



PSMA
AUSTRALIA

PSMA AUSTRALIA / 2018

ANNUAL REPORT

16.8M



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CORPORATE SNAPSHOT

PURPOSE

PSMA Australia provides location data that is reliable, authoritative and accessible.

We source geospatial information from trusted sources. We curate the data into authoritative products that are being widely used by business and government to make everyday decisions.

PSMA Australia is an unlisted company limited by shares, owned by all the governments of Australia.

From our inception in 1992, and subsequent establishment as a company in 2001, PSMA Australia

continues to provide an independent and self-funded means for Australian governments to collaborate on national geospatial matters to provide fundamental infrastructure for a digital world.

PSMA Australia's activities focus on the maximisation of the value to the nation from access to location resources on behalf of all the governments of Australia. It is for this reason that our shareholders measure their return, not by the size of the dividend but by the broader economic, social and environmental value delivered through the activities of the company.

Vision

To be Australia's most trusted and accessible source of location related content.

Mission

To provide our customers with the core location related content they need and in a way that enables them to effortlessly improve their business.

Values

Our values guide the behaviours that will enable the delivery of our mission and vision. These values were developed in close consultation with PSMA Australia staff, who are engaged and committed to living by them.



CHAIRMAN'S MESSAGE



PSMA Australia has continued its transformative agenda in response to the market needs of Australia's digital economy.

Significant change has been a driver during 2017–18 to enable PSMA Australia to establish a clear path for future expansion.

The introduction of our Application Programming Interface (**API offering**) meant creating the infrastructure and rules of engagement to enable a broad array of spatial data producers and consumers—government and private sector—to connect and exchange value. The result has been a portfolio of APIs, a Developer Portal, beta testing modules and a new approach to market.

To enable PSMA Australia to effectively operate with this new offering and to meet the expectations of the market, the entire **organisational structure changed** to an Agile, consumer-responsive model.

In support of the transformation, a series of changes were also made to the organisation's Constitution in May 2018. The *PSMA Australia Shareholders' Statement of Expectations* is available on the PSMA Australia website.

"My seven-year association with PSMA Australia has been probably the most interesting and rewarding period of my overall professional career."

Glenn Appleyard, Chairman, PSMA Australia

These significant, foundational changes have been carefully guided by four **strategic objectives** as well as quality leadership, governance and change management.

Importantly, work to rollout Geoscape, enhance G-NAF and periodically release new APIs and dataset updates continued, along with successful industry guidance and collaboration.

I commend Dan, the Board and the entire PSMA Australia team for efficiently managing such significant change and growth during 2017–18.

Change is constant in the evolution of PSMA Australia to ensure that new innovative location-based products and services continually add value to governments and businesses across Australia.

As my term as Chairman will conclude in October 2018, this will be the last Annual Report to which I contribute. My seven-year association with PSMA Australia has been probably the most interesting and rewarding period of my overall professional career. That is in very large part due to the engagement and support I have enjoyed from all the staff—particularly from Dan Paull as CEO. I wish PSMA Australia an exciting and prosperous future.

Glenn Appleyard
Chairman, PSMA Australia Limited

CEO'S MESSAGE

I have always spoken of the dynamic nature of the environment that we have operated in and it is clear from my discussions with our network both here and internationally that the pace of change is unprecedented. So, this year has been rewarding in the sense that we have achieved a great deal in terms of positioning ourselves for success in this emerging environment.

In recent years we have proactively prepared for change through disruption, understanding emerging technologies and assessing market needs—ensuring we were well-placed to implement a new **Agile workforce** and introduce **new products and services** during 2017–18.

Throughout this period of change, a diverse range of initiatives have been adopted to support both individual and organisational strengths. New leadership, mentoring, internal communications and strategic planning approaches have now become our 'business as usual'.

As we actively respond to the development of our industry, we continue to cultivate our expertise with new staff and partnerships, which has resulted in significant **cultural change**.

“Cultural transformation is probably the most challenging thing that I’ve ever done, but it’s also the most rewarding.”

Dan Paull, CEO, PSMA Australia

Cultural transformation is probably the most challenging thing that I’ve ever done, but it’s also the most rewarding. I recognise it has also been challenging for staff, yet I applaud every member of staff for their commitment to this change—in recognising our need to embrace disruption to position PSMA Australia for the future.

Our new APIs, Developer Portal and G-NAF enhancements this year demonstrate our value-driven innovation. We’re continually responding to market requirements, collaborating with the industry and making our product development process more sophisticated—always to provide greater value to our customers.

Geoscape, the **centrepiece** of our approach to the market, also continued its national rollout this year. The capabilities and applications for Geoscape are being realised by many across business and government, offering exciting case studies for its value and insights. These examples of use perpetuate a greater understanding of market and sector needs, which in turn enables us to tailor products and services to specific industry needs.

As we track our progress against our strategic objectives and continually respond to changes in the industry, I’m confident PSMA Australia is better positioned to produce richer and faster data which is vital for solving the problems of today. This is creating a cycle in which PSMA Australia is an integral element.

Dan Paull

Chief Executive Officer, PSMA Australia Limited



OUR VALUED PARTNERS

PSMA Australia provides a vehicle for data to move seamlessly from producers to consumers, while adding value through integration and quality assurance.

Our network of valued partners use our data to deliver customised business-ready solutions.



OTHER STAKEHOLDERS

PSMA Australia works closely with other entities that form part of our professional ecosystem. These entities include:

- PSMA Australia Shareholder Ministers
- Federal Government departments
- State and Territory Ministers and departments
- PSMA Australia shareholder representatives and Board of Directors
- Peak industry bodies
- Other geospatial industry organisations
- PSMA Australia staff and suppliers
- Research institutions and providers.



Accepting the Spatial Excellence Award for Technical Creation of Geoscape.

Left to right: Michael Dixon, Chief Data Officer, PSMA Australia; Deanna Hutchinson, CEO, Spatial Industries Business Association; and Peter Kinne, Regional Director Australasia, DigitalGlobe.

OUR BOARD

The PSMA Australia Board of Directors guide the protection and enhancement of long-term shareholder value for PSMA Australia by acting within the law at all times, managing conflicts of interest, acting honestly and maintaining ethical business activities.

Find out more about the structure and responsibilities of the PSMA Australia Board in the Directors' Report on page 37.



Glenn Appleyard
Chairman



Jodi Cant
Director



Lynne Robinson
Director



Fabio Finocchiaro
Director



Walter Mayr
Director



Bruce Thompson
Director



Stuart Fletcher
Director



Jeffrey Brown
Director



Penelope Winslade
Director (resignation effective
as of 10 August, 2018)



Duncan McIntyre
Director (resignation effective
as of 27 October, 2017)



STRATEGIC DRIVERS

STRATEGIC OBJECTIVES

We continue to recognise the commercial intent of our business, while simultaneously responding to market trends and industry change. To keep us on track, we are guided by four strategic objectives.

OBJECTIVE 1: FINANCIAL STRENGTH, INDEPENDENCE AND SUSTAINABILITY

Ensure budget spend against investment opportunities is balanced against a metric that adds value to the business. This delivers strong momentum for innovation against short and long term goals.

OBJECTIVE 2: DELIGHTED, CONFIDENT AND GROWING CUSTOMERS

Use insights to delve deeper into our customer needs through strong relationships and actively exploring the application of location data to their businesses. Ensure our products and services are the best choice in the way they are delivered, constructed and designed with our customers as our primary focus.

OBJECTIVE 3: EFFICIENT, RESPONSIVE AND READY TO EXECUTE

Our supply chain—a combination of relationships, technology and processes—is efficient and responsive. The focus is on excellent quality management and comprehensive business insights to recognise how we rapidly and effectively innovate to bring high quality products and enhancements to market.

OBJECTIVE 4: COMMITTED, CAPABLE AND CONFIDENT PEOPLE

Work extensively on our people and culture with staff to ensure our culture is robust and we are a “team of teams”, performing at a high level, while cultivating and rewarding leadership.

This is the progress we’ve made against each objective this financial year.

OBJECTIVE 1: FINANCIAL STRENGTH, INDEPENDENCE AND SUSTAINABILITY

Profitability

PSMA Australia returned a total profit of \$3.66m in the year.

This was below last year's \$5.49m but considerably ahead of plan, enabled in part by revenues at 4% above budget and expenditures at 14% below budget.

The five-year average figure for Return on Capital Employed remains above target at 15% (target = 10%).

Revenue growth

Headline revenue growth for the year was 10%, however the five-year average remains strong at 14.6%.

Geoscape revenues into the future are expected to lift this metric.

OBJECTIVE 2: DELIGHTED, CONFIDENT AND GROWING CUSTOMERS

High value customers

The total lifetime value of PSMA Australia's customer base reached \$79.2m at year end, up from \$52.7m in June 2017.

This reflects a significant increase (32%) in the size of our customer base and our strong customer retention (100%) during the year on gross margins of around 29%.

Best choice products

G-NAF continues to be one of the most well used government open data offerings and Australia's most authoritative address dataset.

Geoscape continues to build strong sales momentum and has been very warmly received by the market. To drive further growth from Geoscape, PSMA Australia is investing in its customer-driven product development capability and expanding the product offering, initially through new API offerings.

OBJECTIVE 3: EFFICIENT, RESPONSIVE AND READY TO EXECUTE

Reliable and effective delivery

PSMA Australia measures reliability and effectiveness through on-time, on-spec delivery with no un-notified issues or errors in our products.

The results for 2017–18 averaged 70% with a small number of out-of-specification product issues (typically relating to data quality), which reduced the score from the target of 100%.

The organisation is continuing to invest in developing a new processing and delivery platform to provide near real-time feedback on platform health, process flows, product and data quality changes as well as customer access, providing improved insights across our internal data operations.

Value-driven innovation

The year saw a major focus on value-driven innovation with development of new data automation prototypes, six G-NAF enhancements and three new APIs (Buildings, Addresses and Predictive Address Verification).

We have also implemented a beta program for application developers and a range of enabling systems to support a better customer experience, including CRM, a customer support portal and a Developer Portal.

OBJECTIVE 4: COMMITTED, CAPABLE AND CONFIDENT PEOPLE

Capability through continual learning

The development of capability has received a significant boost through the implementation of an Agile operating model during 2017–18 designed around squads (cross-functional delivery teams) and chapters (inter-squad competency teams).

Each chapter is aligned with a key capability area and is responsible for the development of that capability through:

- recruitment
 - personal development
 - training
 - the adoption of best practice processes and techniques.
-

Corporate culture

Culture continues to be a key focus of our people operations, with programs in place to enable the transition to an Agile operating model and drive performance enhancement through value-based behaviours.

This is an ongoing priority as PSMA Australia pushes forward with its transformational agenda into the new financial year.

GROWTH PARAMETERS

ORGANISATIONAL STRUCTURE

In the last 12 months PSMA Australia has transitioned from a functional organisational structure to an Agile operating model. Several operational teams have been restructured to address the sector changes taking place in our industry and the resultant cultural change taking place within our business.

Our core competencies, in terms of employee value proposition, now consist of customer-oriented, data-oriented and enterprise-oriented staff. Find out more about the positive impact this has had on our ability to manage change and enhance collaboration in the People and Culture section, on page 31.

SENIOR LEADERSHIP TEAM

Our strategy and alignment squad consists of the Chief Executive Officer, Chief Marketing Officer, Chief Data Officer, Chief Technical Officer, Chief Finance Officer and Head of People and Culture. In addition to providing strategic advice to all our squads, this team is responsible for driving our focus as a more customer-centric organisation.

COMPANY GROWTH

As PSMA Australia continues to develop a broader range of customers, our product range and skill diversity has expanded in line with our strategic objectives.

