney airport and new rail links. Throughout, the synergies between the universities and the respective levels of government appeared critical in the commercialisation of landholdings for all three universities.

A clear standout from these three case studies is the model used by UC. This model suggests that universities may not need cash reserves to develop their land, and innovative arrangements may be made to use the land to build infrastructure and services that complement the core business of the university. As an example, the newly created hospital precinct at UC allows for the construction of a hospital by another developer that the university will then use as a training facility.

What is clear for PNG institutions is that all their landholdings are restricted for institutional purposes and their Acts restrict their dealings on their landholdings. In actual fact, this was the same for the ANU and UC, until the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 was enacted by the ACT Legislative Assembly. This is an innovative piece of legislation by the ACT Government aimed at driving development on land with perpetual titles, such as the land owned by both the ANU and UC. Amendments have also been made to associated Acts and regulations to harmonise and smoothe development driven by this legal framework. The UC is at present using this legal framework to facilitate the commercialisation
of its landholdings. The merits of this law, and its application in the context of PNG institutions, needs to be closely investigated.

Overall, this report starts the conversation about exploring options for developing the landholdings of PNG institutions. With the intention of generating ideas on how these universities could secure long-term funding, the questions addressed in this report are:

- How do Australian universities commercialise their landholdings?
- What policy lessons are there for PNG institutions?

The case studies provide the basis for the start of a conversation with the view to identifying elements suitable in the context of PNG institutions. Furthermore, this report identifies topics for further focused investigation aimed at drawing lessons for the PNG context. One such study that should be commissioned is a follow-up to this paper about the merits of the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 in the context of PNG institutions. Further, the PNG NRI needs to use this report to stimulate discussions within PNG and to explore options, be they legal, administrative or policy, aimed at commencing a structured process for the commercialisation of landholdings by PNG institutions.

The remainder of the paper is organised as follows: Section 2 provides a brief overview of the literature and conduct of the research; Section 3 discusses the commercialisation of landholdings by Australian universities; Section 4 discusses the landholdings of PNG institutions; Section 5 draws policy lessons from Australian universities for PNG institutions; and Section 6 concludes the paper.

Limitations of this paper

This paper has several limitations. First, the intention is to provide an overview of how the three Australian universities commercialise their landholdings and what lessons can be learnt for the PNG institutions. The level of investigation is therefore elevated, because this information is not readily available in the public domain. Follow-up studies need to be commissioned to undertake detailed analysis of different aspects of the institutional structures of interest for PNG institutions.

Second, our field work focused only on Australian universities. PNG institutions were not included in our field work because our intention was to use this study to generate discussions within PNG.

Third, we are mindful to contextualise lessons. In other words, no attempts should be made to replicate Australian institution models in the PNG context. The contexts of both countries, institutions, Acts, and capacity are significantly different. As such, commissioning follow-up studies that explore, in detail, elements useful within the PNG context is important.

Finally, the timing of our field study was not ideal. The study was conducted in the lead-up to the Christmas and New Year vacation period, and was sometimes distractive for our interviewees. They had many competing interests and activities to attend to before the official closure of the university for the festive period. Future field work studies of this nature should be scheduled for the second or third quarter of the year.
Background literature and conduct of the research

Research and analysis focusing on the commercialisation of landholdings by universities has not been a subject of academic or policy analysis in the context of PNG and Australian universities. This paper is therefore pioneering. The paper joins a series of policy analysis, over ten years, aimed at drawing lessons for PNG land administration reforms through the PNG NRI-University of New South Wales (UNSW) Research Partnership. To date, two study tours to the ACT by PNG Government Ministers and Government Officials have been conducted — in 2010 by heads of departments; and in 2015 by the Minister for National Planning and Monitoring — as well as a return visit by the former ACT Town Planner to Port Moresby in 2015.

Two issues papers have been published by the PNG NRI to date. The first, by Yala (2012), identified lessons for the land reforms in PNG by the National Land Development Program, based on the study tour of the ACT Land Administration, Planning and Development by senior PNG Government officials in 2010. The second, by Levantis (2016), reviewed the ACT Land Planning, Development and Management System and identified lessons for PNG.

These study tours, research, and analysis, and the exchange of ideas facilitated by the UNSW–PNG NRI research collaboration, have been useful in informing reforms of the land and properties sector in PNG.

Understanding how Australian universities commercialise their landholdings, with the view to drawing lessons for PNG institutions, is the focus of this paper. PNG institutions, which include universities, research institutes, and technical colleges, were allocated tracts of State-owned land in generous proportions, largely by the colonial government. Consequently, these institutions currently own landholdings of State-owned prime land in many of the country’s major urban centres with significant commercialisation potential.

PNG and ACT share a common land administration system — the lease-based Torrens title land registration and land transfer system. The rest of Australia uses freehold title, but the ACT uses 99-year or perpetual leases. This shared history goes back to the fact that prior to independence in 1975, PNG was administered by the Canberra-based Colonial Administration. The Colonial Administration developed the PNG land administration based on the ACT system. As a result, PNG has used the Torrens title land registration and land transfer system throughout the post-independence period. The status quo is likely to remain into the foreseeable future because Section 56 of the PNG National Constitution restricts ownership of freehold titles to citizens. It is unlikely that this provision of the National Constitution will be amended in the foreseeable future.

Given the shared heritage of the Torrens title land registration and land transfer system in the ACT and PNG, investigating the institutional structures used by universities in the ACT to develop their landholdings has immediate relevance to PNG institutions. The point of departure between the two lies in the fact that the ACT Land Administration System has evolved over time. As noted in Levantis (2016), the PNG Land Administration System has remained largely unchanged since Independence. One notable example is the lease allocation system: the ACT facilitates land title grants through a market-based auction system, while the PNG allocation system is bureaucratically administered through the National Land Board. The National Land Board, established by the Land Act (1996), is entrusted to allocate state owned land through a non-market oriented administrative process. It is the Land Board which considers applications for leases and grants land titles.

Given this background, two universities from the ACT (ANU and UC) and one university from NSW (WSU) were selected for the case studies. All three universities have, in recent years, started to commercialise their landholdings into successful ventures. Furthermore, two reasons justified the inclusion of WSU. First, the Unitech has reportedly been drawing inspiration from the WSU for the proposed UNI City Development in Lae (Wosse 2017). Second, WSU is established in NSW, a State that uses Torrens-based freehold land titles, thereby providing an additional basis for comparative analysis.
The three case studies provide a comparative analysis of the commercialisation of landholdings under lease title systems vis-à-vis freehold title based on the Torrens title land registration and land transfer system with useful lessons for PNG institutions. The research findings also provide a clear basis for comparative analysis of related issues such as the relationship between government policy, the university Acts and the terms and conditions of the land titles and the commercialisation of university landholdings.

Three PNG institutions — UPNG, Unitech, and the PNG NRI — were selected for comparative analysis, focusing largely on their landholdings and legal framework. The objective was to establish the status of the land in terms of the land area, title status, and terms and conditions for each land title. The relevant Acts of each institution were reviewed to establish whether each institution was legally mandated to commercialise its landholdings.

**Conduct of the study**

The main activities of this investigation were administering an open-ended questionnaire to obtain information about the focus areas defined in Table 1; reviewing university websites and background materials on the landholding commercialisation process; and reviewing respective university Acts and organisational structures.

The open-ended questionnaire addressed six themes: land, development structure, commercial structure, development planning and approval, funding structure, and commercial businesses. The objective was to use the questionnaire as a guide when conducting face-to-face interviews with senior management personnel directly involved with the commercialisation of the respective university’s landholdings. The questionnaire was first promoted in introductory emails, made available during the face-to-face interviews, and left behind for the respondents to add any information not covered during the interview.

