

ANNUAL REPORT 2004-2005



PSMA Australia LIMITED



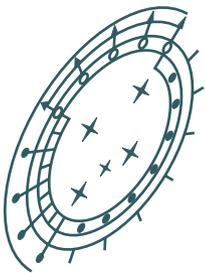
PSMA Australia LIMITED

ABN 23 089 912 710

Corporate directory

Chairman	Olaf Hedberg
Chief Executive Officer	Dan Paull
Registered office	Level 1, 115 Canberra Avenue Griffith ACT 2603
Share registry	Level 1, 115 Canberra Avenue Griffith ACT 2603
Auditors	Maxim Chartered Accountants 6 Oxley Street Griffith ACT 2603
Solicitors	Deacons Level 5, 1 Hobart Place Canberra ACT 2601
Directors	Olaf Hilmer Hedberg <i>Chairman</i> Peter Robert Holland <i>Deputy Chairman</i> Peter Maxwell Gardner Stephen Ralph Godfrey Martin Laurence Holmes Desmond Mooney Graeme James Rush Benjamin John Searle Victor Clifford Stephens Bruce Thompson
Secretary	Dan Paull
Executive Committee	Olaf Hedberg <i>Chairman</i> Peter Holland Martin Holmes
Board Audit Committee	Graeme Rush <i>Chairman</i> Desmond Mooney Victor Stephens

ANNUAL REPORT 2004-05



PSMA Australia LIMITED

Vision

The creation of a national asset of comprehensive, quality and accessible spatial knowledge.

Mission

The return of economic, environmental and social benefits to the nation through the coordination, assembly and delivery of standards-compliant, national datasets.

Objects of the company

As detailed in the PSMA Australia Limited Constitution, the objects listed below collectively define the scope of company operations:

- to coordinate, assemble and deliver national products from jurisdictional datasets and to achieve the widest possible use of the PSMA Australia datasets
- to contribute to the establishment of the Australian Spatial Data Infrastructure that is being facilitated through Australian and New Zealand Land Information Council (ANZLIC)
- to promote Australian land information knowledge, expertise and technology which may be marketed both in Australia and overseas
- to carry out the objects of the joint venture as set out in the Establishment Agreement
- to consider the viability of further joint operations
- to investigate the feasibility of entering into collaborative arrangements with other persons
- to undertake any future developments and operations that are either economically viable or which result in a 'public good', and which are agreed by the Board as within the purposes of the company.

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Chairman's statement

The 2004–05 financial year has been one of expansion for PSMA Australia, including several new initiatives, significant progress in the development of new datasets, the success of G-NAF (Geocoded National Address File) and the signing of a number of new value added resellers (VARs). The year also saw a strengthening of the relationship with ANZLIC with its move into the PSMA Australia building, as well as increased return to shareholders realised through royalty returns.

Our achievements against the priorities set in our Annual Program for 2004–05 demonstrate that we are growing faster than expected in our capacity to deliver the outcomes desired by shareholders.

This report includes a detailed account of all business activities undertaken by PSMA Australia during 2004–05. From the Chairman's perspective, there are some key factors to highlight:

- The financial reports within this document indicate the strength of PSMA Australia's financial position. PSMA Australia is maintaining steady growth and focus in the marketplace, whilst ensuring a realistic reserve for future company and dataset developments. Further expansion of our client base and marketing initiatives has resulted in an increased rate of royalty returns, optimising benefits back to shareholders.
- PSMA Australia participated in a number of initiatives to assist and progress efforts in counter terrorism, critical infrastructure protection and emergency management during 2004–05. Most notably, PSMA Australia data featured heavily in a series of workshops held around the country by ANZLIC and Department of Prime Minister and Cabinet to demonstrate the availability and functionality of the Conybeare Band One capability to the state, territory and Australian governments.
- In May 2005, the Defence Imagery and Geospatial Organisation (DIGO) signed a one-year agreement to license the PSMA Australia datasets via MapInfo for the whole of the Department of Defence. DIGO is working with Attorneys General in relation to critical infrastructure protection and intend to utilise PSMA Australia data within this project. This agreement provides a significant opportunity to reinforce the value and quality of the PSMA Australia datasets within Australian Government particularly in relation to counter terrorism, critical infrastructure protection and security activities.



- During 2004–05 PSMA Australia has undertaken a considerable amount of work investigating the possibility of a standards-compliant, Internet accessible Spatial Data Warehouse (SDW), to streamline data logistics for jurisdictions, data managers, VARS, clients and PSMA Australia itself. The implementation of an Integrated Data Model at the heart of the SDW will see significant enhancements to the quality of PSMA Australia’s datasets and enable vertical topology between the various layers. The introduction of the SDW is a significant step in the evolution of spatial data for PSMA Australia.
- G-NAF has achieved sustained success throughout 2004–05 highlighted by the awarding of the JK Barry Award for Spatial Excellence in November. The quality of G-NAF has continued to improve over the year, as maintenance processes have been refined. As awareness of G-NAF grows, it is increasingly generating a great deal of interest from a broad range of traditional and non-traditional spatial data users.
- In January 2005, ANZLIC relocated its offices to adjoin to the PSMA Australia National Office. This geographic proximity has provided an excellent opportunity to restate the nature of the relationship between PSMA Australia and ANZLIC and further strengthen this relationship. We look forward to working closely with ANZLIC in 2005–06.

In June 2005, PSMA Australia had to farewell Operations Manager Marni Bower after almost three years of service to the company. Marni was integral to the implementation of G-NAF as well as many other projects here at PSMA Australia, and will be sincerely missed. On behalf of all the staff and directors of PSMA Australia, we would like to thank her for her dedication and support over the last three years.

The work program scheduled for 2005–06 is both challenging and ambitious. I believe in the PSMA Australia team and look forward to great things in the year to come.

A handwritten signature in black ink, appearing to read 'Olaf Hedberg'.

Olaf Hedberg
CHAIRMAN

Objectives, achievables and deliverables 2004–05

2004–05 OBJECTIVES

2004–05 ACTIVITIES

Outcome 1: Comprehensive, diverse and needs driven datasets

To deliver to the market regular incremental updates of the suite of PSMA Australia datasets.

Implement a program of continual improvement to target known weaknesses within the suite of PSMA Australia datasets.
Ensure the updates of PSMA Australia datasets align and compliment G-NAF maintenance.

Deliver new national datasets to market.

In partnership with key stakeholders identify and investigate, through business case development, the feasibility of developing new national datasets to meet clearly defined needs.
Through partnerships and collaboration investigate ways in which PSMA Australia can contribute to the improvement/expansion of spatial information for border protection purposes, community security, emergency management, environmental management and protection and enhancement of socio-economic outcomes.
Improve understanding of and relationships with key vertical industries.

Implementation of a comprehensive metadata program.

Revision of metadata for all datasets, posting of metadata on the PSMA Australia website and linking to the ASDD network.
Comprehensive review of existing and emerging national and international metadata standards.

Implementation of a comprehensive QA program.

Refinement and implementation of a structured QA process.
Development and transition to an integrated data model for the suite of PSMA Australia datasets.

**NEW INITIATIVE
To develop and implement an integrated data model for the suite of PSMA Australia datasets.**

Investigate and where feasible implement methods for automatic integration of custodian data into the PSMA Australia integrated data model.

2004–05 DELIVERABLES

2004–05 STATUS

<ul style="list-style-type: none"> ■ A documented continual improvement program for the suite of PSMA Australia datasets. 	Complete
<ul style="list-style-type: none"> ■ A dataset maintenance program that optimises the availability of up-to-date national datasets both for clients and dataset maintenance. 	Complete
<ul style="list-style-type: none"> ■ A dataset business case framework including essential criteria, assessment process and linkage to the Smyrk project management methodology framework. 	Complete
<ul style="list-style-type: none"> ■ Complete business cases on new datasets including: <ul style="list-style-type: none"> ● Land Usage ● Property Cadastre ● Z-File. 	Ongoing
<ul style="list-style-type: none"> ■ A market needs analysis system. 	Complete
<ul style="list-style-type: none"> ■ Vertical industry strategy. 	Removed
<ul style="list-style-type: none"> ■ Foster formal and informal linkages to key organisations within areas of environment, security, social reform. 	Ongoing
<ul style="list-style-type: none"> ■ Actively participate with ANZLIC's emergency management and counter terrorism (EM/CT) working group to identify and implement EM/CT initiatives in the spatial information sphere. 	Ongoing
<ul style="list-style-type: none"> ■ Comprehensive and updated metadata for the suite of PSMA Australia datasets. 	Complete
<ul style="list-style-type: none"> ■ A node on the ASDD. 	Part of SDW
<ul style="list-style-type: none"> ■ Development and/or adoption of an ISO compliant metadata profile for use with PSMA Australia datasets. 	Ongoing
<p>A rigorous QA program implemented for the suite of PSMA Australia datasets.</p>	Complete
<ul style="list-style-type: none"> ■ PSMA Australia integrated data model implemented and populated. 	Complete by Aug 05
<ul style="list-style-type: none"> ■ Automated linkages investigated with all data custodians and where possible commence implementation. 	Ongoing

2004–05 OBJECTIVES**2004–05 ACTIVITIES****Outcome 2: World-leading data delivery model****To improve data supply to VARs.**

Improved effectiveness in VAR and partner management.

Monitor the ongoing application of the pricing strategy for the suite of PSMA Australia datasets to optimise distribution and IP protection.