TRANSFORMATION AND GROWTH

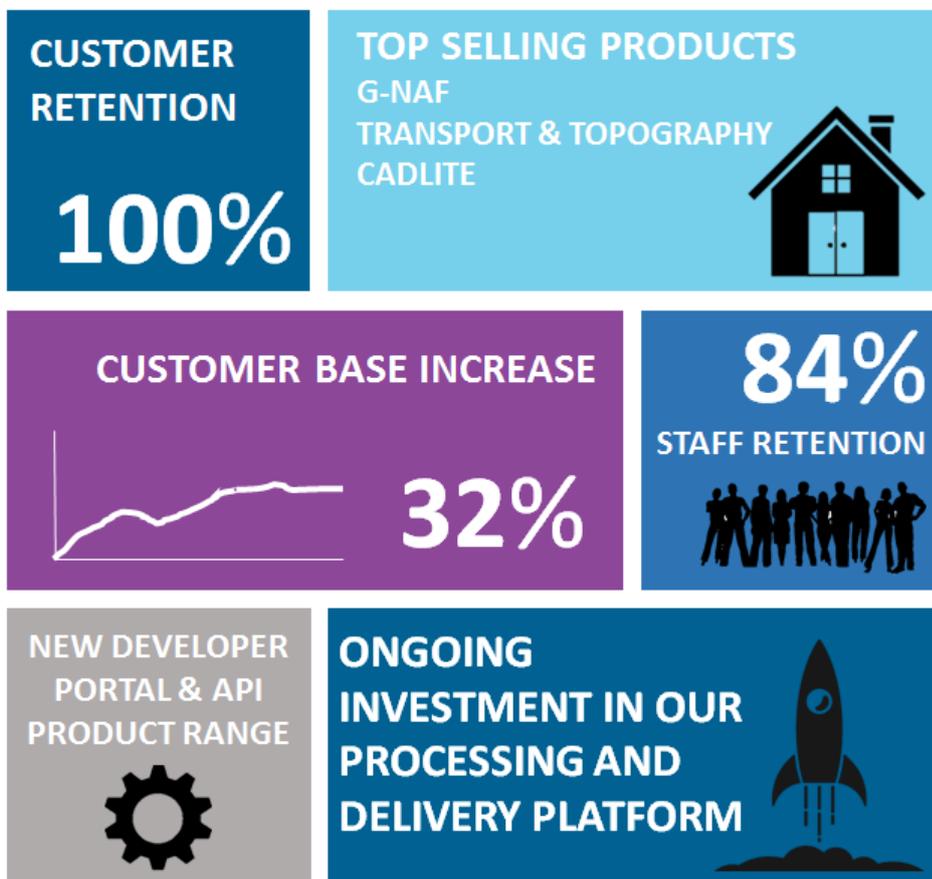


Figure 1: Company growth at a glance

2018 ACHIEVEMENTS

OUR YEAR IN REVIEW

2017

Jul-2017	<ul style="list-style-type: none"> · Geoscape 3 Release · Dan Paull invited to present at Cambridge Conference, Oxford UK
Aug-2017	<ul style="list-style-type: none"> · PSMA Data Release (90 day)
Oct-2017	<ul style="list-style-type: none"> · Geoscape 4 Release · Presented at 3D Geographic Information Conference, Melbourne
Nov-2017	<ul style="list-style-type: none"> · PSMA Data Release (90 day) · Dan Paull attended partner event, DigitalGlobe, Denver USA
Dec-2017	<ul style="list-style-type: none"> · Presented at the ISO Outreach Day, New Zealand · Presented at SSSI NSW Annual Regional Conference, Bathurst · ACT Spatial Excellence, Innovation and Commercialisation Award for Geoscape · CEO, Dan Paull, named Asia Pacific Spatial Excellence Awards, Professional of the Year, ACT · Product Development Manager, Tom Spencer, named Asia Pacific Spatial Excellence Awards, Young Professional of the Year, ACT

2018

Feb-2018	<ul style="list-style-type: none"> · PSMA Data Release (90 day) · Geoscape Release 5
Apr-2018	<ul style="list-style-type: none"> · Presented at Locate18, Sydney · Dan Paull presented at DigitalGlobe ENGAGE Partner Conference, London UK · CEO, Dan Paull, named Asia Pacific Spatial Excellence Awards, Professional of the Year 2017
May-2018	<ul style="list-style-type: none"> · PSMA Data Release (90 day) · Geoscape Release 6 · Exhibited at CeBIT Australia 2018, Darling Harbour, Sydney

Table 1: A year of product development and promotion

OUR PRODUCTS

Our existing dataset products continue to evolve with regular quarterly updates, in line the consistent collation, standardisation and enhancement of our foundation data.

In the last 12 months, we've also developed a new range of API products designed specifically for software developers.

In terms of contribution to revenue, our most important products have been G-NAF, Transport & Topography, CadLite and Geoscape.

GEOSCAPE

The period 2017–18 was pivotal for Geoscape with four more releases being rolled out, increasing coverage of the Australian continent, as more data was captured and

analysed. Release 5 was especially important as it completed the identification of all Australian capital city buildings taking the building count to **12.3 million**.

“Having access to nation-wide data about the built environment is revolutionary. It hasn't been available before and is quite a game changer.”

**Nigel Lester, Managing Director Software Solutions,
Pitney Bowes Australia**

Advances in satellite imagery, machine learning and big data processing are used in the process of mapping the entire continent

and capturing building features. When the entire continent has been captured—scheduled for Release 8 in late October 2018, a digital representation of Australia's entire built environment will be available. A process of continuous updates will follow.

By providing a national digital dataset representing buildings, surface cover and trees, PSMA Australia is delivering essential infrastructure for Australia's digital economy and opening the door for world-leading innovation. Geoscape is an analytics-ready, 3D built environment dataset that is changing the way location data at this scale can be utilised by business and government.

We have already seen numerous examples of how Geoscape is providing business intelligence to a range of industry sectors such as urban planning, infrastructure delivery, telecommunications and emergency management. Sensing Value's Greater Launceston Transformation Project (see page 26) provides excellent insights into Geoscape's capabilities and compatibility with other datasets.



Release 5 highlights:

- the number of buildings increased by 40% from Release 4 to **12.3 million**
- mapping of buildings in every Australian capital city completed
- surface cover at 30 metres resolution for all of Australia achieved.

Release 4 highlights:

- the number of buildings in the release increased by **1.6 million** to a total of over 8.8 million
- the release of surface cover at 30 metres resolution for WA for the first time
- ACT, NSW, SA, QLD, TAS and WA coverage increases:
 - o surface cover at two metres resolution increased to cover 17,572 square kilometres
 - o trees at two metres resolution increased to cover 4,087 square kilometres
 - o surface cover at 30 metres resolution increased to cover 6,783,000 square kilometres.

Release 3 highlights:

- the number of buildings increased by 50% to **7.2 million** with coverage including Perth, Launceston and Cairns.

Release Schedule	Locations	Status	Release Schedule	Locations	Status
Release 3			Release 4		
(July 2017)	Bunbury	Released	(October 2017)	Brisbane	Released
	Cairns	Released		Gold Coast	Released
	Launceston	Released		Hobart	Released
	NSW rural*	Released		Mackay	Released
	NT rural	Released		Townsville	Released
	Perth	Released		Tweed Heads	Released
	TAS rural*	Released		Wollongong	Released
	TAS urban areas	Released			
	VIC rural	Released			
	WA rural	Released			
Release 5			Release 6		
(February 2018)	Alice Springs	Released	(May 2018)	Atherton	Released
	Darwin	Released		Bairnsdale	Released
	Esperance	Released		Broome	Released
	Kalgoorlie	Released		Bundaberg	Released
	Katherine	Released		Castlemaine	Released
	Melbourne	Released		Coffs Harbour	Released
	Millicent	Released		Geraldton	Released
	Newcastle	Released		Mareeba	Released
	Nowra	Released		Port Augusta	Released
	Rockhampton	Released		Shepparton	Released
	St Helens	Released			
	Sunshine Coast	Released			
	Toowoomba	Released			
	Wagga Wagga	Released			

Figure 2: Rollout of Geoscape from Release 3 to Release 6

More than just an address.

G-NAF is a complex database of more than 30 tables of data.

Metadata includes:

- principal and alias relationships
- geocodes with classification type
- mesh block identifiers
- confidence levels
- primary and secondary relationships
- unique feature identifiers

FOUNDATION DATA PRODUCTS

G-NAF

Australia's Geocoded National Address File (G-NAF) has been openly available via data.gov.au since February 2016.

At a glance, G-NAF has:

- a total of over 14.44 million addresses of which 13.82 million (95.71%) are principal addresses
- a geocode reliability of principal addresses made up of 96.40% address level, 3.40% street locality and 0.20% locality addresses
- over 12.3 million jurisdiction addresses maintained on daily, weekly or monthly basis for most jurisdictions in G-NAF Live.

G-NAF has undergone some significant improvements throughout the year, including:

- a reduction of locality and street-locality level only geocodes and an increase in address level geocodes to over 96.40% for principal addresses
- principal addresses having been provided by all three contributors increasing to over 66.17% of addresses, enhancing address confidence
- nationally consistent address and postcode linkage processes
- property centroid geocodes for all jurisdictions
- a reduction of 51,000 duplicates for Queensland principal-alias addresses
- a reduction of locality only addresses by over 6,000
- extending the G-NAF data model to cater for richer information in address metadata field such as BUILDING_NAME, ADDRESS_SITE_NAME and GEOCODE_SITE_NAME
- an update to GNAF_PROPERTY_PID field processing resulting in a significant overall increase and better accuracy in population of this attribute across all states and territories this information provides a link between the property and over 11 million non-retired addresses
- a reduction in the number of duplicate addresses resulting in a total of over 570,000 alias addresses
- the addition of 369,640 new addresses.

Administrative Boundaries

This is Australia's most comprehensive national collection of boundaries, including government, statistical and electoral boundaries. Throughout the year, PSMA Australia has:

- updated Queensland State Electoral boundaries due to the 2017 redistribution
- updated Tasmania State Electoral boundaries for the March 2018 state election
- updated local government areas (LGAs) in NSW, NT, QLD, SA, VIC and WA, which now stands at 559 LGAs nationally

- included population and dwelling counts to ABS 2016 mesh blocks
- introduced 2016 Urban Centre and Locality—Section of State—Significant Urban Area
- added ABS 2016 Remoteness Areas (RA) and Socio-Economic Indexes for Areas (SEIFA).

Foundation data release dates

- *21 August 2017*
 - *20 November 2017*
 - *19 February 2018*
 - *21 May 2018*
-

Transport & Topography

This provides a comprehensive picture of Australia's transport infrastructure and unique topography. This year, we've made changes to Transport & Topography to:

- update all roads and green space with some changes made to road classifications for Queensland and WA (August 2017 release)
- update NSW and Victoria railway lines and stations
- improve the representation of the publically accessible road network by excluding access roads as defined by jurisdictions.

CadLite

CadLite is a graphical index of digital cadastral boundaries with spatial representation and information about legal land parcels across Australia.

Throughout the year, we've made some important changes, including:

- improved the representation of Victoria jurisdiction identifiers
- added new parcel type code to capture more appropriate information on the parcel type for 16,200 features in NSW
- removed duplicate cadastre points from large developments in ACT
- replaced multi part polygon features to single parts for national consistency.

Features of Interest

There are over 500 feature types from government organisations in this dataset. Based on learnings, this year we have:

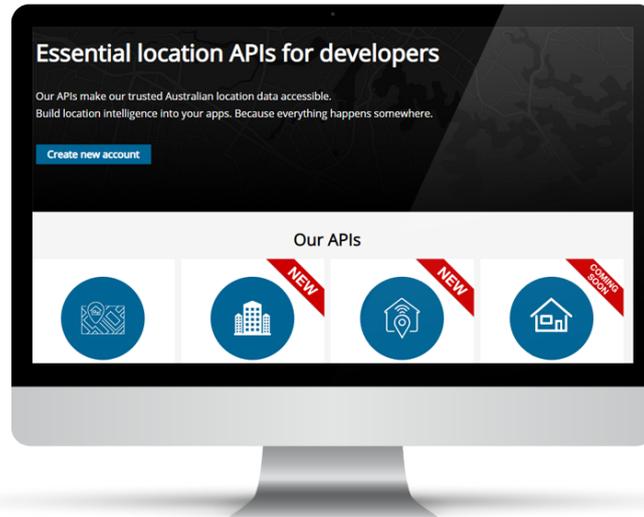
- improved the relationship between features and their associated locality
- improved the validation and correction of geometry for features.

Land Tenure

This dataset includes classified land parcels covering significant areas of Australia. Based on learnings, we introduced improvements to processing for the removal of duplicates, additional tenure types and the inclusion of additional features.

Postcode Boundaries

Postcodes are integral to mailing addresses and are used in a wide range of spatial aggregation and analysis activities. This year, we introduced postcode boundaries for Christmas Island, Cocos (Keeling) Islands, Jervis Bay and Norfolk Island, which all form part of Other Territories.



Developer portal

DEVELOPER SOLUTIONS

We continue to develop a new range of solutions tailored for the developer community, with our Predictive Address Verification (PAV) API the first to market. Our Addresses API and Buildings API transitioned smoothly from a successful beta testing process to production at the end of 2017–18.