The interviews were focused and each lasted up to one hour. In the case of the WSU, a PowerPoint presentation by the interviewee complemented the interview. Where appropriate, the research team was directed to publicly available background material such as websites, handbooks, and brochures. As a way of quality control, the draft report was submitted to the interviewees from each of the universities for validation and feedback.

**Table 1: Focus of investigation and issues covered**

<table>
<thead>
<tr>
<th>Thematic focus of investigation</th>
<th>Issues covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land</td>
<td>Who owns the land? What type of land titles? Whose name is the title in? What are the terms and conditions or restrictions, if any, for the land?</td>
</tr>
<tr>
<td>2. Development structure</td>
<td>What is the institutional structure driving the development in each of the three universities? What is the relationship between the University and land development institutions?</td>
</tr>
<tr>
<td>3. Commercial structure</td>
<td>What is the form of the commercial structure? What is the equity distribution? Is it a Public Private Partnership? What are the terms of agreement? Who are the development partners? How are the development partners selected?</td>
</tr>
<tr>
<td>4. Interaction between the town planning and development control/ facilitation</td>
<td>Who does the plan and who approves? What is the relationship between the planning office and the developments?</td>
</tr>
<tr>
<td>5. Funding structure</td>
<td>Who provides the financial capital? What role, if any, do banks play?</td>
</tr>
<tr>
<td>6. Commercial business</td>
<td>What types of businesses do they focus on and why? What are the bounds within which to invest?</td>
</tr>
</tbody>
</table>

Table 2 summarises the date, time, and venue of the interviews, and the section of the university represented in the interview. For the PNG institutions, the focus was on analysing their landholdings and the covenant conditions, and the respective Acts, as presented in Table 3.
The objective was to unpack the underlying institutional structures underpinning the commercialisation of landholdings by the two universities within the ACT, vis-à-vis WSU, and draw lessons for PNG institutions, given the similarities in the systems and processes of land administration and management system between PNG and the ACT.

Table 2: Field investigation — date, time, and venue of the interview and section of each university represented in the interview

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Venue</th>
<th>Section represented in interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 November 2017</td>
<td>11 am–12 pm</td>
<td>Australian National University</td>
<td>Major Projects</td>
</tr>
<tr>
<td>29 November 2017</td>
<td>1 pm–2 pm</td>
<td>Western Sydney University, Campbelltown Campus</td>
<td>Office of Finance and Resources</td>
</tr>
<tr>
<td>31 November 2017</td>
<td>9 am–10 am</td>
<td>University of Canberra</td>
<td>Campus Estate, Planning and Development</td>
</tr>
</tbody>
</table>

Consequently, the guiding questions for our investigation were informed by the PNG context. The issues of interest and lessons to be learnt relate to the type of land title, governance structure underpinning the commercialisation of the landholdings, commercial structure, interaction between town planning and development, funding structure and nature of commercial development. These factors, as provided in Table 1, provided the parameters for the investigation, analysis and the structure of this report. The findings from our field trip are organised into the six themes and are summarised in Table A1. Data and information from secondary sources, mainly the Acts of the three Australian universities, handbooks, project brochures and the universities’ websites complemented the field work data.

Drawing from the summary data in Table A1, detailed analysis and discussions focus on the six themes presented in Table 1.
THE commerciralisation of landholdings by Australian National University, University of Canberra, and Western Sydney University

This section focuses on the results of the interviews and review of complementary documents from each of the three universities. We first provide an overview of the three Australian universities and then discuss the results of the interviews, which were guided by the questions defined in Table 1, conducted with key personnel from the three universities.

A brief overview of the three Australian universities — ANU, UC, and WSU

The ANU is the only Australian university established by an Act of the Federal Parliament. The bill establishing the ANU was passed on 1 August 1946. As Australia’s national university, ANU has a unique history and place among Australian universities, and is Australia’s premier research university, with high international standing. The strategic objective of the ANU is to build partnerships and alliances that advance the university’s capacity, create value, and generate new opportunities.

The present location of the main campus at Acton was envisaged for an educational precinct in the winning entry of a competition for designing Canberra by Walter Burley Griffin and Marion Mahoney Griffin in 1911 (anu.edu.au, accessed 17 January 2017).

At the time of our field investigation for this paper (November 2017), the ANU had a hub of ongoing developments within the Acton campus. Noticeable developments were the development of University student accommodation buildings and the redevelopment of the Union Court. The recently completed and fully tenanted ANU Exchange, which was developed over a decade starting in 2004, created a hub of activities and nicely linked the University with the Canberra Central Business District (CBD).

The ANU Exchange is developed on land owned by the ANU, ACT Government, and private leaseholders. The development was part of the ACT Planning and Development Authority Master Plan for the Inner West End of Canberra City. The ANU Exchange development was established to be a creative, attractive, and interesting convergence between the CBD of Canberra and the ANU Acton campus. It was envisaged as a place where people work, live, learn, interact, and enjoy themselves. The ANU Exchange was developed to establish an information and knowledge hub within Canberra, and at the same time enhance and strengthen the reputation of the ANU. Further, the precinct was intended to create new employment opportunities and be a catalyst for the conversion of an underused area into an attractive mix of new buildings and public spaces.

The development of the ANU Exchange is a clear execution of the ANU’s vision and strategic objectives. This development has enabled the University to generate new research partnerships with businesses, create new University enterprises from commercialising research and innovation, enhance learning opportunities, create an attractive and safe place for students, and provide a destination for a vital arts community. These envisaged goals have been realised.

The student accommodation building and the Union Court were developed by the ANU using the University’s own funds from its cash reserve. This contrasts the ANU Exchange, which involved four parties — ANU, ACT Government, private lease holders, and the financier and developer.

The UC was established by an Act of the ACT Parliament in 1989. The University is open to students from Australia and overseas, but the Act provides, under Section 6 (2), for preferential attention to be given to the needs of the ACT and surrounding regions.

The main UC campus at Bruce comprises a land area of 118 hectares. Section 6 of the University of Canberra Act 1989, which defines the functions of the University, allows for the University to commercially exploit or
develop, for the University's benefit, any property of the University including its landholdings (Section 6[1i]).

More significantly, Section 7, which defines the powers of the University, grants the University powers to enter into commercial deals, including Joint Ventures (JVs) and the grant of leases.

At the time of our field visit, development of the University's landholding was obvious. The recently completed and tenanted student village complex with associated amenities was an interesting and innovative development. The ACT Brumbies have called the UC Sports Oval and the Sports Fitness Centre home for couple of years under a 99-year lease arrangement. Site preparation for the Hospital Precinct development was well underway. Plans were advanced for the development of a residential housing estate. What became evident during the interviews was that the University was capitalising on the opportunities created by the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015.

The WSU, established by the WSU Act 1997, has more campuses, more land and covers a wider geographical area than the ANU and UC. Currently, WSU has the following campuses: Bankstown, Blacktown, Campbelltown, Hawkesbury, Parramatta City, Liverpool, Lithgow, Sydney Olympic Park, Sydney City and Penrith. This covers Greater Western Sydney, fulfilling WSU’s clear intent and mandate to serve the people of the region.

It is clear from Section 8 (2a, 2c) and Section 8 (3a, 3b) of the Western Sydney University Act 1997 that the object and functions of the University is to serve Greater Western Sydney, both in terms of intellectual (Section 8 (2a, 2c)) and physical (commercial) development (Section 8 (3a, 3b)). The research site visit was restricted to the Campbelltown campus. A member of the University's Project Management team presented plans for each of the campuses and the many developments, both planned and those under construction. For example, a major housing estate at Campbelltown was under construction through a JV partnership arrangement with the State-owned land and property development company, Landcom.