Ensure that PSMA Australia has quality delivery mechanisms.

VAR communication strategy activities including:

- VAR audits
- performance reviews
- six-monthly meetings
- pre-licensing qualification process
- canvas VAR satisfaction with PSMA Australia datasets and encourage timely feedback from VARs on new data demands.

Further consideration and development of a program for assessing and implementing relationships with end users.

To refine and lessen complexities associated with data movements between PSMA Australia and its data custodians.

Implement structured communication and relationship management protocols for PSMA Australia's data custodians.

Strengthen and broaden the penetration and use of PSMA Australia datasets within vertical markets.

Explore the possibility of establishing specialised distributors within other vertical markets.

Target key opportunities for publicity and communication in priority vertical markets.

Maintain the high profile of PSMA Australia in the Spatial Information Industry.

Target key opportunities for publicity and communication in the spatial information industry and to government agencies with an interest in national spatial datasets.

Work closer with the private sector in building solutions that incorporate national spatial datasets.

**NEW INITIATIVE
To increase the focus on multi-channel access to data.**

Implementation of a spatial data warehouse concept to:

- coordinate and facilitate data access to data managers
- deliver data to educational institutions and community organisations
- deliver data to VARs and distributors for incorporation into products and web services
- coordinate and facilitate the return of data to jurisdictions.

2004–05 DELIVERABLES

2004–05 STATUS

<ul style="list-style-type: none"> ■ Implementation of rigorous VAR management and documentation process. ■ VAR management protocols for communication, response and negotiation. ■ Regular reports to Board on application of the PSMA Australia data access and pricing policy. 	<p>Complete</p> <p>Complete</p> <p>Complete</p>
<ul style="list-style-type: none"> ■ VAR performance management program ■ VAR qualification program ■ VAR satisfaction survey ■ End user assessment program ■ VAR workshop 	<p>Incomplete</p> <p>Complete</p> <p>Complete</p> <p>Incomplete</p> <p>Completed (12/4/05)</p>
<ul style="list-style-type: none"> ■ Communication and relationship management protocols for data custodians. 	<p>Ongoing</p>
<ul style="list-style-type: none"> ■ A Vertical Industry Strategy. ■ Sponsorship through partnership with VARs and vertical distributors. 	<p>Complete (ready for implementation)</p> <p>Ongoing</p>
<ul style="list-style-type: none"> ■ A Spatial Information Industry Strategy. ■ Sponsorship through partnership with VARs. 	<p>Ongoing (in marketing plan)</p> <p>Ongoing</p>
<ul style="list-style-type: none"> ■ Implementation of the PSMA Australia spatial data warehouse: <ul style="list-style-type: none"> ● appointment of spatial data warehouse manager ● OGC compliant web interface ● creation of spatial data warehouse ● launch of the spatial data warehouse. 	<p>Ongoing</p>

2004–05 OBJECTIVES

2004–05 ACTIVITIES

Outcome 3: Optimise the benefits of PSMA Australia for the shareholders

To strengthen relationships with data custodians.

Review PSMA Australia's position in the data supply chain focusing on the criticality of relationship management to the success of the organisation.

Position PSMA Australia as principally a relationship management organisation.

Target and create opportunities to communicate the objectives of PSMA Australia beyond the 'mapping agencies' to the broader government sector at local, state and Australian government levels.

NEW INITIATIVE
Participation in and facilitation of community service activities (CSAs).

Under the guidance and direction of shareholders, identify and undertake CSAs.

NEW INITIATIVE
Deliver tangible benefits to shareholders that demonstrate the mutual benefits of PSMA Australia.

Develop mechanisms for the effective transfer of PSMA Australia's intellectual property to jurisdictions at multiple levels.
Based on shareholder driven needs, provide support to jurisdictions in the following broad categories:

- business systems and information management
- relationship management
- technology
- data upgrades.

Outcome 4: Innovative spatial information partnerships

Anticipate and pursue opportunities for growth, research and innovation with industry, government and the education sector.

Develop and foster collaborative relationships with key organisations and peak bodies in industry, government and the education sector

Foster a closer working relationship with the ANZLIC National Office

Where significant national good can be demonstrated, explore strategic alliances on national government led initiatives

In partnership with ANZLIC, promote the development and utilisation of the ASDI.

Presentations at key conferences/seminars.

Sponsorship of GIS and spatial information competitions and events.

Undertake initiatives to support the application of spatial information at secondary school level.

Support VARs in spatial information promotional and awareness activities.

2004–05 DELIVERABLES

2004–05 STATUS

<ul style="list-style-type: none"> ■ Data custodian strategy ■ Government agency strategy ■ Stronger relationships with the OSDM and other relevant intra-government land information committees in each jurisdiction. ■ Capitalise on the influence of directors to heighten awareness of PSMA Australia across all levels of government. 	<p>Ongoing</p> <p>In marketing plan</p> <p>Ongoing</p> <p>Ongoing</p>
<ul style="list-style-type: none"> ■ Under the guidance and direction of shareholders, contribution by PSMA Australia to three CSAs, principally in the area of the subsidised provision of national spatial datasets for social and environmental initiatives. 	<p>Completed (NCTC demonstrator, CSIRO, CRC for tropical savannas)</p>
<ul style="list-style-type: none"> ■ Provide at least one agreed tangible benefit to each of the jurisdictions. ■ Stakeholder management strategy and project (SMP). 	<p>Complete (two technical workshops)</p> <p>Completed strategy documentation and implementing SMP 05–06.</p>
<ul style="list-style-type: none"> ■ A scholarship program to encourage tertiary students to undertake research projects in the spatial information field with an emphasis on innovation and potential. ■ Participation in the CRC research and demonstrator projects. ■ Participation in national government led initiatives through the provision of PSMA Australia's datasets. 	<p>Spatial technologies in schools competition sponsorship</p> <p>Complete</p> <p>Complete (NCTC demonstrator)</p>
<ul style="list-style-type: none"> ■ SI promotion and awareness strategy. ■ ABS census in schools. ■ Joint conference presentations with industry. 	<p>Ongoing</p> <p>Complete</p> <p>Complete</p>

2004–05 OBJECTIVES**2004–05 ACTIVITIES****Outcome 5: Good corporate governance and commercially viable and sustainable**

To ensure the application of good corporate governance practices remains a priority for PSMA Australia.

Continue to undertake internal audits.
 Directors continuing professional development activities.
 Continue risk monitoring and reporting.
 Review of corporate registers and ASIC requirements.

To continue improvement in the sound financial management of the organisation.

Income forecasting.
 VAR payment scheduling.
 Budget and cash flow analysis.
 Quarterly budget review by Audit Committee.

To ensure alignment between the resourcing of PSMA Australia and the activities and deliverables contemplated in the Annual Program.

Review organisation structure and implement resourcing plan.
 Continue staff training and personal development program.

Actively protect privacy and encourage responsible usage of PSMA Australia datasets.

Promote responsible usage of PSMA Australia data as part of promotion and awareness activities.
 Ensure that PSMA Australia continues to build datasets that do not include personal information.
 Ensure that licensing arrangements inform VARs of their obligations under the privacy legislation, provide PSMA Australia with a mechanism to monitor their usage of the data, and allow PSMA Australia to terminate any agreement where there has been a breach of the Privacy Act.
 Maintain a watching brief on public opinion and Privacy Commission comments and findings.

Positioning of all PSMA Australia activities to ensure that the organisation is making a justifiable and supported contribution to the spatial information sector.

Implementation of the work program outlined in this Annual Program for 2004–05.

NEW INITIATIVE
Achieve a greater understanding of why the PSMA Australia model succeeds, in order to explore the possibility of assisting others in achieving their outcomes through similar models.

Documentation of PSMA Australia's corporate knowledge including identification and articulation of the intellectual property that PSMA Australia holds in the PSMA Australia business model.

2004–05 DELIVERABLES

2004–05 STATUS

■ Risk management strategy.	Complete
■ An active audit committee.	Ongoing
■ Two presentations/training sessions to the PSMA Australia Board of directors on aspects of good corporate governance/corporate law changes.	Complete
■ Corporate governance audit.	Complete
■ Enhanced and updated registers.	Complete
■ Effective range of financial reporting and job costing tools.	Complete
■ Improved linkages between income forecasts and planned activities and deliverables.	Complete
■ Budget and cash flow reports.	Complete
■ PSMA Australia resourcing plan.	Complete
■ Informed, motivated, competent staff.	Ongoing
■ SI promotion and awareness strategy.	Ongoing (in marketing plan)
■ Effective use of PSMA Australia data that contributes to environmental, economic and social outcomes without impacting on privacy.	Ongoing
■ Successful and complete implementation of the work program outlined in this Annual Program for 2004–05.	Complete
■ A document describing PSMA Australia's corporate knowledge.	Incomplete



APSE awards

G-NAF won the major prize in the inaugural Asia-Pacific Spatial Excellence (APSE) Awards held in November 2004 by the Australian Spatial Industry Business Association and the Spatial Sciences Institute. G-NAF picked up both the J.K. Barrie Overall Excellence Award and the Emerging Industries Award—just eight months after its release to market.

The award citation said G-NAF sets new benchmarks and ‘represents what is likely to be the dominant standard for geocoding... It has set a strong example for public/private partnerships, and provides the basis for the development of many applications in government and the private sector.’

Counter terrorism, emergency management and critical infrastructure protection

During the year, PSMA Australia participated in a number of initiatives to assist and progress efforts in counter terrorism, critical infrastructure protection (CIP) and emergency management.