Addresses API and Buildings API

Our new Addresses API verifies an address and returns attributes including fully parsed address data, electorates, local government and ABS statistical areas, plus property identifier and geographic coordinates.

The Buildings API returns a complex range of building attributes such as 2D and 3D building footprints, area, height, roof material and complexity, solar panels, ground elevation and adjacent swimming pools.

These two APIs represent more ways to interact with PSMA Australia data—through machine-to-machine queries at speed on a transactional basis.

Predictive Address Verification (PAV) API

The development of PAV continues to focus on new address verification features, the filtering of search results and greater customisation to meet developer needs.

Our key development priority for PAV API is to bring it into alignment with Addresses API and Buildings API, so predictive suggested addresses are linked to a larger range of data attributes and sources.

PSMA Cloud

PSMA Cloud continues to operate as a platform for developers by hosting a range of SOAP web services to improve messaging protocol specifications. These will be gradually replaced with standalone API products. Product learnings continue to contribute to the development of new representational state transfer (REST) APIs.

PSMA Developer Portal

The portal continues to improve our self-service options and provide account administration options such as usage and billing information.

The developer support portal is linked directly to our knowledge base, providing immediate access to a range of articles and other support options. It also operates as a platform for providing feedback, suggesting new features and improvements, and reporting issues.

OUR RESELLERS

PSMA Australia works with a diverse range of partners that use our foundation data to design specialised software, web services and customised solutions. Their business-ready products incorporate data and insights from both raw national spatial information and our own existing products.

Our wholly owned subsidiary, PSMA Distribution, is responsible for the management of our reseller network via appropriate licensing arrangements.

A list of our valued partners is included on page 8.

INDUSTRY LEADERSHIP

PSMA Australia plays an integral role in leading and contributing to innovation in the geospatial sector.

PSMA Australia's approach, as well as the technology and solutions we employ, have been recognised internationally. Our data management processes have been trialled in Europe and we played a key role in advising a knowledge and data-sharing arrangement covering Australia, the Americas and Europe.

In recognition of PSMA Australia's broad influence and thought leadership, our CEO Dan Paull was awarded the **2017 Asia Pacific Spatial Professional of the Year** for his outstanding achievements within the surveying and spatial industry. It's an impressive acknowledgement of Dan's passion for the spatial industry and his steering of PSMA Australia through its evolution.

At the ACT level of these awards, Tom Spencer was recognised as Young Spatial Professional of the Year, while Geoscape was also acknowledged.

Dan was also invited to attend the prestigious **Cambridge Conference** in July 2017. The exclusive conference, organised by Ordnance Survey and held in Oxford, UK, brought together leaders from national mapping, geospatial and cadastral organisations from around the world. Dan co-chaired a workshop on the topic, *What will be the relevance and benefit of a National Spatial Data Infrastructure (NSDI) in 2027?*

An international leader

"Dan's ability to detect technology advancements and understand how they support business needs across a range of industry verticals is unmatched. Dan uniquely brings together innovation, commercial collaboration and business acumen, which has placed Dan at the front of the pack!"

Kevin Lausten, Senior Director, Partnerships and Solutions, DigitalGlobe



**Dan Paull, CEO PSMA Australia,
2017 Asia Pacific Spatial
Excellence Awards, SSSI
Professional of the Year Award**

BUILDING HEIGHT

300M

16.8M

During 2017–18, we were also invited to:

- present at the 3D Geographic Information Conference in Melbourne in October 2017
- present at the ISO Outreach Day in New Zealand in December 2017 on our G-NAF Linked Data API (find out more about this API on page 23)
- participate in the Location Integration (Loc-I) Technical Reference Group— Loc-I is a deliverable of the Data Integration Partnership for Australia (DIPA) initiative.
- exhibit at CeBIT Australia, Sydney
- present at the DigitalGlobe Partner Conference, ENGAGE, London UK
- present at the SSSI NSW Annual Regional Conference, Bathurst.

Dan Paull presented at the international ENGAGE Conference run by DigitalGlobe in April 2018, where he spoke about the importance of building partnerships as a way to bring together data and technology to respond to market needs.



REDUCING CONSUMER UNCERTAINTY

PSMA Australia collaborated on an industry-wide research project to reduce consumer uncertainty about whether a particular data product is fit for their purpose.

PSMA Australia's Tom Spencer was the project leader for 3.16 Reducing Consumer Uncertainty, which was completed in June 2018. Together with project partners from the Cooperative Research Centre for Spatial Information (CRC-SI), QUT, Spatial Services NSW, DELWP VIC, Landgate and LINZ, we published a paper to deliver a vocabulary that:

- communicates the fitness for use of spatial data sources to users in the spatial and other domains
- standardises the way feedback can be provided against spatial products
- allows consumers to understand feedback and use cases when selecting data products
- facilitates multi-directional feedback, and responses to such feedback from suppliers, consumers and industry experts.

These vocabularies enable a supplier to publish quality metadata in a manner that enables more efficient assessment of the data's fitness for purpose by data consumers and businesses in spatial and non-spatial industries.

The project team interviewed more than 25 users of spatial data products across Australia and New Zealand. International research organisations have shown interest in further collaboration on the outputs and outcomes of this project.

G-NAF LINKED DATA API

As a result of a survey of Open G-NAF users and a review of CRC-SI's Semantic web research, we discovered that users require simple access to G-NAF data without the need to load it, preferably using a machine-readable, and standards compliant web format.

In response, we collaborated to publish G-NAF through a Linked Data API.

This activity was conducted in partnership with CSIRO, in consultation with:

- CRC-SI
- Geoscience Australia
- the Australian Bureau of Statistics
- Rob Atkinson
- the University of Melbourne Centre for Spatial Data Infrastructures and Land Administration
- the Australian National Data Service
- the Australian Government Linked Data Working Group.

Industry leadership aims

- **Build strong relationships with world-leading organisations**
 - **Simplify and standardise data, systems and specs for consistency and broader application**
 - **Gain insights for now and the future**
 - **A pivotal contributor within the geospatial sector, both nationally and internationally**
-

This work resulted in a number of changes to the G-NAF product, as well as identifying the need for development of some web standards to support API use cases. It also identified the need for improved governance processes for the maintenance of standardised code vocabularies that will be tested with ICSM's Permanent Committee on Addressing.

The publication of data through the API itself was completed in April 2018, with some governance and standards work still to be completed in consultation with ICSM, and W3C and OGC respectively.

STANDARDS

PSMA Australia takes a strong leadership role in the development of international standards.

In addition to chairing Open Geospatial Consortium (OGC) Domain Working Groups and the ANZ Regional Forum, PSMA Australia has also worked closely with world-leading organisations to establish a Geocoding API Standards Working Group (SWG), approved unanimously in December 2017. The goal of this group is to improve interoperability between client applications and libraries and geocoding services by providing a simple standardised interface specification for geocoding. We have also been leading an investigation of best practices for User Contributed Content with other world-leading organisations, with a view to standardisation through OGC in future.

PSMA Australia's activity within Standards Australia and the International Organisation for Standardisation (ISO) continues. We have accepted an invitation (as Expert) from the World Wide Web Consortium (W3C) to participate in its Spatial Data on the Web Interest Group, focusing on the alignment of W3C and OGC spatial technology strategies, and continuing development and visibility of Spatial Data on the Web Best Practices (see more about the group at <https://www.w3.org/TR/sdw-bp/>).

CUSTOMER CENTRICITY

Customer centricity is built into everything we do. Our approach means we want to offer customers what they want, when and how they want it. No longer are we starting with the product; rather, we're designing an **experience** based on what is required. We now have dedicated teams focused on specific customer segments and use cases to deliver the content when and how it creates the greatest value.

Our resellers remain an important element of our focus on customers—they provide crucial industry knowledge, client service and solutions. They make raw data readily available to suit business needs, either through enhanced, augmented data, embedding geocoding into 'off the shelf' software, or via web services. They are able to find workable business solutions to make complex data content usable for a variety of industries.

With the rollout of Geoscape, we continue to explore partnerships that help to deliver the expertise and value to market:

- local Government
- telecommunications
- developers
- state/territory governments—particularly agencies such as emergency services, health and infrastructure
- Cloud technology partners.

Smart Cities for the future

Innovation and reinvigoration is at the heart of the Greater Launceston Transformation Project, which brings together three levels of government, as well as local partners, to create a vibrant and liveable Greater Launceston region.

Project partners for the Greater Launceston Transformation Project are:

- City of Launceston
- West Tamar Council
- Meander Valley Council
- George Town Council
- Tasmanian Government
- University of Tasmania
- Sensing Value
- 2nd Road
- Australian Government.

Visualising and projecting:

- public space usage
- current and proposed developments
- floods
- traffic and parking
- energy consumption
- water supply and disposal
- air pollution
- noise
- environmental quality
- population patterns
- emergency response.

Data intelligence sourced from:

- CAD drawings in Revit or Sketchup format
- Traffic count data
- Government population projections by Local Government Area
- Planning overlays in GIS format
- Land use zones in GIS format
- PSMA Australia's Geoscape
- Resident/worker/visitor insights derived from mobility data.

We aim to create value for our stakeholders and partners who are looking for innovation for a wide range of markets. We're incredibly proud of the work our partners and clients are creating using our data.

Here's an example which showcases how our partner, Sensing Value, is doing just that.

CASE STUDY:

ANOTHER DIMENSION TO LAUNCESTON

After teaming up with Sensing Value on The Greater Launceston Transformation Project, a group of Launceston's local councils used 3D simulation technology, including Geoscape, to begin developing a new regional innovation ecosystem. Seeing layered datasets—visually represented on a map—gave a better understanding of development scenarios and their impact, mobility patterns, energy consumption, land use and other insights relating to urban and regional planning. Launceston's transition into a smart city is made possible by accurate, cost-effective and accessible data from Geoscape.

Sensing Value is delivering powerful 2D and 3D digital modelling, including new simulation capabilities, to provide strategic insight for the four local councils participating in the Greater Launceston Transformation Project—a collaborative endeavour of the Tasmanian State Government, the University of Tasmania, the cities of Launceston, Meander Valley, West Tamar and Georgetown.

"Greater Launceston is embracing the future of strategic planning through its use of emerging data and 3D simulation technologies, generating insights that will also support the initiatives of the new regional innovation ecosystem," said Sara Bennett, Co-owner and Managing Director of Sensing Value.

During two years of project scoping, and now through implementation, Sensing Value is layering datasets and providing visual representations of entire land areas to help local councils tackle long-term issues concerning social equity, education attainment and economic opportunity.

The digital city models will revolutionise regulatory development application processes by providing local councils with the ability to simulate how land use planning decisions affect the future functioning of the city.

It's an excellent example of going beyond static, standalone GIS images to create highly analysable, accurate data that can support productive and realistic decision-making.

And PSMA Australia's Geoscape is helping make all this possible.

ACCESSIBLE LOCATION DATA FOR EVERY ADDRESS IN AUSTRALIA

Before the arrival of Geoscape, reliable and accurate geospatial models of

“The next generation of 3D has arrived in urban planning. In addition to the great visuals that standard 3D techniques can deliver, Geoscape adds the ability to interrogate and analyse the 3D data on built form, land use and vegetation. Geoscape is enabling a new generation of smart urban planning to build better cities.”

David McCloskey, Co-owner & Founding Director, Sensing Value

Australia’s built environment were very expensive and difficult to efficiently create for regional areas. Now, with the availability of Geoscape, geospatial data including building footprints and heights, tree coverage and surface cover, can seamlessly combine with other data and technology to accurately represent regions such as the Greater Launceston area.

“Geoscape is one of our base layers of data—it’s an accurate foundational dataset providing analytical capabilities for scenario modelling,” said Sara.

“No other dataset offers that level of detail, particularly for regional or semi-rural areas.”

The modelling for Greater Launceston is helping governments at all levels develop realistic and sustainable planning rules, land use criteria, transport and amenities. At a glance, simulations allow decisions to be made based on evidence.

While other cities have built 3D visualisations, the Greater Launceston Transformation Project is the first in Australia to offer a full regional virtualisation, dynamically modelled on a range of factors, including energy consumption, people movement, land use and the environment. Importantly, the 3D models enable interaction between the four local councils for better regional planning, perspective and resource sharing.

“Because Geoscape data is national in coverage and is regularly updated, the solution is far more cost effective to maintain and update compared to using customised LiDAR or aerial photography data for entire local government areas,” said David.