Analysis of response from interviews and complementary data

Land

Land tenure and size differ considerably between the three Australian universities. Although the ANU and UC do have other campus sites, their main campuses are in Canberra within a defined contiguous physical space. In contrast, WSU has land parcels spread across Greater Western Sydney.

The ANU and UC both own land with perpetual lease titles that are described under the new legislative framework enacted by the ACT Legislative Assembly as Prescribed Crown Leases under Section 312B6 of the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015. This piece of legislation is an interesting recent innovation by the ACT Legislative Assembly that is driving the commercialisation of the UC’s landholdings. This amended legislation pertains to the subleasing of land under certain perpetual leases, and for other purposes.

The ANU has two broad types of land titles. Most of the land is under 99-year or perpetual leases granted by the federal government. Parcels of land within the ANU Exchange, which is the land located between the City and the University, have ACT-granted leases of 99 years. The ANU is unable to use the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 to its maximum advantage for two reasons. First, development of ANU landholdings is subject to the oversight of the ACC. Second, the ANU is restricted from mortgaging its landholdings. However, the ANU has innovatively built the ANU Exchange that links the University to the CBD.

In contrast, it was obvious that the whole intent of the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 was to facilitate the commercialisation of UC's landholdings. Most importantly, all the related and or associated Acts and Regulations including: Building Act 2004; Building (General) Regulation 2008; Common Boundaries Act 1981; Community Title Act 2001; Duties Act 1999; Environment Protection Act 1997; Environment Protection Regulation 2005; First Home Owner Grant Act 2000; Land Tax Act 2004; Land Titles Act 1925; Land Titles (Unit Titles) Act 1970; Leases (Commercial and Retail) Act 2001; Legislation Act 2001; Planning and Development Act 2007; Planning and Development Regulation 2008;
Public Unleased Land Act 2013; Rates Act 2004; Unit Titles Act 2001; Unit Titles (Management) Act 2011; Unit Titles Regulation 2001; Utilities Act 2000; Water and Sewerage Act 2000; Water and Sewerage Regulation 2001; and Water Resources Act 2007 were amended with the intention to harmonise and facilitate development. In practical terms, this legislative framework provides for the UC to plan, develop trunk infrastructure, and sell 99-year lease titles to private developers.

At the time of our field trip, it was obvious that the UC was taking advantage of this new legislation and was advancing development within four major precincts under its Master Plan: a specialist hospital built by the ACT Government; a retirement home developed by a private retirement home provider; sports facilities; and a village development. All these developments are underpinned by the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015.

Conversely, WSU not only has a large landholding but is mandated by the University Act to undertake commercial development on the University landholdings with the view to contributing to the development of Greater Western Sydney. The WSU’s landholding comprises 1,872 hectares spread across 21 locations. Because they have vertical campuses — campuses occupying floors in high-rise buildings — we can also include the total gross floor area of 432,000 square metres.

The WSU uses different models dictated by the specifics of location. In Campbelltown, WSU is developing a major housing estate in a JV with the State-owned property development company (Landcom) to contribute to the supply of housing to the region. In Liverpool, the University rents a high-rise building that houses a vertical campus. Furthermore, the Liverpool and Campbelltown campuses are closer to the proposed second airport for Sydney. Overall, the university locates campuses close to industry demand. University infrastructure is built to accommodate the changing nature of the colleges, dictated by industry demand.

Development structure

All three universities use the university structure to commercialise their landholdings. They do not use standalone companies such as a trust company to undertake development.

For the ANU, the Joint Major Projects Subcommittee, which is a Committee of Council comprising of the Council’s Finance and Campus Planning Committees, oversees and reports to the Council. It monitors and advises the Council Committees in respect to the implementation of the interlocking issues associated with major projects of the University. The Subcommittee also provides assurance to the Council that all relevant probity and due diligence issues are being considered appropriately in relation to major projects under consideration.

For the UC, Campus Development falls under the Associate Vice President (Campus Estate) who reports to the Vice President (Finance and Infrastructure), who in turn reports to the Vice Chancellor. The oversight function sits within the office of the Vice President (Finance and Resources) who reports to the Vice Chancellor and President.

For WSU, the two sections that drive development projects are the Project Management Office and the Office of Estate and Commercial located within the Finance and Resources section of the University structure. The Senior Executive Oversight Officer is the Vice President (Finance and Resources) who reports to the Board of Trustees through the Vice Chancellor and President.

Commercial structures

The three universities have adopted different commercial structures. For the ANU, student accommodation and the Union Court are purely university-funded developments. Once fully developed, the buildings will be leased to a private operator to operate and maintain for up to 35 years. However, the Finance Section of the University collects the money and pays the difference to the contracted operator. Hence, the University Finance Department operates a project account for each building; starting with conception and design, then construction and management.

The case is different for the ANU Exchange, which was a JV between the ACT Government, private lease holders, and a private developer. The overall development was anchored on a Deed Instrument that was used to
pool the land together, define the development structure, and share costs and revenues.

The UC promotes flexibility in the commercial structures by encouraging proposals for Build, Own, Operate and Transfer (BOOT), JVs, and other contract structures that are consistent with market conditions. The University’s focus is clear: all development proposals must clearly provide mutual benefits.

Importantly, the UC uses a two-element system — an agreement for sale/development and a collaboration agreement. The first is the sales contract underpinning the sale of the lease of an identified land portion to a developer. The second is a collaboration agreement that allows for the buyer to collaborate with the University on the use of the developed property.

For example, the University having sold the leases to a parcel of land to the ACT Government for the construction of a specialist rehabilitation hospital with focus on mental health and aged care, has entered into a collaborative agreement to have sections of the hospital to accommodate the University’s medical school. Likewise, having sold the land lease to the developer of the aged care facility, the University negotiated for access to the aged care facility for hospitality and nursing students, as part of the University’s hospitality and nursing training programs.

At the time of our field investigation, plans were at an advanced stage for a new residential development under the same principle.

The WSU uses a variety of models, depending on the location. In Liverpool, the University leases the building to accommodate the School of Social Sciences and Psychology and School of Nursing and Midwifery. In Campbelltown, WSU is developing a major residential development in a JV with the State-owned land and property development company. This is being done having excised land needed to accommodate the University campus and operations. The residential land is being developed and marketed to the public.

**Planning and development approvals**

The three universities have different planning and development approval and oversight structures. This is underpinned by their own Acts and location. However, they each have their own planning capacity and systems to produce strategic master plans that are compliant with the operating legal framework for their campuses.

In terms of legislative oversight, the ANU’s campus plans must first be compliant with the strategic plan of the ACC. Second, where there is land within the jurisdiction of the ACT, the ANU’s campus plans must be consistent with the ACT Territory Plan. The classic example is the ANU Exchange where the ANU had land within ACT jurisdiction. The land was developed consistent with the ACT Western Corridor Development, in partnership with all the leaseholders and a development partner anchored through a Deed Instrument. Current ongoing developments within the ANU are guided by the Campus Master Plan 2030.

The UC Campus Master Plan 2012 (to be reviewed in 2018) is the operative master plan for the ongoing developments. All developments are to be demonstrably consistent with the University’s Strategic Plan, Campus Master Plan, Sustainability Strategy, and Brand Identity. Further, the Campus Master plan and all developments are to comply with the UC Act, the Crown Lease, and the ACT Territory Plan.