ANZLIC and representatives from the Department of Prime Minister and Cabinet led a series of workshops around the country to demonstrate the availability and functionality of the Conybeare Band One capability to all state and territory governments as well as the Australian government during the later half of 2004. PSMA Australia data featured heavily in the demonstrations and a specially sourced laptop was also provided by PSMA Australia for use in the demonstrations.

There were also several meetings with Defence Imagery and Geospatial Organisation (DIGO) during the year, in relation to its CIP role and access to nationally consistent geospatial data for Australia.

Ultimately, DIGO chose to access the full suite of PSMA Australia datasets via the reseller network for the whole of the Department of Defence. This signals an important message to other users of spatial data and provides PSMA Australia with a significant opportunity to reinforce the value and quality of the PSMA Australia datasets within Australian Government particularly in relation to counter terrorism, critical infrastructure protection and security activities.



The ACT Emergency Services Authority launched its new computer-aided dispatch system using G-NAF as a fundamental component. The system, which is the first live emergency management application of G-NAF and uses advanced technology to link layers of vital information to digital maps, is helping to save lives in the ACT region. Every time emergency services respond to a 000 call, the system automatically flags important details that Communications Centre staff previously had to search for manually.

‘It really has made a phenomenal difference’, said ACT Emergency Services Authority Commissioner, Peter Dunn AO. ‘We have improved our speed of response, we have the ability to more cleverly determine what resources should go to an incident and can make sure the people on route know what to expect when they get there’.

More office space for PSMA Australia and a stronger relationship with ANZLIC

During the year PSMA Australia decided to extend the lease over its current offices from a little over half (280m²) of the first floor of 115 Canberra Avenue to the whole of the first floor (520m²).

Whilst PSMA Australia did not immediately require this space, it provided an opportunity to invite the ANZLIC office to co-locate with PSMA Australia thus enabling a greater degree of interaction between the two organisations, as well as providing flexibility for PSMA Australia expansion in the future.

The co-location has provided greater opportunity for collaboration between the two organisations, and provided ANZLIC with a more pleasant working environment.

PSMA Australia successfully sublet the remainder of the space to MaxNetwork, a human resource recruitment and solutions company looking to establish an office in Canberra.

Jurisdictional relationships

PSMA Australia commenced work on a stakeholder management framework in April 2005 to develop focus, proactivity and structure in relationships with government stakeholders and jurisdictions more broadly.

Targeted project outcomes include a communications plan and yearly calendar of events such as jurisdictional visits, PSMA Australia sponsored workshops, joint jurisdictional initiatives and a tangible benefits and jurisdiction royalty return program.

Appropriate policies, financial and governance models will also be developed jointly with jurisdictions, in order to facilitate the transparent return of benefits and royalty returns to shareholders.

Audit Committee report

The PSMA Australia Audit Committee is tasked with ensuring the company's corporate governance and financial systems are appropriate, effective and accurate and comply with best practice. The Audit Committee is comprised of three company directors elected each year, and is assisted by the CEO and PSMA Australia finance staff. The Audit Committee has held four meetings and one out of session teleconference in the past year. All meetings were duly minuted and action items were undertaken to completion.

The Audit Committee oversees the annual financial audit of the company and the annual VAR audit program. VAR audit focus this year has included the interpretation of VAR licence agreements and VAR royalty reporting compliance. An additional corporate governance audit was undertaken in May 2005 to ensure that sound corporate governance policies and practices are being maintained. Outcomes of the corporate governance audit included verification of the high standard of compliance with the *Corporations Act 2001*, and well-organised and maintained practices in relation to company corporate compliance. An online PSMA Australia director's corporate governance resource library is regularly maintained to ensure that Board members have immediate access to appropriate Board meeting and company documentation.

The Audit Committee actively manages the company's risk register by reviewing the full register at each quarterly meeting, and maintains a watching brief on risk, privacy and intellectual property matters. A list of the 'top ten' risks is reported to the PSMA Australia Board at each quarterly meeting to ensure known risks are being monitored and addressed.

Following Audit Committee recommendations, the PSMA Australia Board adopted the PSMA Australia Code of Conduct in September 2004, and the PSMA Audit Committee is pleased to report that the financial and governance policies adopted by the company are of a high standard and support best practice goals.

PSMA Australia Strategic Plan 2005–08

2006 milestones	2008 scorecard	2008 outcomes
1 Supply chain issues resolved	Preferred supplier of national datasets	Comprehensive, diverse and needs-driven datasets
	Products align to customer needs	
	No serious competitors	
2 Spatial Data Warehouse delivering value	Increased royalties to shareholders	Optimising the benefits of PSMA Australia for the shareholders
	Suppliers adopt PSMA enhancements	
3 G-NAF used as fundamental tool across Government	Increased number of partners	
	Strong stakeholder relationships	
4 Data quality and validation program in place	VAR satisfaction	Market acceptance of quality
	QA accreditation	
	Key partners' satisfaction	
5 Two sector specific advisory groups in place	Number and range of end users	Strong market awareness
	Number of VARs	
	Co-branding	
6 Advisory group on new product	Contributing to the development of the SII	
7 One new partner	Number of sales/VARs	Ubiquitous use of PSMA Australia datasets
	Number of websites/website hits	
	Number of market segments	
8 Two more significant VARs	Number of partners/VARs	Expanded market base
	Number of market segments	
9 Two new authoritative datasets to market	Increased sales	
	Financial viability	
10 Clear brand identified and established	Competent people	Robust organisation
	Effective business processes	

Strategic pathways

Single authoritative source	Expand the use of PSMA Australia data across government. Consider partnerships with complementary competitors. Ensure that jurisdictional data supply to PSMA Australia is the best available.
Increased market penetration	Develop new products based on identified needs. Identify new markets for existing products. Establish advisory committees to develop new products and obtain sectoral buy-in.
Relationship management	Collaborate with government at all levels to build strong productive partnerships. Build strong strategic partnerships with data suppliers and data distributors. Assist VARs in improving their relationships with their clients. National policy bodies, research and educational institutions.
Tangible benefits to shareholders	Identify shareholder needs to provide support and enhancements that add value. Streamline the supply chain. Assist the suppliers to improve their data quality, content and coverage.
Focused marketing and communications strategy	Develop and implement a marketing plan emphasising new markets/products. Develop a communication plan focused on enhancing relationships with jurisdictions. Develop an education and awareness program demonstrating values of PSMA Australia, and its role with end users and VARs.
Improving data quality	Independent QA processes for each data supply. 'Close the loop' with data suppliers to progressively improve data. Capture and use end user feedback on data errors. Capture and use end user feedback on improvements.
Organisational excellence	Keep ahead and abreast of technology developments. Best practice HR and financial management. Excellent corporate governance.

Quality management

PSMA Australia continually strives to improve the quality of its data, processes and relationships. In 2004–05 PSMA Australia has worked hard to implement a Continuous Improvement Program to maintain the highest levels of quality in all aspects of PSMA Australia operations, relationships and outputs. This work will be consolidated in the coming year through the implementation of a quality management framework that will bring together PSMA Australia's management systems into a comprehensive framework, underpinning all of PSMA Australia's activities and providing a benchmark to improve the quality of PSMA Australia's management systems.

PSMA Australia Human Resource (HR) review

As PSMA Australia has steadily grown since corporatisation in June 2001, so too have employee numbers. By the end of June 2005 there were seven members of staff compared with one at 30 June 2001. It was decided during the year to conduct an external HR review to ensure that remuneration levels were appropriate, and to examine and improve the existing HR management framework.

Following the completion of the HR review and the Board's sign-off of the recommendations at its September meeting in 2004, PSMA Australia implemented a performance management framework for the CEO and staff of the national office. Individual performance contracts were prepared and signed off with formal reviews to be conducted at six, nine and twelve months.

PSMA Australia's performance management framework provides a direct connection to the Annual Program and Strategic Plan, enabling employees to appreciate how their objectives contribute directly to the company's outcomes. This method also allows easier management and reporting against company targets at each quarterly Board meeting.

Employee acceptance of the Performance Management Framework has been excellent and the framework and performance contracts have greatly enhanced the capacity of the national office to meet the objectives of the 2004–05 Annual Program. The framework will continue to be used and refined throughout 2005–06.

Cooperative Research Centre for Spatial Information (CRC-SI)

PSMA Australia participates in the CRC-SI via 43 Pty Ltd, a consortium of small to medium sized spatial industry organisations. PSMA Australia is the largest contributor to 43 Pty Ltd with its interest represented in the form of units in a trust managed by the company.

PSMA Australia is participating in three projects:

■ **Project 3.2—Intelligent geocoding**

The overall aim of this project is to achieve automated integration of addresses and spatial location by intelligent geocoding processes and algorithms. Its focus is on the key issues in identifying and developing an integrated data model and process model that supports it. These outcomes will utilise previous and existing work including the work of ICSM in identifying the addressing issues in Australia, and the work of PSMA Australia in developing G-NAF.

■ **Project 3.3—Access to spatial data**

This project aims to make spatial data accessible by tailoring spatial data to information needs. It will develop a formal model of context for spatial information services on the web or mobile services, particularly in the domain of way-finding services. The model will interpret information requests for their context, will search for context-relevant information, and deliver information in context-adapted modes. It will be implemented and tested in an agent-based approach, where the agent advises the user and tailors information.