Figure 3: 3D digital city model representation of Greater Launceston area

Smart tech: powering city decisions

Sensing Value builds world-class 2D and 3D digital city models using both open source platforms and Esri ArcGIS Pro, together with CommunityViz. Their models are powered with Geoscape and CyberCity 3D data, and other mobility data.

Rich data streams on the physical topography, built environment and patterns of usage have enabled the fast tracking of new approaches to managing significant social and community challenges.

“This fast-track approach is being activated through a collaborative ecosystem involving a range of universities, leading industry players and all tiers of government,” said David. “The knowledge being generated from the Greater Launceston Transformation Project is set to become a model and showcase for investments in smart cities and smart suburbs across Australasia.”



Powered by Geoscape
For more Geoscape customer solutions, visit
www.geoscape.com.au

OUR BRAND REACH

A YEAR IN REVIEW

Our company profile continues to receive positive exposure through our industry engagement, media coverage and social media presence. We have continued to move our marketing and communications initiatives towards more customer-centric campaigns (journeys across the lifecycle, customer segmentation), the promotion of new products (such as APIs), B2B social media and more industry-based marketing outreach.



Figure 4: Mapping our nation with Geoscape

A range of external communications initiatives were executed to support Geoscape's ongoing development and releases, as it nears product maturity.

The Buildings API and Addresses API have provided an opportunity to develop marketing and communications initiatives for the developer community, including the PSMA Developer Portal and Twitter account. The PSMA Beta Program and associated campaigns, which involved direct marketing and the distribution of limited edition promotional materials, have been particularly successful, with over 500 developers having joined the program since its launch in December 2017.

Our increased use of digital marketing automation and analytics tools continue to transform the organisation into a more customer-oriented business.

Ongoing product marketing and branding throughout the year resulted in 14 clips across industry and business media outlets. The earned media value of this coverage was estimated to be \$45,740, with a total monthly circulation reach of 2.24 million viewers in Australia and the United States.



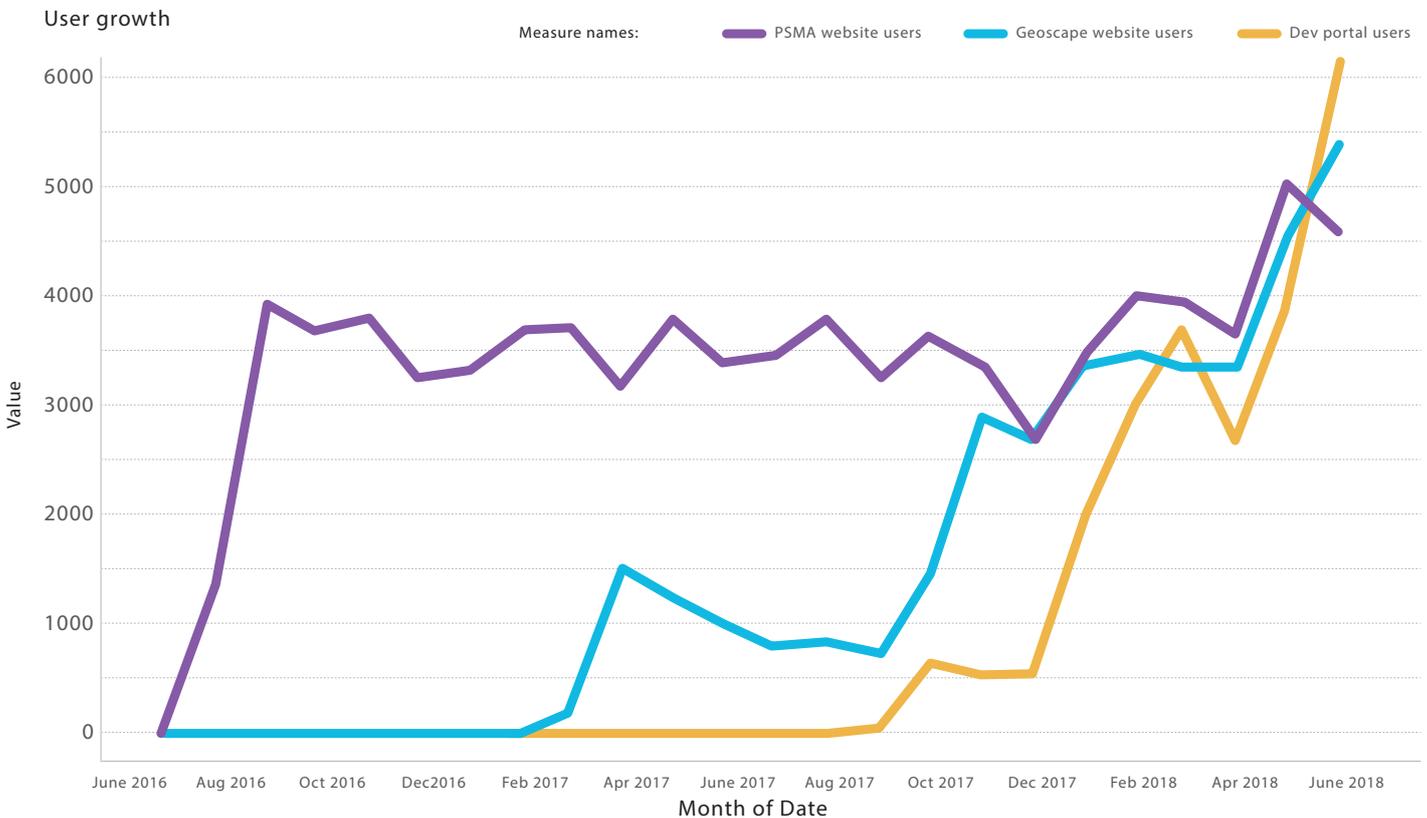
Figure 5: The successful beta program with Geoscape

Our corporate LinkedIn and Twitter accounts have been well-utilised over the past 12 months to increase B2B and B2C marketing outreach. An increase in followers across both platforms has been driven by more consistent content uploads, which are shared more widely amongst industry audiences and key influencers, generating greater traffic to the PSMA Australia website, Geoscape website and Developer Portal. PSMA Australia delivered an increase in reach across our platforms with visitation to the websites for Geoscape, PSMA Australia and Developer Portal all increasing compared to last year.

GROWING DEMAND

The Marketing and Communications team is responsible for growing demand for PSMA Australia’s products nationally. This includes our datasets for use by local, state and territory governments, small businesses and large enterprises.

Figure 6: PSMA Australia website usage growth



Demand is influenced by the team engaging in dialogue with our partner network, local government, businesses and software developers and by facilitating mutually beneficial initiatives. The communications strategy supports organisational objectives through the use of media, publications, electronic and social media, events and conferences, and by participating in industry cooperative research centre work (CRC-SI). While the primary audiences for our datasets are broad across Australian business, other key audiences include government and government stakeholders (local, state and federal) and influencers such as regulators, consumers, communities, researchers, educators and students.

This reporting period has seen the Marketing and Communications team focus on engaging with our partners to bring forth case studies of some of the great work they do using our products.

For example, with our partner Sensing Value, we developed a case study about the work they completed as part of the **Greater Launceston Transformation Project** (see page 26). During this reporting period, we also began engaging with a new audience for PSMA Australia: software developers, in the context of developing of our APIs and supporting tools. Significant work was undertaken to build key developer personas, which informed decisions about the launch of several APIs.

In April and May 2018, PSMA Australia participated in key industry events—Locate18-GeoSmartAsia and CeBIT Australia—to raise the profile of PSMA Australia and open up conversations about our data and our new means for accessing it. This approach is particularly important with new audiences to demystify the complexities around accessing geospatial products.

Exhibition Stand at CeBIT 2018, Sydney Australia



PEOPLE AND CULTURE

CELEBRATING OUR PEOPLE

Our greatest asset continues to be our staff. We're proud to be a great place to work and we attract a diverse range of talent. Our staff numbers have steadily grown in line with our revenue—46 staff as at 30 June 2018. Even during a year of significant change and growth, our staff retention rate was 84 per cent, with the majority of staff having worked with us for more than two years.

INCREASED AGILITY

In 2017, we transformed our operating model to a more nimble structure of autonomous, cross-functional delivery teams referred to as squads. They are our principal means of delivering products to the market and encourage innovation, collaboration and diverse attitudes to problem solving.

Our core capabilities are centred in common skills groups known as Chapters. These align the development of our people with the needs of the business, sponsor knowledge creation and sharing, plus contribute to strategic initiatives associated with the deployment of their competencies across the business.

MANAGING CHANGE

The Agile transformation of our business has enabled PSMA Australia to take a more modern approach to managing staff, resources and talent. Our working environment has expanded to accommodate new staff and reallocate workstations for new squads.

Staff no longer operate in a function-based structure, but utilise more autonomous, squad-based decision making which is guided by the strategic objectives of our business.

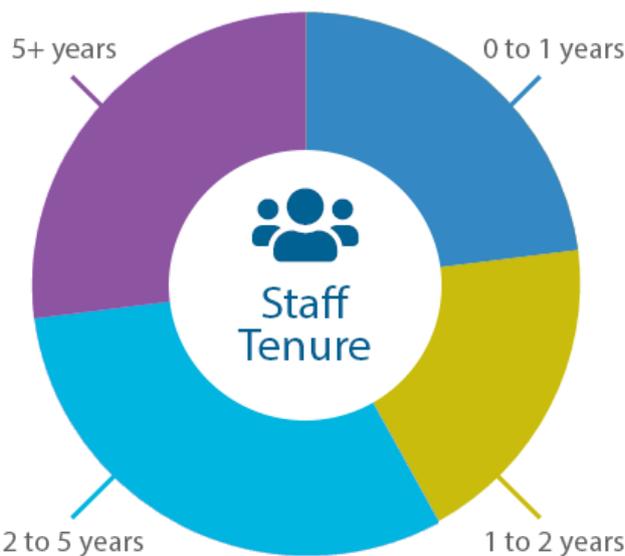


Figure 7: Staff tenure

“Our leadership philosophy is to challenge our staff with an issue or opportunity, outline the benefits to the business of solving it well, and passing it to the staff to innovate to find the best solution, often through quick iterations of a concept.”

Mike Watson, Head of People and Culture, PSMA Australia

We are moving more towards a customer-centric skills set, a focus for future recruitment and a focus in the development of our existing staff. Our external facing squads have increased in size, while our product development and delivery units have become more responsible for customer experience.

CORPORATE CULTURE AND RESPONSIBILITY

We continue to develop an open, honest and authentic work environment guided by our FRANK Cultural Program.

Our strong corporate culture is supported by the following initiatives:

- weekly all-staff meetings led by our CEO to provide updates and information on our business
- effective meetings protocol (including time blocking for two meeting-free afternoons a week)
- gratitude and recognition events and showcases
- diversity and inclusion activities
- health and wellbeing program, including onsite yoga program, supply of fresh fruit, supply of men's and women's health magazines
- PSMA Australia Employee Assistance Program (EAP) offering personal and family support services and an annual health and wellbeing check for every staff member.

Our corporate citizenship activities include:

- monthly participation in the Red Cross #Red25 donation program
- annual donations to the Make a Wish Foundation, RSPCA and support for the women's charity Share the Dignity
- annual participation in the Cancer Council's Biggest Morning Tea fundraising campaign
- regular fundraising and support for causes that are meaningful to our staff (e.g. Dry July).

ENHANCED COMMUNICATION

The introduction of the Agile model, along with our change management initiatives, has resulted in greater collaboration and communication across the business.

This focus has also been reflected in our office environment, which features more specialised areas for staff to gather and share insights.