The master planning and development for WSU differs significantly because of the vast geographic locations over which University campuses are located. Developments within Liverpool campus are viewed as developments that are part of the Liverpool Central Business District (CBD). The campus at Bankstown is the same as the Liverpool campus — CBD and vertical campus. Both the Campbelltown and Liverpool campuses are viewed as strategic locations with respect to the planned second airport for Sydney. Overall, the WSU campuses are strategically located within the Greater Western Sydney growth corridor. Consequently, close to Campbelltown, 355 new homes are being built on land sold to private buyers through a JV development with the State Land Development Agency. The University landholding at Werrington is planned for a retail centre development given the strategic location of the land. The University landholding at Parramatta North has been viewed from a strategic standpoint as part of the Greater Sydney Development with the new proposed light rail line. The land is being viewed as potential for retail services for the community. The Blacktown campus is planned for 411 residential homes with amenities sold to private buyers.
The overall University Campus Development Plans are informed by the NSW Government Policy for Greater Western Sydney growth. Aligning with government policy, the developments are informed and shaped by the federal government’s Smart Cities Plan; developing partnerships with the three levels of government (federal, state, and local); a plan for growing Sydney; increased demand for university graduates; high-tech and knowledge-intensive jobs; co-locating universities and cities to enhance economic growth, research, innovation and industry engagement; and the 30-minute city concept, leading to enhanced productivity, accessibility and liveability. Approval of detailed plans are made by the local councils of each municipal authority where each campus is located.

Commercial activities

The activities underpinning the commercialisation of the three university’s landholdings differ considerably. The ANU’s developments largely centre around student accommodation, recreation, and the University’s core activities. As Australia’s national university with international standing, ANU is well supported financially by the Federal Government. As a result, the commercialisation of the university’s landholdings is focused on students and the core functions of the university. For instance, the student accommodation and Union Court (swimming pool included) are focused on enhancing campus lifestyle. The ANU Exchange, in contrast, is a major mixed-use development that caters for accommodation, retail, commercial offices, and university research centres intended to connect the ANU with the ACT community.

Commercial activities for the UC are significantly different from those of the ANU. While the student accommodation, retail, and entertainment (bar) included are focused on University demands, many of the other commercial activities are supporting the service delivery focus of the ACT Government. The Rugby Union Franchise (ACT Brumbies) has invested in the Sports Precinct on which the ACT Brumbies have a 99-year lease over the land with sports oval and associated facilities. This investment has the dual benefits of creating space for the ACT and regional community, while complementing the Australian Sports Academy Precinct in terms of promoting sport and recreation. The Hospital Precinct is being built by the ACT Government as a specialist hospital focusing on mental health and aged care. An aged care facility is being built by a private developer because there is demand within the local and surrounding communities. The Village Precinct is being developed in response to the housing affordability crisis within the ACT.

These examples demonstrate that the ACT Government is delivering core government services through a partnership with the private sector through the commercialisation of the landholdings by the UC. The university, through this process, is commercialising its landholdings for much needed cash and accessing the developed facilities for advancing the university’s core education business. These developments have been made possible by the Planning and Development (University of Canberra and other Leases) Legislation Amendment Act 2015 and the UC’s two-part contracting system.

The commercial activities being undertaken by WSU include residential houses for sale to the open market and commercial and retail centres. WSU’s commercial activities on their landholdings are used to contribute to Greater Western Sydney. Notably, student accommodation does not appear to be an issue for the WSU, unlike ANU and UC, because the University is presently within an affordable housing region.

Importantly, it should be highlighted that under Section 32D (1 & 2) of the Western Sydney University Act 1997:
(1) The Minister may request a report from the Board as to University commercial activities or as to any particular University commercial activity or aspect of a University commercial activity and (2) The Board must provide a report to the Minister in accordance with the Minister’s request. This provision appears to provide the space for the NSW Government to ensure that the commercial activities undertaken by the University are consistent with the State Government’s drive to develop Greater Western Sydney.

Summary of how Australian universities commercialise their landholdings

The analysis in this section demonstrates that there is no single answer to the question: How do Australian institutions commercialise their landholdings? Each of the three universities commercialise their landholdings in distinct ways dictated by their location, land sizes, Acts, covenant conditions on their land titles, and government
policies.
The Acts of the three universities provide for their engagement in a range of commercial enterprises, which include the commercialisation of their landholdings. However, the ANU was restricted from the sale and/or mortgaging of its landholdings.

All three universities are using their internal university systems to plan, fund, and execute the commercialisation of their landholdings. None have incorporated a special purpose vehicle such as a trust company to drive the commercialisation of their landholdings. They all have a core planning, finance, and project management skillset within the university structure, and utilise this to drive the landholding commercialisation process. They then report directly to the executive management and to the governing council. In the case of the ANU, there is a joint committee of council to provide oversight.

All three universities draw their investment funding from cash reserves and use their internal accounts system to manage their project planning and development.

There are some differences in the development structures used by the three universities. The ANU has collaborated with the ACT Government, private leaseholders and a private developer using a Deed Instrument to undertake the ANU Exchange development. The ANU also has the development structure that it uses to design, fund, and build, and then outsource management and maintenance for up to 35 years to a private operator. The UC benefits from the sale of the leases and secures access to the developed property for university purposes simply by capitalising on their landholding. This is being made possible by the Planning and Development (University of Canberra and Other Leases) Legislation Amendment Act 2015. WSU either sells land or develops projects through JV partnerships. Furthermore, the University has innovative vertical campuses and commercial development, both in retail and residential sectors, determined by location specific factors.

All three universities have a clear collaboration, integration, and conformity process with government policies. The ANU, for example, is largely dictated by federal and ACC policies and strategies. The UC, on the other hand, collaborates with the ACT Government’s service delivery policies. Conversely, WSU is dictated by the State Government’s Greater Western Sydney development policy. The WSU is clearly mandated to serve and to help drive development within this region and the board can be asked by the Minister to provide a report of any commercial activities undertaken by the University.

All three universities have functioning town planning systems and processes that drive the commercialisation of the University’s landholdings. For the ANU, it is the ACC that provides oversight to the campus planning and development processes. The UC campus development is guided by the ACT Territory Plan. WSU has a more decentralised approach, and relies on local urban councils within the different localities.
UPNG, established in 1966 by an Act of Parliament (University of Papua New Guinea (Amendment) Act (1983)), is in Port Moresby, the nation’s capital. UPNG is a teaching intensive university focusing on social science, science, medical studies, and law degree programs at undergraduate level. The Medical School is located away from the Waigani Main Campus next to the Port Moresby General Hospital on the south side of the city. The student population is largely Papua New Guineans on PNG Government scholarships who reside in university-provided campus accommodation and dine at the university mess. The university also has campus accommodation for staff.

In recent years, the university has benefited from investments in infrastructure, starting with the accommodation facilities built as part of the 2015 South Pacific Games to accommodate athletes and the ongoing construction of infrastructure for the Governance Precinct funded by the Australian Government. The Games Village has now been transferred to UPNG for student accommodation. The Governance Precinct is a significant investment by the Australian Government which, once completed and made operational, will generate new activities with international students expected from Australia and the Pacific Islands. Complementing these developments is a major ring road constructed around the University, which opens the University’s landholdings to potential development.

UPNG was granted a State lease on 17 October 1968 for the Waigani Main Campus over portions 1631, 1230, 1172, 1171, and 1170 for a term of 99 years each. The total landholding for the Waigani Campus is 413.019 hectares. The covenant conditions on the lease title restrict the use of the land to institutional purposes only. Even after accounting for the recent developments, such as the South Pacific Games Village and the Leadership Precinct development investment by the Australian Government, there is still a relatively large portion of landholdings remaining undeveloped.