■ **Project agreement 6.2—Demonstrator project: Location Position Device (LPOD)**

It is been recognised that the new and lucrative wireless Location Based Services (LBS) will need continuous and consistent positioning to meet user expectations. This project will demonstrate the practical integration of GPS, Cell ID, Inertial positioning and map referencing technologies through the development of a portable location device called the LPOD to meet the emerging LBS requirements. The project will deliver a working prototype within six months with the project complete within one year. The project should be considered a whole of CRC (WoCRC) project lead by the CRC office as it will involve a number of CRC projects and leverage the knowledge of the CRC from Board level to student level to market and sell the innovative LPOD.

PSMA Australia continues to participate in and support both the CRC-SI and 43 Pty Ltd as an important opportunity in the development of the Spatial Information Industry in Australia.

International conferences

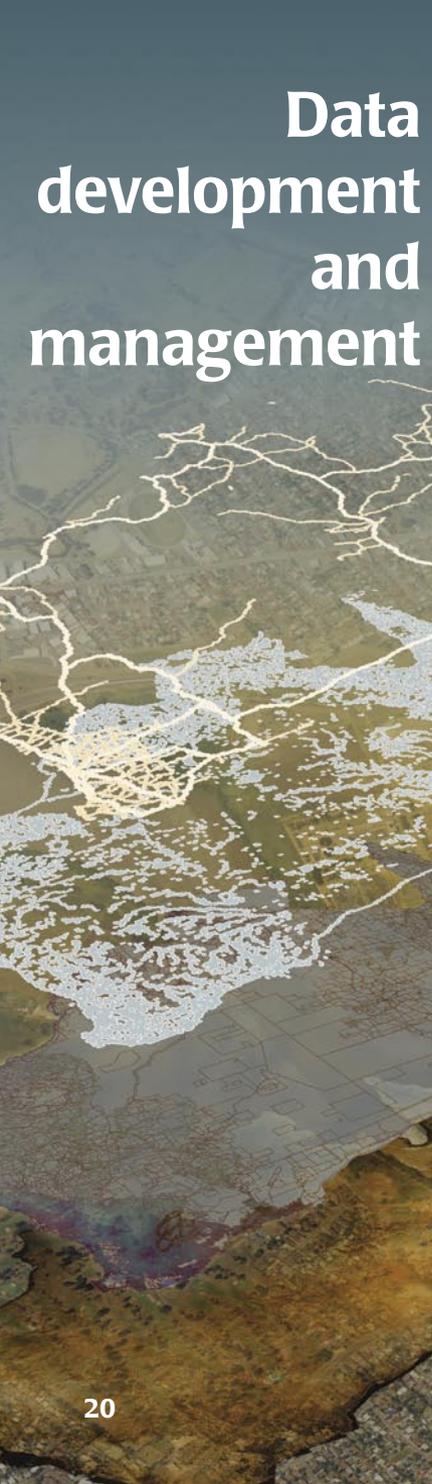
Chairman of the Board of PSMA Australia, Mr Ollie Hedberg attended the Intergraph 2005 World Conference held in San Francisco, California in the United States of America from April 26th–28th. Ollie's presence at this event was another step to lifting the profile of PSMA Australia in the international spatial information industry.

Marketing Director, Martin Holmes, and Project Officer (Business Analysis), Lauren Mills, represented PSMA Australia at the FIG Working Week 2005 and 8th International Conference of GSDI, held in Cairo from 16 to 21 April 2005. Both Martin and Lauren obtained a great deal of value from the conference, and believe the knowledge gained will assist the future developments and directions of PSMA Australia.



The 8th International Conference of GSDI was held in Cairo from 16 to 21 April 2005.

Data development and management



Spatial data warehouse feasibility study

During 2004–05 PSMA Australia has undertaken a considerable amount of work investigating the possibility of a standards-compliant, Internet accessible Spatial Data Warehouse (SDW), to streamline data logistics for jurisdictions, data managers, VARS, clients and PSMA Australia itself.

In November 2004, PSMA Australia appointed Geometry Pty Ltd, via a competitive tender process, to conduct a Feasibility Study to define an Integrated Data Model (IDM) for PSMA Australia's existing datasets and determine the functional specifications of the SDW.

Integrating all the PSMA Australia datasets into a single model will remove any duplication and the chance of mismatch between duplicated information. Furthermore, integration of the data models facilitates a greater degree of cross-dataset analysis enhancing the maintenance process for all datasets.

The IDM has now been finalised and will be validated by Geometry using data from the August 2005 data release.

This validation of the IDM, as well as the distribution of IDM documentation and sample data to clients, will conclude the SDW Feasibility Study. The implementation of the SDW will begin soon after the conclusion of the Feasibility Study.

Postcode Boundaries dataset

Responding to the significant market demand for accurate, nationally consistent and up-to-date spatial postcode boundaries, PSMA Australia has begun exploring options to build and maintain a spatial postcode boundaries dataset in partnership with Australia Post.

In November 2004 the PSMA Australia Board approved a business case recommending that PSMA Australia approach Australia Post about jointly developing, maintaining and distributing Australia's authoritative spatial postcode boundaries.

Negotiations with Australia Post are now underway, and PSMA Australia hopes to release the first instalment of Postcode Boundaries with the February 2006 data release.



G-NAF

The G-NAF dataset has undergone four updates during the 2004–05 financial year, with each maintenance cycle providing significant quality improvements to G-NAF. Improvements to G-NAF over the past year include:

- Rectification of 200 000 incorrect geocodes in NSW.
- Focusing on removing duplicate and adjacent locality address errors.
- An archival policy was developed and implemented. At its essence, this policy maintains retired addresses for a period of four updates, after which time these addresses will be removed from the production database, but will still be available to users as an option on the G-NAF delivery file. The implementation of this policy saw the removal of around 1 000 000 addresses that were no longer part of any custodian file, not only improving the overall quality of G-NAF but also realising significant time savings in processing.
- A number of spatial validation processes were introduced to resolve spatial accuracy issues including multiple geocodes being supplied for single address and principal addresses located in incorrect localities.
- A significant amount of work was undertaken on addresses that have a locality level only geocode. Addresses with a locality level only geocode have reduced from around 5 per cent to about 2.5 per cent of the entire database.
- Approximately 355 000 new addresses have been added to the G-NAF in the last six months. Incremental updates of G-NAF became available from February 2005 onwards, making updating G-NAF a faster process.

A review of the G-NAF pricing policy was conducted in 2004 and approved in principle at the November 2004 Board meeting. The Board placed some emphasis on the national office undertaking consultation with VARS prior to final sign off, and as a result a G-NAF pricing workshop was held with VARS in February 2005. All full access VARS attended the workshop and all participants assessed the event as highly successful. At the March 2005 Board meeting it was resolved that the final G-NAF pricing and access policy be adopted, and be made available to all VARS for immediate adoption.

Quarterly dataset maintenance program

During the 2004–05 financial year a quarterly maintenance schedule was established to ensure a greater alignment between G-NAF and the other contributing datasets. The program is based on four pre-determined release dates throughout the year to provide contributors and clients with greater certainty with respect to business planning processes. This maintenance schedule continues through the coming year and a review will be carried out at the end of the financial year to determine whether a monthly update is justified.

Property Cadastre

At the March 2005 Board meeting a business case was presented to the Board analysing the options for developing a property view of the cadastre. The proposed Property Cadastre would identify instances where multiple properties exist on one cadastral parcel, as well as where a single property contains multiple cadastral parcels. The business case was approved and development of the Property Cadastre is progressing steadily, with most jurisdictions providing property data to PSMA Australia for testing and development. PSMA Australia will continue to analyse the data to determine a methodology for building and maintaining a Property Cadastre theme within the CadLite dataset.

Hydrology theme enhancements

The hydrology theme required some remedial work to comply with the PSMA Australia quality assurance parameters now adopted for all datasets. The enhancements required building a continuous (topologically correct) river and stream polyline network (major and minor water) including connectors across water polygons where necessary, and building a complete polygon representation of the major water network. This was carried out in October 2004 with some minor corrections in February 2005. Further work to build flow direction on the river network has not been carried out as the resources required for this work cannot be justified at the present time.



Land Use dataset

PSMA Australia began the development of a Land Use dataset business case in the early stages of 2004–05, with the intention of gaining access to the Bureau of Rural Sciences Land Use data. However, PSMA Australia encountered significant issues accessing the data. At the June 2005 Board meeting the Land Use dataset was deemed to be complex and of low priority due to data access, maintenance and standardisation issues. There is still a recognised need to proceed with the Land Use dataset in a different form, due to the strong requirement that exists for the dataset. Development of the Land Use dataset will carry across to the 2005–06 Annual Program, with a business case to be completed by June 2006.

Technical workshops

PSMA Australia ran three workshops in the 2004–05 financial year to inform and gain feedback from Custodians of Road Centre Line and G-NAF datasets and one workshop with VARS to discuss the G-NAF dataset.

The main objectives of the Road Centre Line workshop were to maintain and improve communication on technical issues and encourage jurisdictions to adopt a national road hierarchy based on the PSMA Australia hierarchy.

The G-NAF Data Custodian workshop gave custodians the opportunity to report on the status of their address data and to discuss mechanisms that could be put in place by PSMA Australia to report errors found in the processing of G-NAF, as well as errors found by clients, back to the custodian.

The G-NAF VARS workshop was an information session to give clients a better understanding of how G-NAF was built. The focus was on clarifying the misunderstandings that exist about interpreting the G-NAF model as well as how to implement the model. Discussions also focused on feedback from clients on the best way for PSMA Australia to communicate changes in each G-NAF update, prior to the release of the data.