2018 STRUCTURE

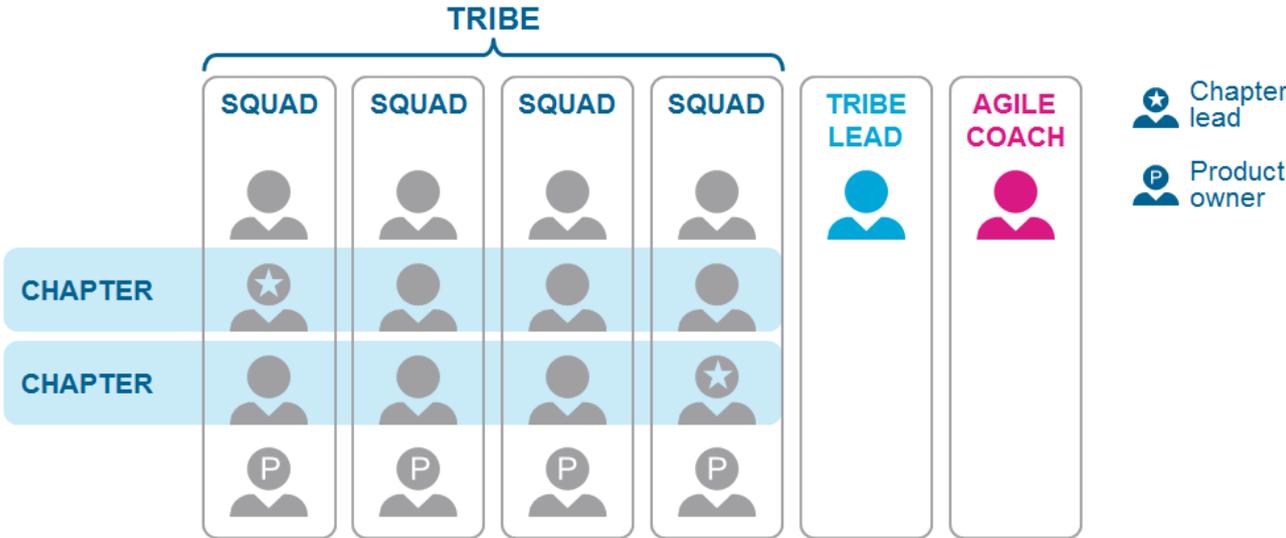


Figure 8: Our workforce restructure overview

FUTURE OUTLOOK

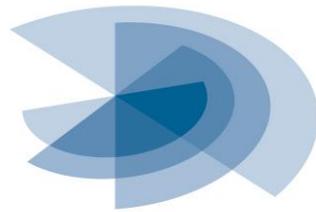
Location has always been the unsung hero of the digital economy. It is fundamental to how people live and how business is run, yet it is easy for it to go unnoticed. But as the speed and richness of all data increases, location becomes critically important. Instead of adding to the complexity of the data landscape, location has the power to bring order to it, anchoring knowledge in a real-world context and providing a common framework for analysis that reveals correlations previously invisible.

It is for this reason that PSMA Australia's location data products have become nationally important over time, and this puts the company in a strong position to capture future growth. However, in a disrupted industry success is not assured. We've said before that having great data is not enough. Data and the insights derived from it have to be delivered in a way that maximises value in both human and machine processes. This will continue to be the major focus for PSMA Australia in the coming year.

In particular, we will:

- Invest in the people and technology required to deliver the freshest and most reliable data to our customers.
- Improve access to our data and related services for software developers, GIS-capable enterprises and solution partners.
- Continue to diversify and build capability in our partner network so our data can be used in new and exciting ways by end users.

As always, we intend to engage with, and influence, the geospatial sector—both in Australia and internationally.



PSMA

AUSTRALIA
LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2018

PSMA Australia Limited
ABN 23 089 912 710

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report together with the financial report of PSMA Australia Limited and of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2018 and the auditor's report thereon.

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1 DIRECTORS

Name: Glenn Appleyard

Qualifications and Affiliations: Bachelor of Economics
Graduate Member, Australian Institute of Company Directors (GAICD)

Experience: Member of Commonwealth Grants Commission; Chair of Tasmanian Economic Regulator; Member of Australian Accounting Standards Board; Chair of General Practice Tasmania.
Current member of Independent Hospital Pricing Authority, since 2012.

Special Responsibilities: Independent Chairman and Director of PSMA Australia; Chair of PSMA Executive Committee; Independent Chairman of PSMA Distribution.

Name: Jodi Cant

Qualifications and Affiliations: Bachelor of Economics; Graduate Member, Australian Institute of Company Directors (GAICD); Fellow of Leadership Western Australia.

Experience: Chair of earthmine Australia, since February 2012; General Manager of Business Development, Landgate, Western Australia, since 2009; Executive Director / Innovation Manager / Corporate Communications Manager, Landgate Western Australia, 2004-2009.

Special Responsibilities: Nominee Director of PSMA Australia; Member of PSMA Executive Committee.

Name: Fabio Finocchiaro

Qualifications and Affiliations: Bachelor of Arts (Town Planning).

Experience: Executive Director of Land Services, Northern Territory Department of Infrastructure Planning and Logistics; Senior Director Land Information Services, 2011-2012.

Special Responsibilities: Nominee Director PSMA Australia; Member of PSMA Group Audit Committee.

Name: Walter Mayr

Qualifications and Affiliations: Bachelor Applied Science Surveying; Graduate Diploma (Land Information Management); Licensed Surveyor.

Experience: Director of Mapping, RPS Group, since 2011; Executive Director of Terranean Mapping Technologies, 2005-2011; Product Director of Asia Pacific, MapInfo Corp, 2001-2005; Chairman of Spatial Industry Action Agenda, 2000-2001; Managing Director of ERSIS Australia, 1991-2001; Director of ERSIS Australia, 1989-1991.

Special Responsibilities: Independent Director of PSMA Australia; Member of PSMA Executive Committee.

Name: Stuart Fletcher

Experience: General Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment, Tasmania, since 2016; Information and Program Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment, Tasmania, 2014 – 2016; Advisor, Office of the Deputy Premier, Department of Premier and Cabinet, 2016; Manager Spatial Operations, Information and Land Services, Department of Primary Industries, Parks Water and Environment, Tasmania, 2008 – 2014.

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Group Audit Committee.

Name: Lynne Robinson

Qualifications and Affiliations: Bachelor of Arts, Master of Agribusiness (Dean's Honours).

Experience: Managing Partner of Mercury Partners, since 2009; Program Director of ANZ Technology, Executive Manager of Platforms, Senior Manager of Service Integration, ANZ Banking Group, 2003-2008; Senior Manager of ING Australia, 2001-2003.

Special Responsibilities: Independent Director of PSMA Australia; Member of PSMA Executive Committee.

Name: Jeffrey Brown

Qualifications and Affiliations: Bachelor of Surveying (UNSW), Registered Surveyor ACT, Registered Land Surveyor NSW, Certificate IV in Government (Investigations), Certificate II in Workplace Training
Member of Surveying and Spatial Sciences Institute (SSSI), Member of the Institution of Surveyors NSW (IS-NSW)

Experience: Managing Director of Jeff Brown Surveys Pty Ltd 1996-2010, Partner of Brown Clarke & Di Pauli 1989-1996, Managing Director of Jeff & Leigh Brown Pty Ltd 1983-1989, President of The Institution of Surveyors ACT 1992, Chairman of the Survey Practice Accreditation Scheme subcommittee 2001-2002, Board Member of ACS Search Pty Ltd 2001-2006, Chairman of ACS Search Pty Ltd 2006, Chairman of the Association of Consulting Surveyors NSW 2003-2004, Board member of the Association of Consulting Surveyors NSW 2001-2006, Co-chair ACT Place Names Committee 2014-date; ACT Representative member of ANZLIC 2015-date; ACT Representative member of CRSBANZ 2015-date.

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Group Audit Committee.

Name: Penelope Winslade

Qualifications and Affiliations: Bachelor of Arts (Honours); Master of Business Administration (MBS); Member, Australian Institute of Company Directors (MAICD)

Experience: Executive Director, Victorian Department of Environment Land Water and Planning, 2014 – 2017; Executive Director, Victorian Department of Premier and Cabinet, 2012 – 2013; General Manager, WW Public Sector, Boston Consulting Group, 2007 – 2011.

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Group Audit Committee.

Name: Bruce Thompson

Qualifications and Affiliations: Bachelor of Design Studies; Master of Business (Information Systems), ANZSOG Fellow

Experience: Executive Director Spatial Services, NSW Department of Finance, Services and Innovation, since 2016; General Manager Land Services, Victorian Department of Environment, Land, Water and Planning, 2015 – 2016; Deputy Secretary Corporate Services, Victorian Department of Environment and Primary Industries, 2013 – 2015; Chief Information Officer, Victorian Department of Sustainability and Environment, 2011 – 2013; Director Spatial Information Infrastructure, Victorian Department of Sustainability and Environment, 2003 – 2010; Deputy Chair ANZLIC

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Executive Committee.

2 COMPANY SECRETARY

Name: Daniel Paull

Qualifications and Affiliations: Fellow of Australian Institute of Company Directors (FAICD); Master of Business Administration (Executive); Bachelor of Surveying (Honours); Company Directors Diploma; Certificate of Competency – Board of Surveyors NSW; Advanced Diploma in Project Management.

Experience: Chief Executive Officer, PSMA Australia from 2001 (appointed Company Secretary 2001); Chief Executive Officer, PSMA Distribution Pty Limited from 2008

Special Responsibilities: Company Secretary of PSMA Australia Limited; Member of PSMA Executive Committee; Executive Director of PSMA Distribution.

3 DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) held during the year, and the number of meetings attended by each of the persons holding office as directors and officers of the Company at the date of this report, are as follows.

	PSMA Australia Directors' Meetings	Audit Committee Meetings	Executive Committee Meetings
Number of meetings held	4	2	3
Glenn Appleyard	4	-	2
Jeffrey Brown	4	2	-
Jodi Cant	4	-	3
Fabio Finocchiaro	4	2	-
Stuart Fletcher	4	2	-
Walter Mayr	4	-	3
Lynne Robinson	4	-	3

Bruce Thompson	4	-	2
Penelope Winslade	4	2	-
Daniel Paull	4	2	3

4 CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year.

4.1 Board of Directors

Role of the Board

The primary role of the PSMA Australia Board is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including: formulating its strategic direction; approving and monitoring budgets and capital expenditure; appointing and evaluating performance of the Chief Executive Officer; establishing and monitoring the achievement of management's goals; and ensuring the integrity of internal controls and management information systems. It is also responsible for approving and monitoring financial processes and reporting.

The Board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer and Executive Committee. Responsibilities are delineated by formal authority delegations.

PSMA Australia Board processes

To assist in the execution of its responsibilities, the PSMA Australia Board has established two permanent committees, the Executive Committee and the Group Audit Committee. These committees have written mandates and operating procedures, which are reviewed annually. The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process, and a guideline of appropriate ethical standards. Other committees are established as required, on an ad hoc basis.

The Board currently holds four scheduled meetings each year. The agenda for the meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary. Standing items include the financial reports, strategic matters, governance, and compliance. During visits to business operations, directors have opportunities for contact with a wide group of employees.

Composition of the Board

The names of the directors of the Company at any time during the year, specifying those who are independent, are set out in the Directors section of the Directors' Report. The composition of the Board is determined using the following principles:

- not less than three directors, nor more than twelve
- each shareholder may elect to nominate a related Director
- up to three directors independent of any shareholder
- independent directors having a blend of expertise in finance and accounting, law, marketing and the Company's business drivers
- chairperson shall be an independent director.

4.2 Remuneration of directors

No director has received, or become entitled to receive, a benefit that has not been 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. Transactions with related parties have been disclosed in note 21 of the Notes to the Financial Statements.

4.3 Committees of the board

At the date of this report, the Company has an Audit Committee and an Executive Committee. Members acting on these committees during the year were:

Executive Committee:	Audit Committee:
Glenn Appleyard	Fabio Finocchiaro
Daniel Paull	Penelope Winslade
Jodi Cant	Jeffrey Brown
Walter Mayr	Stuart Fletcher
Lynne Robinson	
Bruce Thompson	

Executive committee

The Executive Committee acts on behalf of the Board between meetings, providing a degree of flexibility and the ability to respond to time-sensitive business and legal matters without calling a special board meeting. The key function of the Executive Committee is to oversee the management of the Company, including: the review of key projects; approving and monitoring budgets and capital expenditure; overseeing the implementation of strategy; day-to-day management; and the financial viability of the Company. Actions taken by the committee are binding and do not require ratification by the Board to be legally effective.

The Executive Committee comprises at least three Directors and the Chief Executive Officer. The Chairperson of the board also chairs the Executive Committee.

The committee met three times during the year and committee members' attendance record is disclosed in the table of Directors' meetings in the Directors' Report.

Group Audit committee

The Group Audit Committee has a documented charter, approved by the Board. The committee advises on the establishment and maintenance of a framework of internal controls; appointment and liaison with internal and external auditors; financial processes and reporting; and regular monitoring of the Group's risk register.

The Group Audit Committee comprises three Directors. At the discretion of the committee, the Chief Executive Officer, the in-house legal counsel and Financial Controller are invited to audit committee meetings.