UNITECH was established by an Act of Parliament in 1965, a year ahead of UPNG, and is a teaching intensive
undergraduate-focused University focusing on the sciences, biased in favour of technology-based University training in fields such as civil engineering, mining engineering, land studies, forestry, and food technology.

Like UPNG, the student population is largely Papua New Guineans on PNG Government scholarships residing on campus and dining at the mess. Likewise, staff are accommodated on campus in institution-owned housing.

UNITECH’s main campus at East Taraka, Portion 435, covers a total land area of 223 hectares and has a State lease term of 93 years and 64 days, as of 13 December 1973. The use of the land is restricted to institutional purposes only. Large areas of the land remain undeveloped. Recently, the University launched an initiative to develop the undeveloped part of the University’s landholdings, reportedly inspired by developments at WSU (It would be interesting to establish which WSU campus development was UNITECH’s source of inspiration). A growing number of large businesses are investing in factories within the neighborhood, with the K125 million Lae Biscuit factory being the latest.

The PNG NRI was established in 1969 as the ANU’s New Guinea Research Institute. At the time of independence in 1975, the Institute was gifted as an independence present to the people of PNG. It was named the Institute of Applied Social and Economic Research (IASER). In 1986, the Institute was renamed the National Research Institute. Over the last 13 years, the institute has evolved into a ‘public policy think tank’ and is now actively engaged in public policy debates.

The PNG NRI’s Waigani Campus landholdings falls under two portions: 1421 and 1422. The two State leases were granted for a term of 99 years, starting 20 July 1989. The restrictions on the land are similar to those of UPNG and UNITECH — development is restricted to institutional purposes only. Physically, the campus shares land boundary with UPNG on the north western end. The development of the new ring road (Bill Skate Highway) has opened up the PNG NRI land for potential development. The Institute has innovatively invested in trunk infrastructure on Portion 1422 over the last few years. Recently, a road network has linked the two portions together. Again, through creative ways, new major renovation programs are currently underway within the campus on Portion 1421.

The Acts of the two universities (UPNG and UNITECH) are similar: they are restricted from any dealings such as mortgages and the lease of university land unless approved by the Minister. Regarding leases, the terms are restricted to 21 years (Section 36(3) of both Acts), with Ministerial approval required. In contrast, the PNG NRI Act is silent on the matter of dealings on Institute land.

UPNG, UNITECH, and PNG NRI landholdings in the context of the country’s total landholdings

At the time of independence in 1975, only three percent of PNG’s landholdings were alienated by the State, with leases granted in the majority of cases. Acquisition of additional land by the State from customary landowners for public purpose since independence has been minimal. Consequently, an estimated 97 percent of the country’s landholdings remain under customary tenure, and therefore are placed outside the formal land administration system. In this context, the landholdings of these institutions first fall within the three percent alienated State-owned land. Further, in the case of Port Moresby, only 60 percent of the total landmass is alienated. The landholdings by UPNG and PNG NRI fall within the 60 percent domain. In contrast, UNITECH land is State-owned land within Lae City. State-owned land in Lae is smaller than Port Moresby, and has been exhausted. UNITECH land remains the only land within the Lae City boundaries that could be developed.

The landholdings of these two PNG institutions — UPNG in the context of Port Moresby and UNITECH land in the context of Lae City — are significant, relative to the total alienated land area within the two cities, and particularly in the context of land that may be developed. In the case of UNITECH, the fact that State-owned alienated land is all but exhausted implies that the landholdings of UNITECH hold particular significance and value in terms of the development and growth of Lae as a city. Developing the UNITECH landholdings will, in this regard, make a significant contribution to the development of Lae City, create income generating opportunities, and release much needed land for private enterprise development. Likewise, developing the
landholdings of UPNG will contribute to the development of Port Moresby — again creating jobs and income-generating opportunities and releasing the supply of much needed land for the private sector. In both cases, the development of their landholdings will contribute to the chronic shortage of real estate development, which results in high costs of office and accommodation rentals in both cities. While these benefits will accrue to the broader community, the two universities stand to make significant financial gains from the commercialisation of their landholdings.

Is it possible for PNG institutions to commercialise their landholdings?

All institutions are established by an Act of Parliament. The respective Acts establish the structure for their operations, and the core feature is a Council that oversees the operations of the respective institutions.

The land titles are State leases for 99 years in the case of the PNG NRI and UPNG, and 93 years (and 64 days) for UNITECH. In 2018, UPNG has 49 years remaining; UNITECH has 48 years remaining; and PNG NRI has 70 years remaining on their respective lease terms. Unfortunately, for all three institutions, the use of their land is restricted to institutional purposes. Furthermore, the UPNG and UNITECH Acts restrict engagement in land transactions, especially in such cases as mortgages or leases unless approved by the Minister. Leases, if approved by the Minister, are for a maximum of 22 years. The PNG NRI Act is silent on land dealings such as mortgage and lease. Collectively, these restrictions have the potential to substantially restrict the commercialisation of landholdings by PNG institutions.

While UNITECH has initiated the process of developing its landholdings, with initiatives at the conceptual stage, the PNG NRI has undertaken trunk infrastructure development on its limited landholdings. UPNG has so far benefited from the infrastructure development investments by the South Pacific Games and currently the Australian Government (through the Governance Precinct development). However, UPNG still has large landholdings of undeveloped land within its Waigani Campus. UPNG also owns land outside of the campus. This includes the Medical Campus that is on prime land within the General Hospital Precinct; and the Motupore Island used for marine research, 30 minutes drive south of Port Moresby, and beside the famous Loloata Island Resort, which is undergoing an investment upgrade to become a major resort. Once completed, Loloata will be a major holiday and conference destination for PNG residents, and international tourists who will come for the widely known dive sites. The clear implication is that UPNG’s Motupore Island will increase in value because of its proximity to the upgraded Loloata Island Resort.

While there are these legal restrictions, both by their respective Acts and the terms and conditions stipulated in the land titles, recent investment in the trunk road network within Port Moresby have opened the land development potential for both UPNG and the PNG NRI. UNITECH, on the other hand, is located in close proximity to new private sector development investments, such as the recently opened K125 million Lae Biscuit factory. Collectively, these developments are raising the value of the landholdings of these institutions.
In this section, we return to the original question: *How do Australian universities commercialise their landholdings and what policy lessons are there for PNG institutions?* Policy lessons are organised around the six themes outlined in Table 1.

**Land**

The landholdings of ANU and UC are similar in size to the landholdings of UPNG and UNITECH. However, the land titles owned by the PNG institutions have the same terms and conditions as the ANU — restricted to institutional purposes only and legally forbidden from being mortgaged. Similar restrictions were placed on the UC land titles until the *Planning and Development (University of Canberra) Legislation Amendment Act 2015* was enacted by the ACT Legislative Assembly.

In terms of location, UPNG, UNITECH, and PNG NRI landholdings are within prime locations and are of high value. However, their respective Acts restrict them from undertaking commercial development on their landholdings.

The policy lesson is to appropriately amend the respective Acts and to relax the terms and conditions of the leases to accommodate development. The *Planning and Development (University of Canberra) Legislative Act 2015*, which is allowing UC to sell leases of up to 99 years and benefit from the collaborative agreement system, needs to be explored for applicability to PNG institutions.

From the ANU, the use of the Deed Instrument to underpin developments within the ANU Exchange should be explored for relevance and applicability to PNG institutions.

From the WSU, the university’s use of location specific campuses to determine development opportunities should be explored for relevance and applicability to PNG institutions.

Overall, the PNG institutions are not able to commercialise their landholdings within the existing structure; they need their respective Acts amended and terms and conditions on the land titles changed to accommodate development on their landholdings.

