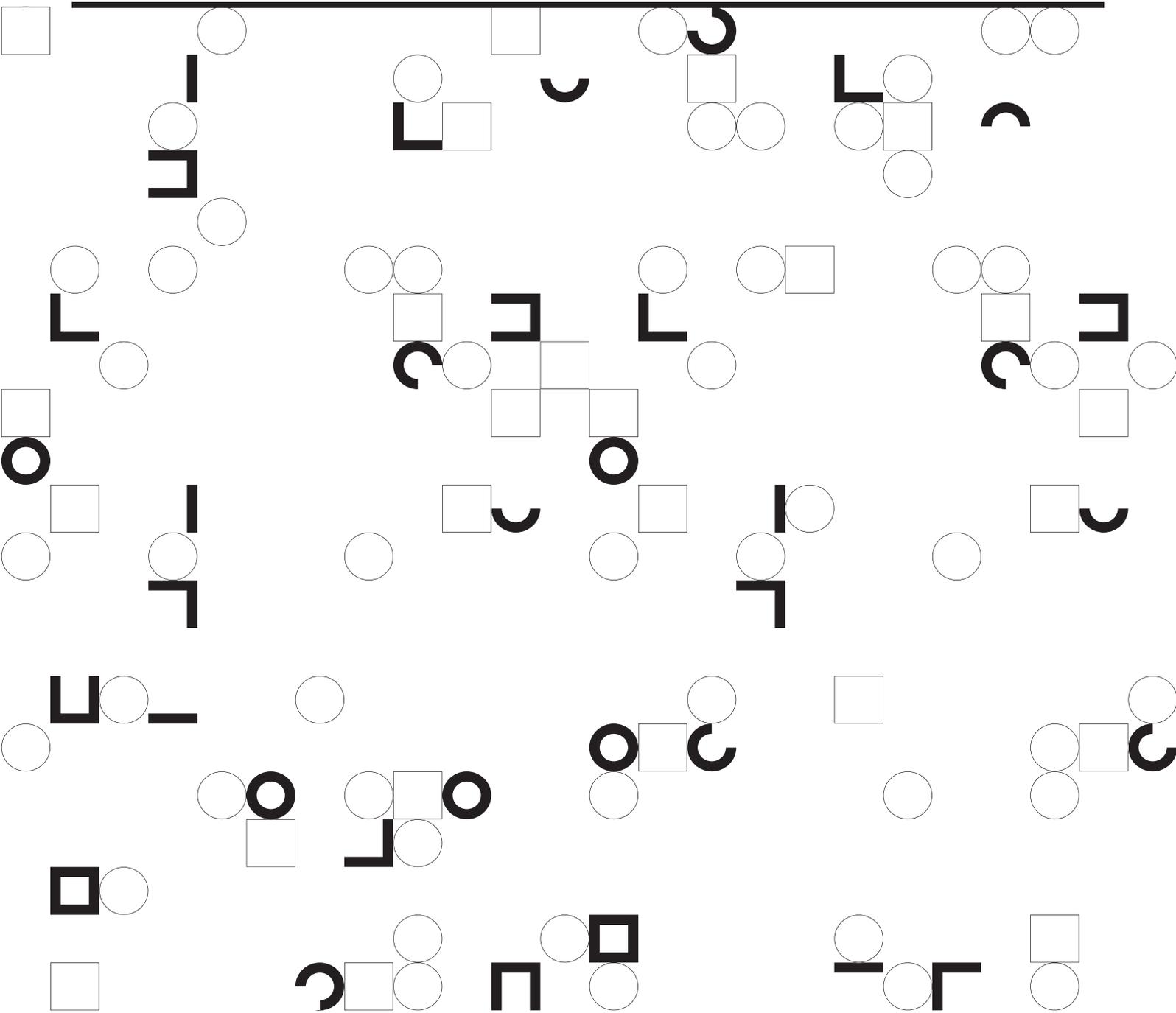


2019

ANNUAL REPORT



PSMA Australia Limited

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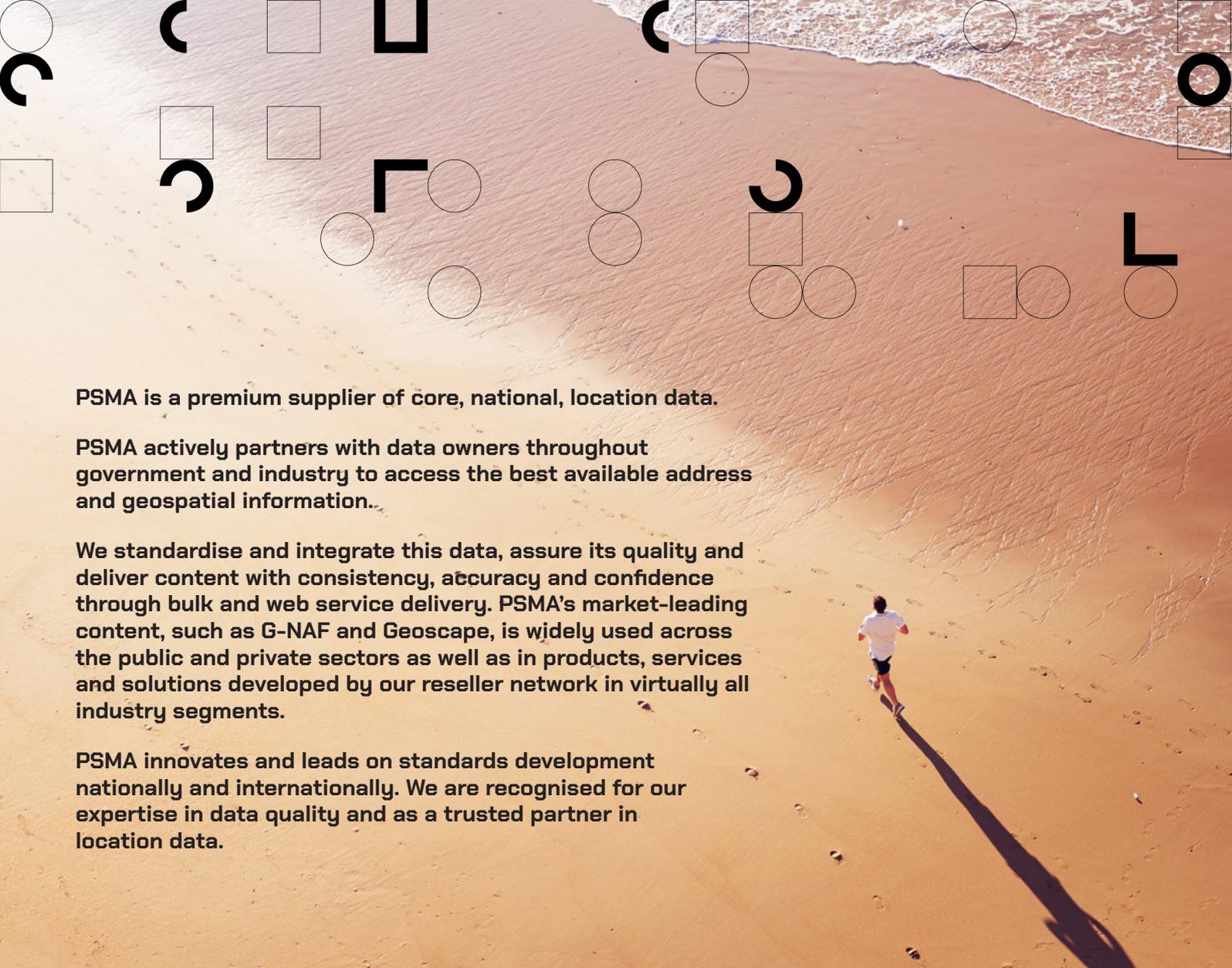
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PSMA is a premium supplier of core, national, location data.

PSMA actively partners with data owners throughout government and industry to access the best available address and geospatial information.

We standardise and integrate this data, assure its quality and deliver content with consistency, accuracy and confidence through bulk and web service delivery. PSMA's market-leading content, such as G-NAF and Geoscape, is widely used across the public and private sectors as well as in products, services and solutions developed by our reseller network in virtually all industry segments.

PSMA innovates and leads on standards development nationally and internationally. We are recognised for our expertise in data quality and as a trusted partner in location data.

Our Vision

A digitally connected world of places and people, where location moves us to predict and act with insight.

Our Purpose

Placing intelligence in a digital world.