These technical workshops have been quite successful and have provided benefits to custodians, clients and PSMA Australia itself. PSMA Australia will further investigate the scheduling of bi-annual workshops on a particular dataset or theme.

Dataset naming and hierarchy

As the number of datasets that have been built and maintained by PSMA Australia has grown, confusion has developed in relation to the naming conventions associated with these datasets.

In order to mitigate this confusion, PSMA Australia has developed and adopted a hierarchical naming convention. This new system names each collection of data and places it within a three-tiered structure. The tier consists of three levels, datasets at the primary level, themes at the secondary level and, layers at the tertiary level.

Points of Interest (POI) re-development

Towards the end of the 2004–05 financial year PSMA Australia began a comprehensive re-development of the POI dataset to ensure a higher level of spatial accuracy and feature attribution. The focus of the re-development is on identifying new sources of POI data within government that will provide greater confidence in data quality and in PSMA Australia's ability to update the dataset on a regular basis.

Meshblocks

In December 2002 the Australian Bureau of Statistics (ABS) endorsed the development of a new micro level of geography called the meshblock. Meshblocks are small areas containing about 30 dwellings and designed specifically for statistical data dissemination as opposed to the collection district boundaries that are currently used for collection.

Meshblocks are formed by intersecting linear features from PSMA Australia's suite of national spatial datasets with the intention that the meshblocks stay linked to these objects for their life, thus enabling accurate time series analysis of the statistical information that falls within them. Meshblocks will align with features such as road centre lines, cadastral boundaries and hydrography.

The first cut of the meshblock boundaries is nearing completion and comprises approximately 400 000 meshblocks covering all of Australia with each element of each boundary polygon aligning to an element in the PSMA Australia data layers.

Since the dissemination geography is separate to the collection geography, coding needs to occur after Census collection so that the appropriate meshblock can be assigned to the Census form. G-NAF has become critically important in this process and ABS has built a sophisticated geocoding engine using G-NAF to assist in this important task.

Given the important role that PSMA Australia plays in the provision of information for the Census and the now increased reliance on the PSMA Australia datasets to deliver key strategic outcomes for the ABS, it was recently decided that PSMA Australia would be best placed to maintain the spatial component of meshblocks. This will ensure the continued vertical alignment of the features that make up meshblocks as quarterly updates are made to the PSMA Australia datasets.

The need to maintain a vertical relationship with all other PSMA Australia datasets is a significant challenge and one that the ABS and ANZLIC are keen for PSMA Australia to take up. Initial investigations suggest that this is not a trivial task as there would need to be meshblock realignment after every update to any PSMA Australia dataset. Currently there is no vertical topology within the PSMA Australia datasets however the implementation of the IDM (integrated data model) and the SDW (spatial data warehouse) present the ideal opportunity to incorporate this topology.

The first cut of meshblocks will be released at a special function to be held at the commencement of the Spatial Sciences Conference in Melbourne in September 2005. The launch will be made by the Australian Statistician, Dennis Trewin and is jointly sponsored by ABS, PSMA Australia and ANZLIC.

VAR feedback survey/workshop

In February 2005, PSMA Australia commissioned an external consultant to conduct a feedback session in a focus group setting with five of G-NAF's full access VARs. The discussion related to PSMA Australia staff, the level of service offered by PSMA Australia and general questions about the datasets. In general, the feedback was positive; any issues raised were entered into the VAR issues register.

Any VARs not represented at the focus group session were offered the opportunity to participate in a telephone survey.

This process has been an overall success and the feedback received from these surveys has been helpful in determining new ways to improve and nurture the relationship with each of our VARs.

Austrroads Intelligent Access Program

The Austrroads Intelligent Access Program (IAP) uses Telematics technology to assist road freight operators to comply with specified operating conditions while delivering social and commercial benefits. The system is designed to optimise performance of road freight tasks for efficiency and safety, and to maximise the performance of road infrastructure. The Australian Transport Minister approved the implementation of the IAP on 23 May 2003.

Austrroads have identified the need to have available high quality GIS road centreline data for Australia in order to deliver the IAP.

During the year PSMA Australia held a number of meetings with the IAP team to assist them in determining their geospatial data requirements for the system. It was agreed that the most effective way to deliver the IAP outcomes was through the use of a nationally integrated and consistent dataset and that PSMA Australia, as a governments-owned data integrator, is the natural choice for data sourcing. The PSMA Australia office assisted Austrroads with a discussion paper to reflect these recommendations and presented to the steering committee.

Following the steering committee meeting the final report was released confirming the IAP intends to utilise the PSMA Australia national road centre line layer for the Intelligent Access maps when the program commences late in 2005 or early in 2006.

Marketing program 2004–05

All marketing activities have been completed in accordance with PSMA Australia's marketing plan 2004–2005. Some of the major activities throughout the year included:

- development and distribution of e-newsletters to clients and custodians on a quarterly basis with the first release in summer 04–05
- development of a PSMA Australia information CD available in two versions to send out to both potential VARs as well as end users
- administering a focus group session with the full access G-NAF VARs to gain their feedback (the session was operated by an external consultant who reported the findings back to management)
- carrying out a feedback and satisfaction telephone survey with those VARs not present at the focus group session (the findings were tabled in a report and an issues register with a timeline for completion)
- re-development of the content on the G-NAF website, to be included as part of the website re-development
- platinum sponsorship of the Asia Pacific Spatial Excellence Awards (APSEA) 2004
- production of style sheets representing PSMA Australia company logos to tighten up the use of logos.

SmartTag

Within all Microsoft (MS) Office products there exists a function known as SmartTag. SmartTags can perform actions that would otherwise require other programs.

This function can be set up to recognise certain types of data that it then labels with SmartTags. The types of actions a user can take depend on the type of data that MS Office recognises and labels with a SmartTag.

When MS Office recognises types of data, the data is marked with a SmartTag indicator, or purple dotted underline. It is then possible for the user to find out what actions can be taken with a SmartTag by moving the insertion point over the text with a SmartTag indicator until the SmartTag actions button appears. The user can then click the button to see a menu of actions.

Geomatic Technologies, a new VAR of PSMA Australia, has utilised this technology to recognise Australian addresses and provide a range of functionality including address validation and map retrieval using web services.

The application is receiving significant support from Microsoft (Australia) and the Victorian Government. It is now in the final stages of development and the G-NAF SmartTag is expected to be commercially available to anyone using the MS Office suite by late 2006.

This innovation represents a significant step towards facilitating access to a broad spectrum of the community and potentially a much broader group than traditional spatial users. The SmartTag combined with a smart web service enables the user to leverage off the existing infrastructure to gain access to an enormous wealth of spatial information using address as the key.

Defence Imagery and Geospatial Organisation (DIGO)

In May 2005, DIGO signed a one-year agreement to license the PSMA Australia datasets via MapInfo for the whole of the Department of Defence. DIGO is working with Attorneys General in relation to Critical Infrastructure Protection (CIP) and intend to utilise PSMA Australia data within this project. This agreement provides a significant opportunity to reinforce the value and quality of the PSMA Australia datasets within Australian Government particularly in relation to counter terrorism, critical infrastructure protection and security activities.



Websites

The PSMA Australia and G-NAF websites are the face of PSMA Australia on the web. They are often the first point of contact for new VARs and end users, and are an extremely important mechanism for providing information to interested parties. Over recent times, the traffic to both websites has increased and has led to an increase in the number of enquiries relating to use of the PSMA Australia datasets. The underlying format of both websites is a structure of the past and is difficult and time consuming to maintain. PSMA Australia has begun a re-development of the websites that will allow anyone in the organisation to edit content at any time. Construction of the new websites will be completed early in 2005–06.

Licensing activities

PSMA Australia signed four new VARs during 2004–05, bringing the total number of VARs to 23. These organisations are listed below, with new VARs shown in bold:

Organisation	Data licensed	Access type
Australian Corporate Content	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full
FCS Online	<ul style="list-style-type: none"> ■ G-NAF 	Full
Geomatic Technologies	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full
MapData Sciences	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full
MapInfo	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full
Navigate	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full

Organisation	Data licensed	Access type
Omnilink	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Full
Pacific Micromarketing	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF 	Full
Amristar	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Boyce Industries	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Explore Australia	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
FindMap	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF 	Embedded
Magenta Technologies	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Manly Multimedia	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Embedded
Multimap	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Embedded
Next Destination (formerly Magellan GPS Systems)	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Pathfinder Solutions	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF 	Embedded
PMP Software	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
RP Data	<ul style="list-style-type: none"> ■ Transport & Topography ■ CadLite 	Embedded
Terrapages	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite 	Embedded
Transtech Consulting	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Virtual Map (Australia)	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF 	Embedded
Webmap	<ul style="list-style-type: none"> ■ CadLite 	Embedded

Financial report

for the period

1 July 2004–30 June 2005



Directors' report

The directors present their report together with the financial statements of PSMA Australia Limited for the period 1 July 2004 to 30 June 2005.

Directors

The names of directors in office at any time during or since the end of the financial year are:

- Olaf Hedberg
- Peter Holland
- Martin Holmes
- Graeme Rush
- Desmond Mooney
- Victor Stephens
- Peter Gardner
- Stephen Godfrey
- Kym Nicolson (alternate appointed 2 March 2005)
- Benjamin Searle
- Bruce Thompson.