**Funding**

PNG institutions unfortunately do not have the luxury of the cash reserves that are available to their Australian counterparts. In fact, PNG institutions face severe budget constraints. PNG institutions do not have the luxury of fee-paying national and international student populations that the Australian universities do. Instead, their student population consists of largely government-sponsored students residing in highly subsidised boarding and lodging facilities. For these reasons, securing funding to drive development of their landholdings will remain a major challenge for PNG institutions.

**Development structures**

High levels of technical competency, sound governance structures, and the availability of financial resources have made it feasible for the Australian universities to internally drive developments and employ skilled personnel from the private sector to drive their respective development projects.

PNG institutions, in contrast, face serious challenges in all aspects — skills, governance, and financial capacity. Trust companies may be an appropriate development structure in this environment worth considering for PNG institutions.
Commercial structures

Given the financial and skill constraints faced by PNG institutions, the suitable commercial structure for the institutions to use is to consider Trust or equivalent Company Structures. Each institution will have a Trust or equivalent Company Structures which will administer land identified for commercialisation in Trust and explore Joint Venture partnerships adopting the Deed structure used by the ANU for the ANU Exchange development. The PNG institutions will need to be passive investors.

Planning and development approval

Each of the Australian universities had campus planning and development capacity and structure. They have imported private sector skills as and when required. Their respective master plans were consistent with the overall city or regional plans. In that respect, the facilitation, collaboration, and partnership role between the ACT Government and the ANU and UC in the case of the ACT, and the NSW Government and the respective local level councils in the case of WSU, was critical.

PNG institutions do not have campus planning and development capacity. The National Land Planning and Development System is inefficient and dysfunctional. Both Port Moresby and Lae, the biggest cities in PNG, suffer from the poor planning and development challenges. Hence, reforms of the country's land planning, development and management system would be beneficial for PNG institutions to commercialise their landholdings. More specifically, an Act of Parliament that replicates the Planning and Development (University of Canberra) Legislation Amendment Act 2015 is worth considering to facilitate the commercialisation of landholdings by the PNG institutions.

Commercial activities

The commercial activities of Australian institutions include student accommodation, mixed use commercial and residential development, pure commercial developments, sub-divisional residential development, and major service delivery focused development such as sports facilities, aged care facilities, and hospitals.

The landholdings of PNG institutions are within prime locations in different parts of Port Moresby, in the case of UPNG and PNG NRI, and Lae, in the context of UNITECH. Consequently, the kind of commercial activities promoted should not only generate income for the respective institutions but should complement these institutions to achieving their core mandate — University education in the case of UPNG and UNITECH and public policy research and advocacy in the case of the PNG NRI. Lessons from the developments at the ANU Exchange, the four precinct model at UC, and the location driven business activities of WSU can be used as a guide for institutions in PNG.

In summary, each of the three Australian universities commercialised their landholdings in distinct ways dictated by their location, land sizes, Acts, covenant conditions on their land titles, and government policies. There is no single model that PNG institutions could adopt. Drawing policy lessons for PNG institutions must be contextualised. In that respect, the application of lessons from the Australian universities to PNG may have to be modified to suit the PNG context. Examples include:

- UNITECH driving development that complements Lae City Development.
- UPNG driving development within the Waigani area complementing with the Waigani Central Government Offices and Gerehu to the north.
- The PNG NRI driving development that complements UPNG, Gerehu, and Motukea Port centred development within the north west along the northern end of the Fairfax Harbour.

Last, but of no less significance, is the absence of fully functioning town planning systems, processes, and technical skills in the PNG context. These are a challenge and constraining factor for commercialisation of land held by tertiary institutions. At the national level, reforms into the land administration system remain protracted and frustrated. For instance, only two of the 47 recommendations made by the National Land Development
Taskforce in 2006 aimed at improving the systems and processes of land administration in PNG have been implemented. Consequently, at the time of writing this report, the PNG Land Administration System remains largely unchanged since 1975. More specifically, the two largest municipal authorities in PNG, the National Capital District Commission and the Lae City Authority, do not have the capacity to drive development. This was evidently pointed out by the PNG NRI commissioned review of National Capital District and Lae City Plans by Walter, Yala and Aleker (2016). In this regard, a review of the Land Act 1996, Physical Planning Act 1989 and related Acts and regulations will be critical to promoting any development initiative to support the commercialisation of the landholdings of PNG institutions.

Despite these constraints, there are significant opportunities — PNG institutions are sitting on prime land with secure titles within prime locations. Strategic partnership with private investors, endowment funds, and faith-based organisations (using the model ANU uses to commercialise student accommodation) are worth exploring. The starting point would be to review the legal and administrative barriers restricting PNG institutions from commercialising their landholdings. This is either through their respective Acts or the covenant conditions on the land titles. The latter — covenant conditions — are reflective of PNG’s Land Administration System that deliver use-prescriptive land titles. This is where lessons from the applications of the Planning and Development (University of Canberra Lease and other Leases) Legislative Act 2015 should be given serious consideration in the context of PNG institutions driving development on their landholdings.

Overall, there is sound governance and technical competency within the Australian university systems. These are unfortunately big challenges in applying these to PNG institutions. For PNG institutions, there is no single model that can be adopted from the Australian institutions. However, there are features within each of the Australian universities that can be adopted and possibly adapted to the context of PNG institutions, and complemented with reforms to the overall land planning, development and management system in the country.
Conclusion

The main objective of this paper was to draw lessons from the mobilisation of landholdings by Australian universities for PNG institutions. This research focused on two universities from the ACT because PNG and the ACT share the same land administration system — the lease-based Torrens title land registration and land transfer system — and on WSU for comparative purposes. We were also aware that UNITECH has been drawing lessons from the WSU for the development of its landholdings.

The main finding from the study is that there is no single model. Each university's landholding commercialisation was influenced by their own Acts, terms and conditions of the land titles, location and size of land, town planning authority, and interaction with government policy. PNG institutions could adopt specific lessons from each university.

Two standout features worth exploring for adoption into the PNG context are the recently passed legislation that is empowering the UC — the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 — to drive development, and the ANU’s use of a Deed Instrument to develop the ANU Exchange.

The PNG institutions are comparable with ANU and UC only when it comes to the size of their landholdings and location. They are located on prime land with high value. However, the PNG institutions have restrictions imposed by their respective Acts and the covenant conditions of their land titles. The legal restrictions imposed by the respective Acts will need to be first amended. Relaxing the covenant conditions will need to be part of a broader reform to the land administration system in PNG, especially by changing the prescriptive use nature of leases. A system that subjects the leases to an operative town plan needs to be adopted in the case of PNG. In this context, the Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 and associated amendments could be analysed.

The PNG NRI and UNSW Canberra had the foresight to invest in this report through their Australian Government funded twinning arrangement. The findings of this report are instructive and have the potential to stimulate discussions in PNG. The PNG NRI and UNSW should use this report strategically to stimulate discussions by directly communicating the main findings to all state-owned universities and research institutions in PNG, the Department of Prime Minister and National Executive Council, the Department of National Planning and Monitoring, the Department of Treasury, and the Department of Higher Education, Research, Science and Technology.

Contributions to the broader land policy debate in PNG

The overall objective of this paper is to initiate discussions about how PNG institutions could develop their landholdings and generate stable income to sustain their operations using lessons from the case studies of Australian universities. In fact, emphasis must be on ensuring the lessons are carefully crafted to suit PNG institutions and their contexts.