The committee met two times during the year and committee members' attendance record is disclosed in the table of Directors' meetings in the Directors' Report.

4.4 Conflict of interest

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis, and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- Board approval of the strategic plan, which encompasses the Company's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk
- implementation of the shareholder approved Annual Program and monitoring of progress against the Program
- establishment of a Risk Register, which is subject to regular maintenance and quarterly review by the Audit Committee and Board.

5 PRINCIPAL ACTIVITIES

The principal objective of PSMA Australia Limited is to be the national provider of authoritative location information and services for Australia. Consequently, the major activities during the year focused on:

- assembling fundamental datasets of national interest
- coordinating the delivery of these datasets, so as to achieve the widest possible audience and widest possible use
- assisting organisations and individuals to maximise the value from these datasets, with the least amount of effort and, in doing so, maximising the economic, social and environmental benefits.

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

6 REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Operational Review section of the PSMA Australia Limited Annual Report 2017-2018.

7 PERFORMANCE MANAGEMENT

Management and the Board monitor the Group's overall performance from the implementation of the mission statement and strategic plan, through to the performance of the Group against its Annual Program and financial budgets.

The directors receive both financial and strategic reports for review prior to each quarterly board meeting, allowing all directors to actively monitor the Group's performance.

8 OPERATING RESULTS

The Group earned an operating profit of \$3,693,760 (2017: \$5,202,921) for the financial year from 1 July 2017 to 30 June 2018. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

9 DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2017 to 30 June 2018 (2017: Nil).

10 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company and Group were exempt from income tax under the provisions of Section 24AM of Division 1AB of the *Income Tax Assessment Act 1936* on the grounds that the Company is a State/Territory body, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

11 EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report, there has arisen no item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in the future financial year.

12 FUTURE DEVELOPMENTS

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the Looking Ahead section in the Operational Review of the PSMA Australia Limited Annual Report 2017 - 2018.

13 OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2017 to 30 June 2018. 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.

14 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

During or since the end of financial year the Group has paid or agreed to pay insurance premiums of \$7,432 to AIG Australia Limited in respect of a policy that specifically covers directors' and officers' liability, and \$935 to Chubb Insurance Limited in respect to a policy that provides personal accident insurance for non-working directors and volunteers.

The Group 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 that was incurred by an officer of the Company, including costs and expenses in defending legal proceedings; or
- paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Company, for the costs and expenses in defending legal proceedings.

15 PROCEEDINGS 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.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Glenn Appleyard
Chairman, PSMA Australia Limited
Dated at Canberra this 9th day of October 2018

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Glenn Appleyard

Chairman, PSMA Australia Limited

Dated at Canberra this 9th day of October 2018



Jodi Cant

Deputy Chairman/Director, PSMA Australia Limited

Dated at Canberra this 9th day of October 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018	2017
		\$	\$
Revenue			
Access fees	6	9,888,603	9,780,656
Royalties	6	5,486,587	3,952,173
PSMA cloud and consulting	6	600,857	798,406
Interest	7	64,638	70,749
Other income	6	59,090	45,884
Other gains and (losses)	6	80,295	(241,228)
Total revenues from ordinary activities		16,180,070	14,406,640
Expenses from operations			
Employee benefits expense	8	6,604,458	5,364,274
Depreciation and amortisation expenses	15	150,902	147,664
Other expenses	9	5,730,950	3,691,781
Total expenses from operations		12,486,310	9,203,719
Profit before income tax expense		3,693,760	5,202,921
Income tax expenses	10	29,371	(288,309)
Profit after income tax expense		3,664,389	5,491,230
Other comprehensive income		-	-
Total comprehensive income for the year		3,664,389	5,491,230

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	11.1	8,714,618	10,724,121
Investments	12	90,472	83,979
Trade and other receivables	13	2,666,614	1,398,960
Other assets	14	139,431	197,269
Total current assets		11,611,135	12,404,329
Non-current assets			
Property, plant and equipment	15	274,252	363,424
Deferred tax	16	198,716	213,754
Intangible assets	17	16,089,775	11,173,931
Total non-current assets		16,562,743	11,751,109
TOTAL ASSETS		28,173,878	24,155,438
LIABILITIES			
Current liabilities			
Trade and other payables	18	2,748,661	2,544,624
Income in advance		858,286	542,689
Income tax		(139,945)	(69,479)
Provisions	19	336,624	361,571
Other financial liabilities	20	-	84,155
Total current liabilities		3,803,626	3,463,560
Non-current liabilities			
Provisions	19	281,209	193,250
Deferred tax	21	57,292	131,266
Total non-current liabilities		338,501	324,516
TOTAL LIABILITIES		4,142,127	3,788,076
NET ASSETS		24,031,751	20,367,362
EQUITY			
Issued capital		9	9
Retained earnings		21,963,779	18,299,390
Reserves		2,067,963	2,067,963
TOTAL EQUITY		24,031,751	20,367,362

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
Note	2018	2017	
	\$	\$	
<i>Cash flows from operating activities</i>			
Receipts from customers	15,836,019	15,416,386	
Payments to suppliers and employees	(13,004,503)	(9,472,049)	
Interest received	64,638	70,749	6
Other gains and losses	80,295	(241,228)	
Net cash provided by operating activities	2,976,449	5,773,858	11.2
<i>Cash flows from investing activities</i>			
Purchase of plant and equipment	(63,615)	(91,329)	15
Capitalisation of intangibles	(4,915,844)	(4,694,408)	17
Increase in investments	(6,493)	-	12
Net cash used in investing activities	(4,985,952)	(4,785,737)	
Cash at beginning of year	10,724,121	9,736,000	
Net (decrease) increase in cash held	(2,009,503)	988,121	
Cash at end of year	8,714,618	10,724,121	11.1

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Group	Share Capital (Ordinary) \$	Retained Earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2016	9	12,808,160	2,067,963	14,876,132
Profit for the year	-	5,491,230	-	5,491,230
Balance at 1 July 2017	9	18,299,390	2,067,963	20,367,362
Profit for the year	-	3,693,760	-	3,693,760
Balance at 30 June 2018	9	21,993,150	2,067,963	24,061,122

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1 REPORTING ENTITY

PSMA Australia Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is Unit 6, Level 2, 113 Canberra Avenue, Griffith ACT 2603.

Controlled entities during the financial year ended 30 June 2018 were:

- PSMA Distribution Pty Ltd

The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

The nature of the operations and principal activities of the Group during the year were:

- assembling fundamental datasets of national interest
- coordinating the delivery of these datasets, so as to achieve the widest possible audience and widest possible use
- assisting organisations and individuals to maximise the value from these datasets, with the least amount of effort and in doing so maximise the economic, social, and environmental benefits.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors.

2.2 Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The methods used to measure fair value have been discussed further in note 4.

2.3 Functional and presentation currency

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

2.4 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are described in the following notes:

- note 3.5 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 3.8 and 16 – provision accounts

2 BASIS OF PREPARATION (CONTINUED)

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Impairment testing as at 30 June 2018 confirmed no impairment of the PSMA Datasets and PSMA Systems as disclosed in the Company's financial statements.

The Company determines whether intangibles with indefinite useful lives are impaired on at least an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

3.2 Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by PSMA Australia Limited at the end of the reporting period. The controlled entity is any entity over which PSMA Australia Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year in which they were controlled. A list of controlled entities is contained in note 1 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in the subsidiary not attributable directly or indirectly, to the parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

Non-derivative financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Key judgement – provision for impairment of receivables

The directors believe that the full amount of each debt is recoverable, and no provision for impairment of receivables has been made at balance date.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

3.4 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.5 Property, plant and equipment

Recognition and measurement

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

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amounts, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful life of an item of property, plant or equipment, commencing from the time the asset is held ready for use.

The estimated useful lives for the current and comparative period are:

Class of fixed asset	Estimated useful life	Depreciation rate
Plant and equipment	5 years	20%
Furniture and fittings	5 years	20%
Computer hardware	4 years	25%
Computer software	5 years	20%

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

3.6 Intangible assets

Intangible assets are initially carried at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment when there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least each financial year-end, and the amortisation expense is recognised in the profit and loss.

Intangible assets with an indefinite useful life are tested for impairment annually, either individually or as a cash-generating unit. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable.

Datasets developed using intellectual property owned by PSMA Australia Limited are valued in the accounts at cost of development and enhancements of the asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of assets

Intangible assets are initially carried at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of an asset's carrying value over its recoverable amount is expensed in the income statement. Impairment testing is performed annually for intangible assets with indefinite lives.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment when there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least each financial year-end, and the amortisation expense is recognised in the profit and loss.

Intangible assets with an indefinite useful life are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

3.8 Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

An intangible asset arising from development expenditure, on an internal project, is recognised only when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete, and its ability to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the development
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost for an intangible asset with indefinite useful life, or cost less any accumulated amortisation and accumulated impairment losses for an asset with a finite life. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

3.9 Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Provisions

Provisions are recognised if, as a result of a past event:

- the Group has a present legal or constructive obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting future cash flows using a current rate that reflects the risk specific to the liability.

3.11 Revenue recognition

Revenue is recognised when the Group's right to receive the payment is established.

Royalties are recognised on an accrual basis in accordance with the relevant agreement. Royalties from the licensing of spatial data are recognised upon receipt of a royalty report from Value Added Resellers (VARs) detailing the number and value of sales for the period.

Interest revenue is earned on funds invested and 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 on the delivery of the service to the customers.

3.12 Leases

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

3.13 Income tax

The Company and Group were exempt from income tax under the provisions of Section 24AM of Division 1AB of the *Income Tax Assessment Act 1936* on the grounds that the Company is a State/Territory body, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Income tax (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

PSMA Australia Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

3.14 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense
- for receivables and payables which are shown inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office, is included as part of the receivables and payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of the cash flows arising from investing and financial activities, which is recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018. The impact of its adoption is expected to be minimal.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018. The impact of its adoption is expected to be minimal.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019. The impact of its adoption is expected to be material.

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

4.1 Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets. The assumptions and methodology used to assess the fair values are set out in note 17.

4.2 Investments in equity and debt securities

Financial assets at fair value through profit or loss and held-to-maturity investments are determined by reference to their quoted bid price at reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

5 FINANCIAL RISK MANAGEMENT

The Company and Group have exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

5.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and investment securities. For the Company, it arises from receivables due from the subsidiary. The maximum exposure to credit risk for 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.

5 FINANCIAL RISK MANAGEMENT

5.1 Credit risk (continued)

Trade and other receivables

The Group has a limited exposure to credit risk from receivables as all licencing arrangements with resellers are negotiated as data licence contracts signed by both parties. Failure to abide by the terms of the contract could result in a withdrawal of data services and a refusal to negotiate a new contract by the Group.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of A1+ from Standard & Poor's. Given these high ratings, management does not expect any counterparty to fail to meet its obligations.

5.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group has sufficient cash on hand to meet expected operational expenses for 90 days, and maintains a minimum of \$2.5 million in short-term financial instruments that can be drawn down to meet financing needs.

5.3 Market risk

The Group's major exposure to market risk is interest rate and foreign exchange risk.

The Group's principal financial instruments comprise cash and short term deposits, and the primary purpose of the Group's investment strategy is to maximise investment returns in order to contribute to the funding of the Group's operations.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	Fixed interest rate maturing within 1 year		Fixed interest rate maturing 1-5 yrs		Floating interest rate		Non-interest bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Financial assets										
Cash	1,890,000	1,890,000	-	-	7,882,915	8,834,121	-	-	9,772,915	10,724,121
Receivable	-	-	-	-	-	-	88,160	1,398,960	88,160	1,398,960
Investment	83,979	83,979	-	-	-	-	-	-	83,979	83,979
Total	1,973,979	1,973,979	-	-	7,882,915	8,834,121	88,160	1,398,960	9,945,054	12,207,060
Financial liabilities										
Payable	-	-	-	-	-	-	2,101,083	2,544,624	2,101,083	2,544,624
Derivatives	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	2,101,083	2,544,624	2,101,083	2,544,624

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Market risk (continued)

Foreign currency risk

Foreign exchange risk relates to the contracts from our value-added resellers, which is pre-dominantly quoted in US Dollar. To mitigate the foreign exchange risk, the Group has adopted the option of using forward contracts that mature on the same dates that the foreign currency transactions are due to be received.