Principal activities

The principal objectives of the company are to coordinate, assemble and deliver national datasets from data held by the states, territories and Australian governments and achieve the widest possible use of the PSMA Australia datasets.

There were no significant changes in the nature of the company's principal activities during the financial year.

Operating results

The company earned an operating profit of \$659,350 for the period 1 July 2004 to 30 June 2005.

Dividends

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2004 to 30 June 2005.

Review of operations

An analysis of operations for the financial year is set out in the Review of operations section of the PSMA Australia Limited Annual Report 2004–05.

Significant changes in the state of affairs

No significant changes in the state of affairs occurred during the financial year.

After balance date events

No other matter or circumstance has arisen since the end of the year and the date of this report which has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent years.

Future developments

Future developments which may affect the operations of the company in subsequent financial years are in the PSMA Australia Limited Annual Program 2005–06 and in the Review of operations section of the PSMA Australia Limited Annual Report 2004–05.

Information on directors

Name	Olaf Hedberg
Age	67
Experience	Chairman Natural Resource Management, Southern Tasmania Chairman Victorian Spatial Council Member Land and Property Information Advisory Board, New South Wales 2002–present: Information Management and Land Administration Consultant
Special responsibilities	Executive Chairman and member of the Executive Committee

Name	Peter Holland
Age	51
Qualifications	Bachelor of Surveying, Graduate Diploma in Computing Studies
Experience	2001–present: General Manager, National Mapping Division, Geoscience Australia 1996–2001: General Manager, AUSLIG
Special responsibilities	Deputy Chairman and member of the Executive Committee

Name	Martin Holmes
Age	59
Qualifications	Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management
Experience	Current: Executive Director, Client Services, Department of State Development and Innovation, Queensland 1997–1998: Director, Marketing and Corporate Communications, Department of Public Works and Housing, Queensland 1994–1997: Marketing Director, Department of Natural Resources, Queensland
Special responsibilities	Marketing Director and member of the Executive Committee

Name Graeme Rush

Age 55

Qualifications Bachelor of Surveying

Experience 2002–present: General Manager, Land Management and Use, Department of Natural Resources, Mines and Energy, Queensland
2000–2001: General Manager, Land Management and Use, Department of Natural Resources and Mines, Queensland
1996–2000: General Manager, Land Information Management, Department of Natural Resources, Queensland

Special responsibilities Audit Committee Chairman

Name Des Mooney

Age 55

Qualifications MBA, B SURV (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer

Experience 2003–present: Deputy Director General, Department of Lands, and General Manager, Land and Property Information, New South Wales
2001–2002: General Manager, Land and Property Information, New South Wales
1999–2000: Executive Director Management Services, New South Wales Police Services
1990–1998: General Manager, Land Information Centre, New South Wales

Special responsibilities Audit Committee Member

Name Vic Stephens

Age 58

Qualifications BA Hons (Geography), Msc Econ (Urban and Regional Planning), Grad Dip Management

Experience 2004–present: Senior Director, Land Information, Department of Planning and Infrastructure, Northern Territory
2001–2004: Senior Director, Land Information, Department of Infrastructure, Planning and Environment, Northern Territory
1995–2001: Assistant Secretary Land Information, Department of Lands, Planning and Environment, Northern Territory

Special responsibilities Audit Committee Member

Name	Peter Gardner
Age	56
Qualification	Bachelor of Economics, Bachelor of Arts
Experience	1999–2004: Director Environmental Information, Department for Environment and Heritage, South Australia 1992–1998: State Government Statistician, Australian Bureau of Statistics, South Australia 1970–1992: Various positions in Commonwealth Government including Northern Territory Statistician and Director Australian Bureau of Statistics, Australian Capital Territory

Name	Stephen Godfrey
Age	51
Qualification	Bachelor of Arts
Experience	2002–present: General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania

Name	Kym Nicolson (Alternate Director to Mr Peter Gardner)
Age	48
Qualification	BSc (Hon) Ph.D, University of Adelaide
Experience	2005–present: Acting Director, Environmental Information Directorate, South Australian Department for Environment and Heritage 2002–2005: Manager, Environmental Information Analysis Branch, Department for Environment and Heritage, South Australia

Name	Ben Searle
Age	50
Qualifications	Bachelor of Science (Geography)
Experience	2002–present: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory

Name	Bruce Thompson
Age	47
Qualifications	Bachelor of Design Studies
Experience	1999–present: Director, Spatial Information Infrastructure, Strategic Policy and Projects, Department of Sustainability and Environment, Victoria

Company Secretary

The following person held the position of company Secretary at the end of the financial year.

Name	Daniel Paull
Age	34
Qualifications	Company Directors Diploma; Certificate in Competency, Board of Surveyors, NSW; B Surv. (Hons), University of New South Wales
Experience	2000–present: CEO PSMA Australia Limited 20 June 2001 appointed company Secretary
Special responsibilities	Public Officer

Directors' benefits

No director of the company has received or become entitled to receive a benefit not shown in the financial statements by reason of a contract made by the company with a director or with a firm of which any director is a member, or with a company in which any director has a substantial financial interest.

Meetings of directors

The number of directors' meetings held and attended by each of the persons holding office as directors of the company at the date of this report are:

Name	Directors' meetings		Audit Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Olaf Hedberg	4	4		
Peter Holland	4	4		
Martin Holmes	4	4		
Graeme Rush	4	3	2	2
Des Mooney	4	4	2	2
Vic Stephens	4	4	2	2
Peter Gardner	2	2		
Stephen Godfrey	4	3		
Kym Nicolson	2	2		
Ben Searle	4	4		
Bruce Thompson	4	3		

Indemnifying officers or auditor

During or since the end of financial year the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- During the year, the company paid a premium of \$4,864.29 to CGU Professional Risk Insurance in respect of a Directors' and Officers Liability Insurance Policy. The policy covers the directors and officers of the company.

The company has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the company:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost of expense to defend legal proceedings.

Options

No options were granted over unissued shares or interest during the period 1 July 2004 to 30 June 2005.

No shares or interests have been issued during or since the end of the year as the result of the exercise of an option over unissued shares or interests.

Proceeding on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2005 has been received and can be found on page 40 of the financial report.

Signed in accordance with a resolution of the directors:



Olaf Hedberg

CHAIRMAN

Dated this 25th day of August 2005.

Auditor's declaration



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF
PSMA AUSTRALIA LIMITED**

I declare that to the best of my knowledge and belief, during the year ended
30 June 2005 there have been:

- i no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the audit
- ii no contraventions of any applicable code of professional conduct in relation
to the audit.

Maxim Chartered Accountants
Mark Peatey

A handwritten signature in black ink, appearing to read 'Mark Peatey', is written over a horizontal line.

11 August 2005
6 Oxley Street Griffith ACT 2602

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6 OXLEY ST GRIFFITH ACT 2603
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Financial reports and notes

for the period
1 July 2004 to
30 June 2005

*The accompanying notes
form part of these
financial statements.*

Statement of financial performance for the year ended 30 June 2005

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	3,530,516	2,807,286
Employee benefits expense		(584,377)	(286,911)
Depreciation and amortisation expenses	3	(31,886)	(70,733)
Bad and doubtful debt expense	3	–	(9,287)
Other expenses from ordinary activities		2,254,903	(1,218,947)
Profit from ordinary activities		659,350	1,221,408
Total changes in equity other than those resulting from transactions with owners as owners		659,350	1,221,408

Financial reports and notes

for the period
1 July 2004 to
30 June 2005

*The accompanying notes
form part of these
financial statements.*

Statement of financial position for the year ended 30 June 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	4	3,660,989	2,751,648
Receivables	5	1,274,681	767,083
Other	6	24,379	3,226
Total current assets		4,960,049	3,521,957
NON-CURRENT ASSETS			
Property, plant and equipment	7	74,954	112,715
Intangible assets	8	1,026,904	1,026,904
Total non-current assets		1,101,858	1,139,619
Total assets		6,061,907	4,661,576
CURRENT LIABILITIES			
Payables	9	1,099,119	486,343
Provisions	10	13,870	14,117
Interest bearing liability	13	–	7,919
Other— income in advance		218,168	60,952
Total current liabilities		1,331,157	569,331

	Note	2005 \$	2004 \$
NON-CURRENT LIABILITIES			
Interest bearing liability	13	–	20,844
Total non-current liabilities		–	20,844
Total liabilities		1,331,157	590,175
Net assets		4,730,750	4,071,401
EQUITY			
Contributed equity	11	8	8
Retained profits	12	4,730,742	4,071,393
Total equity		4,730,750	4,071,401

*The accompanying notes
form part of these
financial statements.*

Statement of cash flows for the year ended 30 June 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,831,415	2,909,560
Payments to suppliers and employees		(2,091,935)	(1,641,200)
Interest received		171,347	132,763
Net cash provided by operating activities	15(b)	910,827	1,401,123
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		38,250	18,181
Payment for property, plant and equipment		(39,736)	(113,315)
Payment for intangibles		–	(1,062,314)
Net cash used in investing activities		(1,486)	(1,157,448)
Net increase in cash held		909,341	243,675
Cash at beginning of the financial year		2,751,648	2,507,973
Cash at end of the financial year	15(a)	3,660,989	2,751,648

*The accompanying notes
form part of these
financial statements.*

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with accounting standards, urgent issues group consensus views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for PSMA Australia Limited as an individual entity. PSMA Australia is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a Income tax

The company is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

IT equipment/furniture and equipment

Items of IT equipment purchased since incorporation, have been capitalised where their cost exceeded \$1,500. These items have been depreciated over their estimated useful economic lives.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation rate
IT equipment	25–33.33%
Furniture and equipment	20%
Motor vehicles	18.75%

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

c Leases

Lease of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but no legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including guaranteed residual value.