We are confident that this paper achieves the intended objective. In doing so, this paper makes a substantial contribution to the overall policy debate aimed at improving land planning, development, and management system in PNG. This is particularly important when the ACT and PNG have a shared land title administration system; that is, the lease-based Torrens title land registration and land transfer system. The ACT system has evolved over time while the system in PNG has largely remained unchanged. In terms of drawing lessons for the improvement of the PNG Land Planning, Development and Management system, the ACT’s recently passed ACT — Planning and Development (University of Canberra and other leases) Legislation Amendment Act 2015 — and the associated amended Acts, among many others, noted in Levantis (2016) need to be fully explored to inform policy debate in PNG.
References


### Table A1: Summary of Findings from Interviews

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**Australian National University (ANU)**

- Total land area is 147 hectares;
- Two types of land; (1) Large part of the land is owned by the National Capital Authority (NCA); and (2) smaller part of the land is owned by the Australia Capital Territory (ACT).
- ANU has a 99-year lease on the NCA owned land and on the ACT owned land.
- NCA Land is restricted from sale. Hence, by default, cannot be mortgaged.
- University is the developer. No trust nor separate development company.
- Property Development Team coordinates with the University Finance and Master Planning Team to get a project scoped, designed, constructed, marketed and sold.
- The Development Team reports to the University Council through the Committee of Council which is chaired by the Vice Chancellor.
- University constructs the building and associated facilities, markets the building and then sells for a price that includes: (a) construction and marketing cost and (b) 10-12% profit margin.
- Buyers (investors), mainly consortium of retirement funds, buy the building and operate and maintain for 30–15 years.
- Buyers (investors) have contracted facility managers that manage the property.
- All rental income is channeled through the University finance system, and the contractor, property managers and investors are paid out by the University.
- University has a planning team that produces the Master Plan.
- Master Plan and Building are approved by the NCA for the NCA controlled area and ACT Planning Authority for the ACT controlled area.
- University uses cash reserves from the University.
- University generates funds through Federal Government, philanthropists, and commercial ventures.
- Students and researchers are ANU’s prime products aimed at maintaining its status as Australia’s Premier Research University.
- Student Accommodation is the primary development.
- One office building purely for commercial Ernst & Young Building.
- All commercial and auxiliary facilities such as swimming pool are to complement student accommodation.
- ANU had two recent developments demonstrating using two different approaches: (i) ANU Exchange was developed in partnership with ANU, ACT Government, Private Developer and private leaseholders over a 10-year period, starting in 2004. The structure involved the signing of a Deed in 2004 which took control of development structure and process; and (ii) Student accommodation is built by the University and sold to managers as defined in question 3. **Appendix 25**
University of Canberra

Question 1: LAND

University of Canberra was empowered by the University of Canberra Legislation Amendment Act 2015 to undertake development on University land. This is a comprehensive reform of the legislation which has underpinned the university's commercialization of its landholdings.

Question 2: DEVELOPMENT

There is no statutory provision for a developer to draw up a development proposal and development plan in advance of developers themselves preparing a comprehensive Master Plan and Development Plan. There is a lack of comprehensive development planning regulations. The University has a precinct overlay within the Territory Plan which allows for their use, outlined in the Master Plan. If they need to change anything drastically, they need to go back and request amendments.

Question 3: STRUCTURE

The University reports through the University Council. It does not technically have Joint Ventures or company. They have project partners with different commercial arrangements. But they are thinking of coming up with a vehicle to do that (still a preliminary idea).

Question 4: DEVELOPMENT PLAN & APPROVAL STRUCTURE

The University does not develop the land (at this stage, they are not a developer) but, they bring in developers, who become their project partners in land development. But it can be said that they are a land developer in the sense that they provide serviced land as part of their sales transaction but they are not necessarily involved.

Question 5: FUNDING STRUCTURE

The project management team in charge of the campus development reports through the normal structure (normal university matrix chart) through the Vice Chancellor and to the University Council. The University does not have restrictions of 99-year lease. The University land is a perpetual lease (perpetual crown lease – freehold title). ACT has different land tenure systems compared to other States where the ACT Government holds the underlying crown lease.

Question 6: COMMERCIAL STRUCTURE

The University does not have statutory standing. The University has a precinct overlay within the Territory Plan which allows for their use, outlined in the Master Plan. If they need to change anything drastically, they need to go back and request amendments.

Question 7: REMARKS/ADDITIONAL POINTS

In about 2012 UC realised all its land (110 hectares) was unlikely to be used for university purposes. By far and large, it was never used for University purposes. The University does not have restrictions of 99-year lease. The University land is a perpetual lease (perpetual crown lease – freehold title).

University
<table>
<thead>
<tr>
<th>Guiding questions</th>
<th>University of Canberra (UC)</th>
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<tbody>
<tr>
<td><strong>Question 1:</strong> LAND</td>
<td>• The University, in terms of landholding, is same as the ACT Government so the University can grant sub-leases to other parties.</td>
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<td><strong>Question 2:</strong> DEVELOPMENT STRUCTURE</td>
<td>• The land is not really sold out. The University sub-leases the land. Typically, for 99-years but it depends on the negotiations, 75 to 99-year lease.</td>
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<td><strong>Question 3:</strong> COMMERCIAL STRUCTURE</td>
<td>• People purchase the sub-leases from the University by making upfront payments for 75-99-years lease, but they do not pay lease land rent, instead the University capitalises the land or the payment made by investor.</td>
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<td><strong>Question 4:</strong> DEVELOPMENT PLAN &amp; APPROVAL STRUCTURE</td>
<td>• The University had complex challenges in achieving all</td>
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<td><strong>Question 5:</strong> FUNDING STRUCTURE</td>
<td>• The University calls for Expressions of Interest (EOIs).</td>
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<td><strong>Question 6:</strong> COMMERCIAL ACTIVITIES</td>
<td>• The University asks the potential investors to create ideas and from that process they choose or select the ideas they think would work best for the University.</td>
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<td><strong>Question 7:</strong> REMARKS/ADDITIONAL POINTS</td>
<td>• The University then strikes a Project Implementation Agreement between the proponents and the University. The Project Implementation Agreement lays out job descriptions and the condition requirements of the project.</td>
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<td>• Typically, there is also a Collaboration Agreement between the University and the proponents. The Collaboration Agreement talks about how they will work together once the building/facility is</td>
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<td>• the University provides students and staff for learning and research. There is a Cancer Treatment Centre and a carpark consisting of 500 spaces under construction as at April 2018;</td>
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<td>• (c) Campus Community Precinct – this is a big development project on campus compared to Health and Sports Precincts. There will be construction of about 3,300 residences which will be a mixture of town houses and apartments. The University is exploring options on how these can be done in innovative ways to address different types of density. Having observed Canberra with houses and medium to high density apartments, the University is looking for what they term (used in planning) as the missing middle – how the University will address density in terms of housing.</td>
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Summary of Findings from Interviews (Continues)

**University of Canberra (UC)**

- The legislative reform in 2015 allowed the University to look at uses beyond their institutional lease purpose clause. It created a new type of land tenure called declared land sublease (special new type of crown lease in ACT).
- So far, they have in effect sold their land (through leasing) to their proponents. The provision of the University’s residential development is restricted by planning control (ACT Government Planning). They are limited to what they can actually do and cannot do. The University is in conversation with the ACT Government trying new ways of doing things.
- The University wants all sorts of people to work and live on campus. Hence, selling all the residential properties within the Campus Community Precinct.