The company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated Group	US Dollars	
	2018	2017
	\$	\$
Cash and cash equivalents	3,238,212	3,562,317
Total assets	3,238,212	3,562,317
Trade and other payables	(477,816)	(940,311)
Total liabilities	(477,816)	(940,311)
Net assets/(liabilities)	2,760,396	2,622,006

The company had net assets denominated in foreign currencies of \$2,760,396 (assets of \$3,238,212 less liabilities of \$477,816) as at 30 June 2018. Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the company's profit before tax for the year would have been \$276,040 higher/\$138,020 lower. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2018 was \$220,252 (2017: Loss \$123,610).

5.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the stability of capital and has agreed by resolution that:

- current ratio should not fall below 1.5:1;
- current assets should exceed current liabilities by three months' projected operating costs; and
- the Company should have a minimum of \$2,500,000 in short term financial instruments.

While the current ratio as at 30 June 2018 was 3.5:1, the ratio indicates that the Company has sufficient liquid assets to meet its short-term obligations.

There were no changes in the management approach to capital management during the year, and neither the Company nor its subsidiary are subject to externally imposed capital requirements.

6 REVENUE AND OTHER INCOME

	Consolidated	
	2018	2017
	\$	\$
Services revenue		
VAR access fees	181,687	224,151
Corporate access fees	9,706,916	9,556,505
	9,888,603	9,780,656
PSMA cloud and consulting	600,857	798,406
Total services revenue	10,489,460	10,579,062
Non-services revenue		
Royalties	5,486,587	3,952,173
Interest	64,638	70,749
Total non-services revenue	5,551,225	4,022,922
Other income		
Miscellaneous	59,090	45,884
Total other income	59,090	45,884
Other gains and (losses)		
Foreign exchange gain/(loss)	209,597	(125,780)
Unrealised gain/(loss) on derivative financial instruments	-	(84,155)
Realised gain/(loss) on derivative financial instruments	(129,302)	(31,293)
Total other gains and (losses)	80,295	(241,228)
Total revenue	16,180,070	14,406,640

7 INTEREST

Interest income on cash at bank balances	12,297	4,680
Interest income on term deposits	52,341	66,069
Finance Income	64,638	70,749
Bank charges	(10,544)	(7,129)
Finance expense	(10,544)	(7,129)
Net finance income	54,094	63,620

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

8 EMPLOYEE BENEFITS EXPENSE

	Consolidated	
	2018	2017
	\$	\$
Wages and salaries	5,331,390	4,187,574
Employer superannuation	497,039	430,492
Payroll tax	276,235	202,537
Annual leave provision (movement)	(29,961)	43,045
Long-service leave provision (movement)	92,972	28,951
Staff training and professional development	139,806	98,247
Human resources - other	270,647	361,803
Workers compensation insurance	26,330	11,625
Total employee benefits	6,604,458	5,364,274

9 OTHER EXPENSES

Administration costs	41,570	36,310
Equipment	353,402	181,615
Human resource management	14,452	17,430
Insurance	33,275	30,469
Marketing	288,737	228,423
Other expenses	10,998	103,591
Overheads	390,937	377,919
Professional services	130,296	109,072
Research and development	9,532	40,000
Royalty returns	1,000,863	853,906
Supply chain management	1,683,551	1,360,172
Telecommunications	66,672	53,045
Transformation program	1,494,816	-
Travel	211,849	299,829
Total other expenses	5,730,950	3,691,781

10 INCOME TAX EXPENSE

The Company and Group were exempt from income tax under the provisions of Section 24AM of Division 1AB of the *Income Tax Assessment Act 1936* on the grounds that the Company is a State/Territory body, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

Income tax expense		
Current tax	88,307	(69,479)
Deferred tax	(58,936)	(218,830)
Income tax expense	29,371	(288,309)

Deferred tax included in income tax expense comprises:

Increase in deferred tax assets (note 16)	15,039	(52,235)
Increase in deferred tax liabilities (note 21)	(73,975)	(166,595)
Deferred tax	(58,936)	(218,830)

10 INCOME TAX EXPENSE (CONTINUED)

	Consolidated	
	2018	2017
<i>Income tax reconciliation</i>	\$	\$
Profit before income tax expense	3,693,760	5,202,921
Tax at the statutory rate of 30%	1,108,128	1,560,876
Tax effect amounts which are not deductible	409,970	147,668
R&D Offset	(1,488,727)	(1,996,853)
	29,371	(288,309)
Adjustment recognised for prior periods	-	-
Income tax expense	29,371	(288,309)

11 CASH

11.1 Cash and cash equivalents

Cash and cash equivalents		
Cash at bank and in hand	6,824,618	8,834,121
Short term bank deposits	1,890,000	1,890,000
Cash and cash equivalents in the statement of cash flows	8,714,618	10,724,121

The effective interest rate on the bank deposits was 2.42%, with an average maturity of 92 days.

Cash held in trust		
Cash at bank	53,544	53,734
Total cash held in trust	53,544	53,734

The amount is due to funds held in trust for customers.

11 CASH (CONTINUED)

11.2 Statement of cash flows

Reconciliation of cash flows from operating activities

The Group has no credit stand-by or financing facilities in place, and there were no non-cash financing or investing activities during the period.

	Consolidated	
	2018	2017
	\$	\$
Cash flows from operating activities		
Profit attributable to members:	3,693,760	5,491,230
Non-cash flows in profit		
Depreciation	150,902	147,664
Loss from disposal of assets	1,885	-
Unrealised loss on derivative financial instruments	-	84,155
Operating profit before changes in working capital and provisions	3,846,547	5,723,049
Change in trade and other receivables	(1,267,654)	(218,639)
Change in other assets	57,838	(117,874)
Change in trade and other payables	204,037	770,034
Change in provisions and employee benefits	63,012	71,997
Change in income in advance	315,597	26,072
Change in tax	(158,773)	(480,781)
Net cash from operating activities	3,060,604	5,773,858

12 INVESTMENTS

Term deposits	90,472	83,979
Total investments	90,472	83,979

The above term deposits are held by the bankers to cover the bank guarantee of \$65,205 (2017: \$65,205) issued. The effective interest rate on the term deposits was 2.00%, with an average maturity of 93 days.

13 TRADE AND OTHER RECEIVABLES

Trade receivables	1,616,656	16,850
Interest receivable	5,467	4,822
Accrued income	1,044,491	1,377,288
Total trade and other receivables	2,666,614	1,398,960

Trade receivables are non-interest bearing and are generally on 30-day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable has been impaired.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

14 OTHER ASSETS

	Consolidated	
	2018 \$	2017 \$
Prepayments	139,431	197,269
Total other assets	139,431	197,269

15 PROPERTY, PLANT AND EQUIPMENT

IT Hardware – at cost	340,631	360,569
Accumulated depreciation	(230,700)	(232,202)
	109,931	128,367
IT Software – at cost	547,504	539,123
Accumulated depreciation	(393,773)	(332,864)
	153,731	206,259
Furniture and Equipment – at cost	146,461	119,799
Accumulated depreciation	(135,871)	(105,386)
	10,590	14,413
Building Fit out – at cost	144,838	144,838
Accumulated amortisation	(144,838)	(130,453)
	-	14,385
Total plant and equipment	274,252	363,424

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 Hardware \$	IT Software \$	Furniture and Equipment \$	Building Fitout \$	Total \$
Balance at 1 July 2017	128,367	206,259	14,413	14,385	363,424
Additions	53,531	8,382	1,702	-	63,615
Depreciation expense	(70,082)	(60,910)	(5,525)	(14,385)	(150,902)
Disposal of assets	(1,885)	-	-	-	(1,885)
Carrying amount at 30 June 2018	109,931	153,731	10,590	-	274,252

16 DEFERRED TAX ASSET

	Consolidated	
	2018 \$	2017 \$
<i>Deferred tax asset comprises temporary differences attributable to :</i>		
Amounts recognised in profit or loss:		
Employee benefits	(15,039)	52,235
Deferred tax asset	(15,039)	52,235

17 INTANGIBLE ASSETS

Intangible assets - indefinite lives		
PSMA Datasets and Products	3,689,722	3,689,722
PSMA Systems - Services	1,578,951	1,578,951
PSMA Systems - Data Management	1,210,850	1,210,850
PSMA Geoscape	9,610,252	4,694,408
Total intangible assets	16,089,775	11,173,931
Net carrying value	16,089,775	11,173,931
Reconciliation		
Opening balance at 1 July	11,173,931	6,479,523
Addition	4,915,844	4,694,408
Closing balance at 30 June	16,089,775	11,173,931

The recoverable amount of the Group's intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

- a) 10% (2017: 10%) pre-tax discount rate;
- b) Annual projected revenue growth rate of 1.50% for traditional datasets and 15% for Geoscape; and
- c) Annual increase of 7.5% for traditional datasets and 10% for Geoscape in operating costs and overheads.

The discount rate of 10% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the Group, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on the general trend in the market.

17 INTANGIBLES ASSETS (CONTINUED)

Sensitivity

The directors have made judgements and estimates in respect of impairment testing of intangibles. Should these judgements and estimates not occur the resulting intangibles carrying amount may decrease.

The sensitivities are as follows:

- i) The discount rate would be required to increase by 4% before the intangibles would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the intangibles is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of intangibles is based, this would result in a further change in the recoverable value of the intangibles.

18 TRADE AND OTHER PAYABLES

	Consolidated	
	2018	2017
	\$	\$
Trade payables		
Trade creditors	842,506	1,103,987
Employee benefits	104,720	109,901
	947,226	1,213,888
Accrued expenses		
Accrued wages and salaries	163,653	137,860
Accrued Jurisdictional Royalties for 17/18	1,000,863	-
Accrued Jurisdictional Royalties for 16/17	339,829	853,906
Accrued Jurisdictional Royalties for 14/15	4,265	37,410
Accrued Jurisdictional Royalties for 13/14	-	31,659
Accrued Jurisdictional Royalties for 12/13	-	32,053
Accrued Jurisdictional Royalties for 11/12	-	30,148
Accrued Jurisdictional Royalties for 10/12	-	32,060
Other accrued expenses	292,825	175,640
	1,801,435	1,330,736
Total trade and other payables	2,748,661	2,544,624

19 PROVISIONS

	Consolidated	
	2018 \$	2017 \$
Current		
Annual leave provision	233,353	260,531
Long service leave provision	103,271	101,040
	336,624	361,571
Non-current		
Annual leave provision	23,945	26,728
Long service leave provision	257,264	166,522
	281,209	193,250
Total provisions	617,833	554,821
Reconciliation		
Opening balance at 1 July	554,821	482,825
Movements during the year	63,012	71,996
Closing balance at 30 June	617,833	554,821
Number of employees at year end	47	47

20 OTHER FINANCIAL LIABILITIES

	Consolidated	
	2018 \$	2017 \$
Financial instruments with fixed interest rates:		
Derivatives financial instruments	-	84,155
	-	84,155
Derivative financial instruments - Non-hedging instruments		
<u>Liabilities - Contracts with negative fair value</u>		
Forward foreign currency exchange contracts	-	84,155

Forward foreign currency exchange contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	Reference currency	Principal		Fair Value		Net gain/(loss)	
		2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Forward foreign currency exchange contracts	USD	-	665,346	-	641,819	-	(23,527)
Forward foreign currency exchange contracts	USD	-	666,694	-	641,819	-	(24,875)
Forward foreign currency exchange contracts	USD	-	207,966	-	199,800	-	(8,166)
Forward foreign currency exchange contracts	USD	-	669,406	-	641,819	-	(27,587)
		-	2,209,412	-	2,125,257	-	(84,155)

The purpose of these contracts is to mitigate the fluctuations of expected sales and purchases (forecast transactions) denominated in the non-functional currencies.

21 DEFERRED TAX LIABILITY

	Consolidated	
	2018	2017
<i>Deferred tax liability comprises temporary differences attributable to :</i>	\$	\$
Amounts recognised in profit or loss:		
Property, plant and equipment	49,858	36,852
Capitalised wages	7,434	65,651
Deductible fees	-	28,763
Deferred tax liability	57,292	131,266

22 FINANCIAL INSTRUMENTS

22.1 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.

23 COMMITMENTS

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

Lease payable commitment		
Not later than 1 year	355,974	341,986
Later than 1 year but no later than 5 years	212,186	566,612
Total commitments	568,160	908,598

The property lease is a renewed non-cancellable lease with an extra five- year term to 01/02/2020, no further options exist to renew the lease. The board of directors will assess their options and requirements prior to the expiry date. Rent is payable monthly in advance and contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. The lease allows for subletting of all leased areas.