Leased assets are depreciated on a diminishing value basis over the useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they occurred.

d Research and development

Research and development costs are charged to profit from ordinary activities as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial sale has commenced.

e Intangibles

Datasets

Datasets developed using intellectual property owned by PSMA Australia are valued in the accounts at cost of development and are amortised over the period in which their benefits are expected to be realised.

f Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

g Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.

h Revenue

Royalties from the sale of spatial data is recognised upon receipt of a royalty report from value added resellers detailing the number of sales for the period.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amounts of goods and services tax (GST).

i Adoption of Australian equivalents to International Financial Reporting Standards

PSMA Australia Limited is preparing and managing the transition to Australian Equivalents to the International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS has been reflected in the entity's financial statements for the year ended 30 June 2005. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the transitional adjustments have been made retrospectively against retained earnings at 1 July 2004.

PSMA Australia Limited's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. The impact of alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that the key material differences in the entity's accounting policy on conversion to AIFRS and the financial effect of these differences, where known, as described below. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from continuing work of the entity's management.

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

The PSMA Australia Audit Committee has been advised of the requirement for disclosure, and will oversee the management of this transition. PSMA Australia stakeholders will be kept informed of the impacts new standards may have on business and accounting procedures.

Research and development expenditure

Under AASB 138: Intangible assets, costs associated with the research phase of the development of an asset must be expensed. This will result in a change in the current accounting policy, which capitalises research costs to the statement of financial position where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover these deferred costs. On transition, the financial effects will be nil, as no research costs were capitalised at 1 July 2004 or 30 June 2005.

Impairment of assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A cash generating unit is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of the undiscounted net cash flows that will be received from the asset's use. It is unlikely that impairments will be recognised in the short term.

Impairment testing as at 1 July 2005 confirmed no impairment of the \$1,062,314 intangible asset of the G-NAF less accumulated amortisation of \$35,410 as disclosed in the entity's financial statements at 30 June 2005. The previously amortised asset of \$35,410 will, therefore, be reversed resulting in a corresponding increase of \$35,410 in retained earnings at 1 July 2004 and an increase in profit amounting to \$35,410 for the year ended 30 June 2005.

Employee benefits

Under AASB 119: Employee benefits, benefits expected to be settled within one year have been measured at their nominal amount plus related on-costs. Benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their present value of the estimated future cash outflows to be made for those benefits.

The impact of this change will be the recognition of a \$14,125 non-current liability at 1 July 2004 and an increase in this liability for the year ended 30 June 2005 of \$3,163. The net adjustment to retained earnings will be a reduction of \$17,288.

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
2 Revenue		
Operating activities:		
■ Interest received	171,347	132,763
■ Royalties	2,374,779	1,790,755
■ Access fees	392,655	322,017
■ Miscellaneous income	2,061	2,514
■ ABS data supply fees	500,000	500,000
■ Other	51,424	59,237
	<u>3,492,266</u>	<u>2,807,286</u>
Non-operating activities:		
■ Proceeds on disposal of plant and equipment	38,250	–
	<u>38,250</u>	<u>–</u>
Total revenue	<u>3,530,516</u>	<u>2,807,286</u>

3 Profit from ordinary activities

Profit from ordinary activities before income tax
has been determined after:

a Expenses

Depreciation of property, plant and equipment	31,886	35,323
Amortisation of intangibles	–	35,410
	<u>31,886</u>	<u>35,410</u>
Total	<u>31,886</u>	<u>70,733</u>

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
Remuneration of auditor:		
■ auditing or reviewing the financial report	10,460	6,700
■ other services	697	4,300
Total remuneration of auditor	11,157	11,000
Loss on disposal of plant and equipment	10,888	3,718
Bad and doubtful debts	–	9,287
Rental expense on operating leases:		
■ office space (including Unit 3 sublease)	132,696	65,200
■ company car	2,519	617
Total rental expense on operating leases	135,215	65,817
4 Cash assets		
Cash at bank	346,661	321,875
Deposits at call	3,314,328	2,429,773
	3,660,989	2,751,648
5 Receivables		
CURRENT		
Trade debtors	1,274,681	767,083
	1,274,681	767,083

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
6 Other assets		
Prepayments	24,379	3,226
	<hr/>	<hr/>
7 Property, plant and equipment		
IT equipment—at cost	116,305	93,243
Less: accumulated depreciation	(78,971)	(57,100)
	<hr/>	<hr/>
	37,334	36,143
	<hr/>	<hr/>
Furniture and equipment	60,742	44,018
Less: accumulated depreciation	(23,122)	(13,107)
	<hr/>	<hr/>
	37,620	30,911
	<hr/>	<hr/>
Leased motor vehicles	—	34,278
Less: accumulated depreciation	—	(5,547)
	<hr/>	<hr/>
	—	28,731
	<hr/>	<hr/>
Motor vehicles—at cost	—	20,837
Less: accumulated depreciation	—	(3,907)
	<hr/>	<hr/>
	—	16,930
	<hr/>	<hr/>
Total property, plant and equipment	74,954	112,715
	<hr/>	<hr/>

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

a Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	IT equipment \$	Furniture & equipment \$	Leased MV \$	Motor vehicle \$	Total \$
Balance at beginning of year	36,143	30,911	28,731	16,930	112,715
Additions	23,062	16,724	–	–	39,786
Disposals	–	–	(28,731)	(16,930)	(45,661)
Depreciation expense	(21,871)	(10,015)	–	–	(31,886)
Carrying amount at end of year	<u>37,334</u>	<u>37,620</u>	<u>–</u>	<u>–</u>	<u>74,954</u>

2005	2004
\$	\$

8 Intangibles

G-NAF (Geocoded National Address File)	1,062,314	1,062,314
Less: accumulated amortisation	(35,410)	(35,410)
	<u>1,026,904</u>	<u>1,026,904</u>

Notes to
and forming
part of the
financial
statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
9 Payables		
CURRENT		
Trade creditors	72,986	133,035
Accruals	12,653	–
Topo licence fee	788,645	185,320
Cadastral licence fee	56,768	103,893
G-NAF licence fee	74,136	5,750
GST liability	93,931	58,345
	1,099,119	486,343
	<hr/>	<hr/>
10 Provisions		
CURRENT		
Employee benefits	13,870	14,117
	<hr/>	<hr/>
Number of employees at year end	6	7
	<hr/>	<hr/>
11 Contributed equity		
8 (2003: 8) fully paid ordinary shares	8	8
	<hr/>	<hr/>

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
12 Retained profits		
Retained profits at the beginning of the financial year	4,071,393	2,849,985
Net profit attributable to the members of the company	659,350	1,221,408
Retained profits at end of financial year	4,730,742	4,071,393

13 Leasing commitments

a Finance lease commitments, payable:

■ not later than 1 year	–	7,919
■ later than 1 year but no later than 5 years	–	20,844
■ later than 5 years	–	–
Total lease commitments	–	28,763
Less future finance charges	–	2,569
	–	26,194

b Operating lease commitments – rent

Non-cancellable operating leases contracted for, but
not capitalised in the financial statements, payable:

■ not later than 1 year	145,400	64,099
■ later than 1 year but no later than 5 years	446,371	254,057
■ later than 5 years	–	–
Total operating lease commitments	591,771	318,156

14 Segment reporting

The company operates in one geographical segment, namely Australia, and one business segment, namely the provision of spatial data for Australia.

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

	2005	2004
	\$	\$
15 Statement of cash flows		
a Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:		
■ Cash on hand	346,661	321,875
■ At call deposits with financial institutions	3,314,328	2,429,773
	<u>3,660,989</u>	<u>2,751,648</u>
b Reconciliation of cash flows from operations with profit from ordinary activities		
Profit from ordinary activities:	659,350	1,221,408
Non-cash flows in profit from ordinary activities		
■ Depreciation/amortisation	31,886	70,733
■ Loss on disposal of assets	10,888	3,718
Change in assets and liabilities		
■ (Increase)/decrease in receivables	(507,598)	(49,918)
■ (Increase)/decrease in prepayments	(21,153)	9,646
■ Increase/(decrease) in payables	612,776	50,206
■ Increase/(decrease) in income in advance	157,216	60,952
■ Increase/(decrease) in provisions	(247)	7,283
■ Increase/(decrease) in other liabilities	(32,291)	27,095
Cash flows from operations	<u>910,827</u>	<u>1,401,123</u>
c The company has no credit stand-by or financing facilities in place.		
d There were no non-cash financing or investing activities during the period.		