**Guiding Questions**

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**Remarks/Additional Points**

- The legislative reform between the two institutions (University of Canberra Act (Act of the ACT Government)) and the University had to get permission to change the legislation to allow them to use their land or sell (meaning lease) their land rather than using it for the University purposes.
- The University had to get permission to change the legislation to allow them to use their land or sell (meaning lease) their land rather than using it for the University purposes.
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<td>Western Sydney University (WSU)</td>
<td>• The University has a land area of 1,800 hectares and has 21 locations around New South Wales (NSW).</td>
<td>• The University is now treating the properties as University projects.</td>
<td>• The University has a joint venture: The University provides the land as equity; the developer brings in the development cost and has a marketing plan that manages the costs.</td>
<td>• The big part of the development projects at the University is the level of the Ministerial consent.</td>
<td>• The University contributes land as equity for the development.</td>
<td>• With land uses, whatever it is that the University is doing on those land areas that has been given to them, they must contribute to the growth of the region - freeing up the land to build residential houses, providing employment opportunities, etc, and serve the region or NSW State Government’s Policies, and at the same time, making money for the University.</td>
<td>• Two core features: (i) University Schools/colleges are structured to fit into different locations depending on industry demand; (ii) Western Growth - Growth and development of Western Sydney is a big part of the University development is raising the profile of the University. The University started rebranding in 2015. As a continuation of the rebranding exercise, the University is now going into the Western Growth Program. Given the landholdings, their aim is to bring highest quality education to Australia’s fastest growing economy which is Western Sydney.</td>
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University

Guiding questions

Question 1: LAND

Question 2: DEVELOPMENT

Question 3: STRUCTURE

Question 4: COMMERCIAL STRUCTURE

Question 5: DEVELOPMENT PLAN & APPROVAL STRUCTURE

Question 6: FUNDING STRUCTURE

Question 7: REMARKS/ADDITIONAL POINTS

Western Sydney University (WSU)

• There are restrictions/or challenges that they went through in accessing the land:
  (1) Zoning of the land – most of the land is zoned as educational land. Depending on what kind of development the University thinks would contribute to or is in line with government policies, the University approaches the government and outlines its purpose to develop the area and requests for zoning approval.

• Because LandCom is of the NSW State Government, it makes it easier for the University to initiate, manage and complete developments without much difficulty.

• The main reason for the change from the Western Growth approach to the JV partnership is that: (a) through JV partnership the University could contribute its land as equity component, rather than establishing overarching Western Growth entity. The University preferred to do it on a case by case basis.

• E.g. the University has a significant land area at West Mill next to the train station. What they are looking at is to establish private entity as per the University then shortlists the submissions based on their set selection criteria. In other words, the University has a set framework in place on how they evaluate the submissions/proposals. It is done in two ways: (1) WSU invites submissions from developers; and (2) WSU allows for consultations with developers to see if they wish to go into partnership with them. The University does not give details of the kind of development they want the developers to do. The University only sets guidelines for those submissions.

• The VC and the President are at the top followed by all the divisions: Academic, Research Engagement Division, the nine schools, Finance and Resource Division (handles the capital programs and construction), and the Marketing Division (takes care of the marketing and HR Management).

• The zoning goes to the Minister responsible for Urban Planning.

• The University is constantly liaising with all relevant Government stakeholders to make sure that they achieve their own agenda but at the same time compliment to the growth of the region.

• They are internally governed by a Board of Trustee. They have a project group and an overarching steering committee that overlooks all the projects.

• Note that, 20–30 years ago, the State Government gave the University land to establish a University. Now the intention of re-developing the land came about because of few factors: (1) There is demand for housing in Sydney given the fact that the population is growing; (2) Although it is stated on their balance sheet that they are asset rich (the University has huge landholdings), it’s tied up with liquid assets. So, the University started consulting and liaising with the NSW government to create more opportunities for the University and the University’s partners. (3) The University wants to be a part of the corridor across Western South West, and because of this, they are expanding.

• In terms of strategy, there is a map of the University’s main campuses in NSW. The white colored campuses are the ones the University has planned to transition off. These campuses had been declared as “served” and “passed the requirements.” So they have Parramatta-North and Parramatta-South of which Parramatta South is one of the main campuses. Parramatta North has been declared “served” so the University is investigating options to bring development there.

• The current approach is to gradually sell off the campuses that are not core to the University’s mission.

• The potential impacts are:
  1. Loss of income from tuition fees
  2. Loss of income from research grants
  3. Loss of income from external funding
  4. Loss of income from facilities and services
  5. Loss of income from student accommodation
  6. Loss of income from parking revenue

• The decision to sell off the campuses will be made based on the University’s strategic objectives.

• The main decision criteria include:
  1. Financial sustainability
  2. Strategic alignment
  3. Student experience
  4. Academic credibility
  5. Community impact
  6. Environmental footprint

• The potential consequences of the decision include:
  1. Disruption to students
  2. Loss of faculty
  3. Loss of infrastructure
  4. Decrease in research partnerships
  5. Increase in housing costs
  6. Decrease in student diversity

• The University will work closely with stakeholders to ensure a smooth transition.

• The timeline for the decision is:
  1. Data collection (1 year)
  2. Analysis and decision making (2 years)
  3. Implementation (3 years)

• The potential challenges are:
  1. Funding
  2. Student retention
  3. Staff retention
  4. Community opposition
  5. Legal complexities

• The University will prioritize:
  1. Student outcomes
  2. Academic excellence
  3. Community engagement
  4. Sustainability
  5. Innovation

• The University will continue to engage with stakeholders to ensure a transparent and inclusive process.

• The final decision will be made by the University’s Board of Trustees after careful consideration of all factors and consultation with stakeholders.

• The potential benefits of the decision include:
  1. Financial stability
  2. Increased focus on core objectives
  3. Improved student experience
  4. Enhanced reputation
  5. Increased community engagement

• The University will remain committed to providing high-quality education and research.

• The University will continue to seek opportunities to enhance its impact and service the community.

• The University will remain accessible and inclusive.

• The University will continue to partner with government and industry to support sustainable development.

• The University will continue to invest in research and innovation.

• The University will continue to support students and staff with wrap-around services.

• The University will continue to collaborate with other institutions to advance knowledge and benefit society.

• The University will continue to celebrate its rich history and culture.

• The University will continue to be a global leader in higher education and research.

• The University will continue to uphold its values and principles.

• The University will continue to be a source of pride for the community.

• The University will continue to inspire and motivate its students, staff and alumni.

• The University will continue to be a beacon of excellence.

• The University will continue to be a leader in shaping the future.
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<tr>
<td>Western Sydney University (WSU)</td>
<td>(2) Native claims – The University has built a new science building at Paramatta North and there were some native title issues around that as the land has significance identification to indigenous people. the re-development projects. So there will be a project entity to look after the life of the redevelopment project they are looking at. The life span of that entity will come to end with the life of the project. So basically, they are looking at the contract base structure delivering model (to deliver the project outcomes) rather than ownership; (b) The University has a good relationship with their JVs – they are always in constant consultation with each other.</td>
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<td>Government about the process, their intentions of freeing up their land (which they don't use any way) for development such as business parks and creating jobs to provide for the population.</td>
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<td>• Ranging from the North to the South, the University has huge landholding in Penrith where they defuse the operation of the two campuses there and now they are looking at building a retail shopping centre.</td>
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<td>• The University is also building their CBD campuses. They are building it with PwC and Sydney Water. The University tries to build its campuses with industries that are so popular. They are locating businesses into their building spaces so their students can learn and gain experiences right there. E.g. the students can get to observe PwC's employee at work – what they work on, how their work is done, how they engage with their clients, etc. So the University provides their facilities and buildings to businesses. In other words, the students do not study in isolation. The University makes arrangement for industries to be located where the students are so students are actually learning and applying their skills and knowledge at the same time.</td>
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