23 COMMITMENTS (CONTINUED)

23.2 Contracted commitments for future capital and non-capital expenditure but not recognised in the financial statements

	Consolidated	
	2018	2017
Contract commitment	\$	\$
Not later than 1 year	1,929,023	5,831,564
Later than 1 year but no later than 5 years	2,415,105	2,099,584
Total commitments	4,344,128	7,931,148

The above contract relates to the capital expenditure for internally generated intangible asset - PSMA Geoscape and the maintenance contract entered into with a term ending 01/02/2020.

24 RELATED PARTY DISCLOSURES

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

During the financial year, PSMA has amended its terms and conditions in respect to the appointment and remuneration of directors to ensure consistency and ease reporting and management of these agreements.

Transactions with related parties

Directors' remuneration		
Glenn Appleyard	76,650	76,650
Walter Mayr	27,923	27,923
Lynne Robinson	27,923	27,923
Total directors' remuneration	132,496	132,496
Key management personnel		
Key management personnel compensation:		
- short-term benefits	988,645	950,916
- post employment benefits	104,444	100,393
Total key management personnel benefits	1,093,089	1,051,309
Total of transactions with related parties	1,225,585	1,183,805

25 PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

Statement of Financial Position

Parent Entity

	2018	2017
	\$	\$
Assets		
Current assets	9,795,715	12,188,718
Non-current assets	16,562,744	11,751,108
Total Assets	26,358,459	23,939,826
Liabilities		
Current liabilities	2,244,261	3,516,189
Non-current liabilities	281,208	255,035
Total Liabilities	2,525,469	3,771,224
Net assets	23,832,990	20,168,602
Equity		
Issued capital	9	9
Retained earnings	21,765,018	18,100,630
Reserves	2,067,963	2,067,963
Total Equity	23,832,990	20,168,602
Statement of Profit or Loss and Other Comprehensive Income		
Total Profit	3,664,389	5,491,230
Total Comprehensive Income	3,664,389	5,491,230

26 AUDITOR'S REMUNERATION

Consolidated

	2018	2017
	\$	\$
Audit and review of financial reports	45,000	40,000
Total remuneration of auditor	45,000	40,000



27 COMPANY DETAILS

The registered office of the company is:

PSMA Australia Limited

Level 2

113 Canberra Ave

GRIFFITH ACT 2603

RSM Australia Partners

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

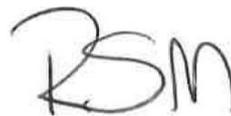
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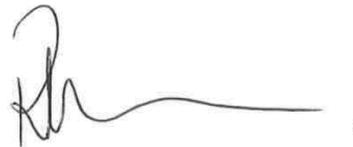
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PSMA Australia Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized handwritten signature of the letters 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to be 'Rodney Miller'.

RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 9 October 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of PSMA Australia Limited

Opinion

We have audited the financial report of PSMA Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Canberra, Australian Capital Territory
Dated: 9 October 2018

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'Rodney Miller'.

RODNEY MILLER
Partner

RSM Australia Partners

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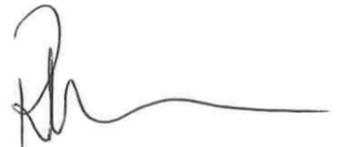
PSMA AUSTRALIA LIMITED

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2018. It will be appreciated that our statutory 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.



RSM AUSTRALIA PARTNERS



RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 9 October 2018

DETAILED INCOME AND EXPENDITURE STATEMENT

	Consolidated	
	2018 \$	2017 \$
REVENUE		
VAR and corporate access fees	9,888,603	9,780,656
VAR royalties	5,486,587	3,952,173
PSMA Cloud and Consulting	600,857	798,406
Interest revenue	64,638	70,749
Miscellaneous income	59,090	45,884
Other gains and (losses)	80,295	(241,228)
TOTAL REVENUE	16,180,070	14,406,640
EXPENDITURE		
Human resource management		
Wages and salaries	5,331,390	4,187,574
Employer superannuation	497,039	430,492
Payroll tax	276,235	202,537
Annual leave provision (movement)	(29,961)	43,045
Long-service leave provision (movement)	92,972	28,951
Staff training and professional development	139,806	98,247
Human resources - other	270,647	361,803
Workers compensation insurance	26,330	11,625
	6,604,458	5,364,274
Professional services		
Legal	24,248	21,102
Accounting and audit	76,048	51,970
Consultants	30,000	36,000
	130,296	109,072
Equipment		
Equipment costs	1,050	79
Hardware and software costs (including re-licensing)	348,356	177,987
Depreciation	150,902	147,664
Equipment repair / maintenance/ hire	3,996	3,549
	504,304	329,279
Travel		
Travel (domestic)	166,200	266,763
Travel (international)	28,780	33,066
Meals and accommodation	16,869	-
	211,849	299,829

DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

	Consolidated	
	2018 \$	2017 \$
Telecommunications		
Telephone	34,832	31,023
Internet/Web-hosting	31,840	22,022
	66,672	53,045
Overheads		
Rent	345,215	336,724
Cleaning/waste removal	19,128	18,403
Security and maintenance	1,719	1,369
Electricity	24,875	21,423
	390,937	377,919
Administration costs		
Postage / freight / handling	12,673	7,695
Stationery / office supplies	28,897	28,615
	41,570	36,310
Insurance		
Business insurance	1,592	3,143
Travel insurance	544	466
Directors and officers insurance	3,928	5,857
Professional indemnity insurance	27,211	21,003
	33,275	30,469
Research and development		
CRC.SI 43PL	9,532	40,000
	9,532	40,000
Supply chain management		
Dataset and services maintenance	513,389	474,810
Server hosting	1,139,510	836,655
Project related activities	30,128	47,042
Quality assurance	524	1,665
	1,683,551	1,360,172
Marketing		
Market / Customer Research	21,090	-
Graphic design and printing	148,300	10,239
Promotion and sponsorship	119,347	218,184
Subscription and membership	14,452	17,430
	303,189	245,853
Jurisdictional royalty returns		
Royalty returns	1,000,863	853,906
	1,000,863	853,906

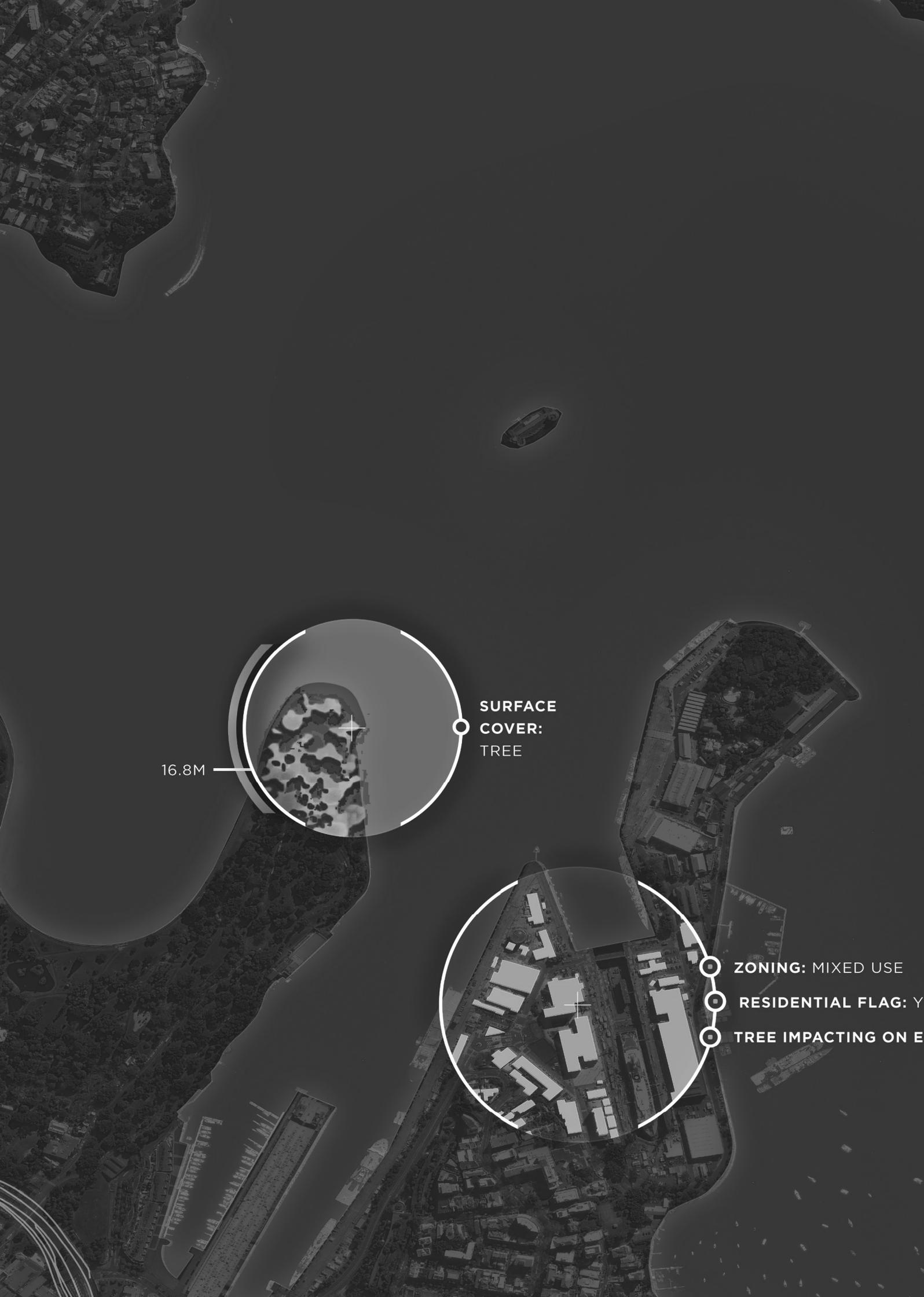
DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

	Consolidated	
	2018 \$	2017 \$
Transformation program		
Platform initiatives	19,380	-
Enablement Initiatives	1,475,436	-
	1,494,816	-
Other expenses		
Scoping study expenses	-	95,449
Bank charges	10,544	7,126
Miscellaneous	454	1,016
	10,998	103,591
Taxation		
Taxation	29,371	(288,309)
	29,371	(288,309)
TOTAL EXPENDITURE	12,515,681	8,915,410
NET PROFIT/LOSS	3,664,389	5,491,230

GLOSSARY

Term	Context	Description
Geoscape	Product	Detailed information about buildings and their features, trees and land cover for every address in Australia, delivered to suit location-enabled analytics
Supply chain	Process	PSMA supply chain that uses the service on a day to day basis
User	IT	The person that uses the service on a day to day basis
Acronym/Abbreviation	Context	Description
AI	IT	Artificial Intelligence
ABS	Organisation	Australian Bureau of Statistics
AGM	Organisation	Annual General Meeting
ANZLIC	Organisation	Australian New Zealand Land Information Council
API	Project	Application Program Interface
AUD	Finance	Australian Dollars
AV2	Project	Address Validation Stage 2
AWS	Organisation	Amazon Web Services
CAPEX	Finance	Capital Expenditure
CLV	Function	Customer Lifetime Value
CRCSI	Organisation	Cooperative Research Centre for Spatial Information
CRM	Function	Customer Relationship Management
GIS	Function	Geographic Information System
G-NAF	Product	Geocoded National Address File
ICSM	Government	Intergovernmental Committee on Surveying and Mapping
IP	Function	Intellectual Property
ISO	Organisation	International Organisation for Standardisation
KPI	Function	Key Performance Indicator
LGA	Government	Local Government Area

Term	Context	Description
OGC	Organisation	Open Geospatial Consortium
OPEX	Finance	Operational Expenditure
PAV	Function	Predictive Address Verification
PM&C	Organisation	Department of Prime Minister and Cabinet
PSMA	Organisation	PSMA Australia Limited
QA	Function	Quality Assurance
RA	Function	Remoteness Areas
R&D	Function	Research and Development
REST	Function	Representational state transfer
ROCE	Finance	Return on Capital Employed
ROI	Finance	Return on Investment
SEIFA	Function	Socio-Economic Indexes for Areas
SLA	Function	Service Level Agreement
SOAP	IT	Simple Object Access Protocol
SWG	Function	Standards Working Group
USD	Finance	United States Dollars
UX	Function	User Experience
VAR	Customer	Value Added Reseller



16.8M

**SURFACE
COVER:
TREE**

**ZONING: MIXED USE
RESIDENTIAL FLAG: Y
TREE IMPACTING ON E**