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

16 Related party transactions

The names of the directors who held office during the year are:

Olaf Hedberg
Peter Holland
Martin Holmes
Graeme Rush
Desmond Mooney
Victor Stephens
Peter Gardner
Stephen Godfrey
Kym Nicolson (acting)
Benjamin Searle
Bruce Thompson

During the year ended 30 June 2005, remuneration of \$48,000 was paid to Olaf Hedberg in his capacity as Executive Chairman of PSMA Australia Limited, as per contract.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

17 Financial instruments

a Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Weighted average effective interest rate	Floating interest rate		Non interest bearing		Total			
	% 2005	% 2004	\$ 2005	\$ 2004	\$ 2005	\$ 2004		
Financial assets								
Cash	5.21%	5.15%	3,660,989	2,751,648	–	–	3,660,989	2,751,648
Receivables	–	–	–	–	1,274,681	898,335	1,274,648	898,335
Total	n/a	n/a	3,660,989	2,751,648	1,274,681	898,335	4,935,637	3,649,983
Financial Liabilities								
Payables	–	–	–	–	992,535	104,758	992,535	104,758
Total	n/a	n/a	–	–	992,535	104,758	992,535	104,758

Notes to and forming part of the financial statements

for the period
1 July 2004 to
30 June 2005

b Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial report.

c Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

18 Company details

The registered office of the company is:

PSMA Australia Limited
Level 1, 115 Canberra Avenue
Griffith ACT 2603

Directors' declaration

DIRECTORS' DECLARATION

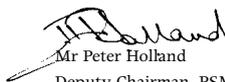
The directors of the company declare that:

- 1 the financial statements and notes, as set out on pages 31 to 67 are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001
 - b) give a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date
- 2 in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Mr Olaf Hedberg
Chairman, PSMA Australia Limited
Dated this 25th day of August 2005



Mr Peter Holland
Deputy Chairman, PSMA Australia Limited
Dated this 25th day of August 2005

Auditors report

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

Scope

We have audited the financial report of PSMA Australia Limited for the financial year ended 30 June 2005 as set out on pages 31 to 67. The directors of the company are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, the performance as represented by the results of the operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 9 of the financial report has not changed as at the date of providing our audit opinion.

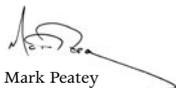
Qualification

The financial report for the year ended 30 June 2004 have not been audited by our firm. Accordingly we are not in a position to and do not express an opinion on the comparatives for 2004.

Qualified audit opinion

In our opinion, except for the effects on the financial report on the matters referred to in the qualification paragraph, the financial report of PSMA Limited is in accordance with:

- a) the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.



Mark Peatey
Registered Company Auditor
Maxim Chartered Accountants
6 Oxley Street Griffith, ACT 2603
Dated this 25th day of August 2005

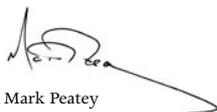
Auditor's disclaimer

DISCLAIMER OF OPINION TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

The additional financial data presented on pages 31 to 67 is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2005.

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than PSMA Australia Limited) in respect of such data, including any errors or omissions therein however caused.



Mark Peatey
Registered Company Auditor
Maxim Chartered Accountants
6 Oxley Street Griffith, ACT 2603

Dated this 25th day of August

Detailed income and expenditure statement for the year ended 30 June 2005

	2005	2004
REVENUE	\$	\$
Amristar access fee	1,666	–
Amristar royalties	11,490	–
ABS access fee (G-NAF)	120,000	–
ABS licence and supply of MSD	500,000	500,000
ABS royalties—C data in schools	44,273	163,076
ABS royalties—other	4,452	16,369
Aust. Corporate Content royalties	48,339	–
Bank interest	171,347	132,763
Boyce Ind access fee	1,875	3,750
Boyce Ind royalties	24,309	13,751
Explore Australia	–	9,091
Findmap access fee	5,416	–
G-NAF royalty	–	57,500
Internav access fee	–	934
Internav royalties	7,326	10,054
Licence breach/Penalty income	–	–
Magenta Tech. access fee	4,500	–
Magenta Tech. royalties	17,000	11,065
Manly Multimedia access fee	33,036	4,166
Manly Multimedia royalties	23,445	10,200
Map Data Sciences access fee	16,000	22,500
Map Data Sciences royalties	274,394	260,492
MapInfo access fee	22,500	14,153
MapInfo royalties	1,368,981	1,136,094
Map IQ access fee	–	4,091

**Detailed income and
expenditure statement
for the year ended
30 June 2005
continued**

	2005	2004
	\$	\$
REVENUE continued		
Map IQ royalties	–	8,333
Miscellaneous income	2,061	2,513
Multimap.com annual fee	11,458	1,563
Multimap.com royalties	33,095	4,400
Navigate royalties	62,600	27,500
Navigate access fee	20,000	6,015
Next Destination (Magellan) access fee	–	–
Next Destination (Magellan) royalties	283,612	180,029
Omnilink access fee	28,000	30,500
Omnilink royalties	23,543	–
Pacific Micro access fee	26,975	5,208
Pacific Micro royalties	70,380	65,500
Pathfinder Solutions annual access fee	19,320	3,540
Pathfinder Solutions royalties	9,400	12,000
PMP Software access fee	938	2,812
PMP Software royalties	–	–
Rent reimbursement income (unit 3)	34,900	–
Reimbursement income	16,522	1,237
RP Data access fee	18,750	3,750
RP Data royalties	30,000	22,500
RP Data CadLite royalties	–	7,500
SmartBlue access fee	-10,000	–
SmartBlue royalties	-2,500	–
Test and development licence	880	500
Transtech royalties	11,700	2,197

**Detailed income and
expenditure statement
for the year ended
30 June 2004
continued**

	2005	2004
REVENUE continued	\$	\$
VARs (new 04/05)	62,176	15,482
VAR (new) royalties	7,630	28,532
Virtual Map access fee	5,416	5,625
Virtual Map royalties	6,311	–
WebMap access fee	3,750	–
WebMap royalties	15,000	–
Total revenue	3,492,266	2,807,285

	2005	2004
	\$	\$
EXPENDITURE		
<i>Research and development</i>		
Spatial CRC	20,000	20,000
Spatial data warehouse	93,258	–
	<u>113,258</u>	<u>20,000</u>
<i>Human resources</i>		
Wages and salaries	430,466	264,686
Employer Superannuation	60,039	22,226
Human Resources: other	57,218	71,171
Staff training and professional development	36,654	10,496
	<u>584,377</u>	<u>368,579</u>
<i>Company vehicles</i>		
Company car–petrol	6,561	4,297
Car/service/miscellaneous	2,774	3,999
Parking fees	471	298
Lease St George car (03/04)	–	617
Interest Expense for leased MV	2,519	2,031
	<u>12,325</u>	<u>11,242</u>
<i>Data licence expense</i>		
Jurisd royalty return–Trans & Topo	778,876	182,725
Jurisd royalty return–CAD	56,768	106,488
Jurisd royalty return–G-NAF	74,136	5,750
QLD suburbs data	205	55,653
Other access fees	–	4,810
	<u>909,985</u>	<u>355,426</u>
<i>Equipment</i>		
Equipment purchase	1,455	1,407
Equipment maintain/hire/repair	2,487	2,506
	<u>3,942</u>	<u>3,913</u>

	2005	2004
	\$	\$
EXPENDITURE continued		
<i>Travel</i>		
Travel (domestic)	99,192	105,176
Travel (international)	22,845	29,677
Meals	34,582	32,432
Accommodation	33,454	34,049
Hire-boardroom	1,000	1,359
Board miscellaneous expenses	410	4,108
Car hire/parking/taxi fees	8,536	8,040
	200,019	214,841
<i>Data and telecommunications</i>		
Telephones: teleconference/fax	628	1,132
Telephones: mobile	4,089	2,930
Telephones: office	8,348	6,775
Web hosting/internet access	4,183	741
	17,248	11,578
<i>Office costs</i>		
Office space rental (including unit 3)	132,696	65,200
Office cleaning and waste collection	8,648	1,969
Electricity	11,737	7,760
Security	520	468
Office relocate/refurbish (unit 3)	20,140	8,285
	173,741	83,682
<i>Administration</i>		
Photocopy	1,799	2,482
Stationery and board folders	1,590	2,888
Data transfer media	1,226	987
Postage/courier/freight	1,595	2,099
	6,210	8,456

	2005	2004
EXPENDITURE	\$	\$
<i>Insurance</i>		
Motor vehicle, business, directors' insurance	10,209	18,700
	<u>10,209</u>	<u>18,700</u>
<i>Computers</i>		
Software/maintenance/licence	8,810	8,740
IT computer hardware	3,087	1,669
	<u>11,897</u>	<u>10,409</u>
<i>Spatial data projects</i>		
Transport and topography	171,186	77,432
G-NAF	233,426	–
CadLite	82,250	59,500
Other	52,101	29,260
CData 2001 Refund	–	75,382
	<u>538,963</u>	<u>241,574</u>
<i>Marketing and communications</i>		
Printing	4,716	5,447
Advertising and promotion	33,344	27,234
Sponsorship	16,364	13,000
Other	9,649	15,136
	<u>64,073</u>	<u>60,817</u>
<i>External services</i>		
External consultants	78,383	16,070
Legal fees	19,976	41,025
Accounting/finance/audit fees	8,962	20,512
VAR audit fees	15,450	incl. above
	<u>122,771</u>	<u>77,607</u>

	2005	2004
	\$	\$
EXPENDITURE		
<i>Other expenses</i>		
Fringe benefits tax	18,375	11,915
Bank charges/stamp duty	1,804	1,668
Miscellaneous expense	945	1,733
Depreciation	31,886	35,323
Amortisation	–	35,410
Bad debt (Map IQ)	–	9,287
Loss on disposal of asset	10,888	3,718
	<u>63,898</u>	<u>99,054</u>
Total expenditure	<u>2,832,916</u>	<u>1,585,878</u>
Operating profit/(loss)	<u>659,350</u>	<u>1,221,407</u>



PSMA Australia LIMITED

ABN 23 089 912 710

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