Our Values

These values shape the culture of PSMA Australia and are our guiding principles for all interactions and decisions.

Passionate about people

We're passionate about making a difference and putting people first in the decisions we make.

Proven knowledge.

We have a continual thirst for knowledge and are experts who are always looking to learn.

A leader's mindset.

We're agile and nimble, leading the way through our innovative and creative thinking.

Respectful collaborators

We're respectful, optimistic and encouraging, celebrating diverse backgrounds and perspectives.

We're in the next age of data.

Our digitally enabled world of interconnected people, things and places is creating huge volumes of data. The potential is ready to be realised, as businesses seek answers and solutions involving location data.

We are one of the most trusted sources of location information in the country. Through increasingly sophisticated capture, analytics and connectivity, we are using data to paint a more relevant picture of our world than ever before. We are linking the digital and real worlds to improve understanding and power new technologies, products and processes that stimulate economic growth and enrich lives.

Message from the Chair

The past year has been one of significant change. We reorganised all our team structures and resource allocation processes to create a truly agile organisation. We re-branded, undertook a major recruitment drive and revised our sales model. We also began the transition to a fully independent Board, and reinforced partner relationships and priorities – including working with resellers to ensure a full range of product options and value-adding services is available for customers.

These activities were all part of building our capability to meet today's challenges and position ourselves for future success. This is necessary because our business is open to more competition than ever before, market needs are more diverse and complex, and the pace of technology change keeps accelerating.

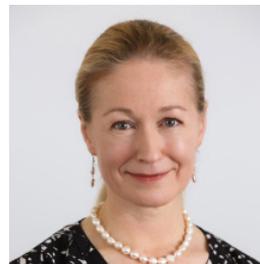
Our active response to this dynamic operating context is evident throughout our annual report. For example, this is the first time we have noted borrowings in our financial statements. The entry relates to a concessional loan received from the Commonwealth Government. The purpose of the loan is to improve the accessibility and useability of our data products, while enhancing our ability to assist with future national spatial data priorities. The loan will enable us to upgrade our IT infrastructure and develop our staff capability in project management, technology and data science.

We have a strong base to build on, given our track record of technical excellence. During the year, we demonstrated this through several milestones and significant product developments.

Our past investment in machine learning methodology and microservices architectures allowed us to deliver Geoscape to the market as a national product. Along with the other developments outlined in this report, Geoscape illustrates how we are meeting the objectives of our shareholders to deliver spatial data capabilities, products and services - not just for commercial success but for public good outcomes.

We have set our strategic roadmap for the year ahead, including more self-service options for customers to pick and choose exactly what they need from unbundled datasets, and more continuous data delivery with real time updates. We will also evolve and strengthen our agile model, our culture and our values.

My first year as Chair has been an intense one, but it has been very rewarding. The support of our shareholders and partners and the skill and commitment of our inspiring staff continue to make this small company one of the most trusted sources of location information in the country. We are aiming high in 2020 to ensure that PSMA delivers even more to shareholders, governments and business and the millions of Australians in the wider community who use the essential services powered by our data every day.



Lynne Robinson
Chair, PSMA Australia Limited

Message from CEO

This year we have delivered apace on our plans, following 12 months of transformation and mapping out what we needed to do.

With location data, we're helping business and government shift from analysing what has happened to predict what might happen. And we're moving from manual, people-heavy decision making to automated machine-assisted decisions. These are the keys to shaping new business opportunities and improving service delivery.

Velocity is a critical factor for our success in an ever-changing market – so this year was about delivering as quickly as we could and bringing in the best intelligence to support us in our work. Partnerships and collaboration across our ecosystem are essential to achieving our vision and purpose.

From a technical perspective, we built new valuable partnerships with ThoughtWorks and Amazon Web Services (AWS), who have helped us implement new systems. AWS assisted with scalability and flexibility, while ThoughtWorks supported the implementation of a technology solution that meets our need for speed and scale, even at the micro level.

As we change, the nature of our relationships with our distribution or reseller partners is also changing. We're redefining how our channels to market need to operate as we diversify and grow new channels. Similarly, we're developing new channels for data sourcing, as another collaboration opportunity.

To deliver technological changes we have had to make significant organisational changes. Form follows function, so it made sense that our strategic direction would also shape our organisation. I recognise how important organisational culture is, and that major cultural change doesn't happen in just 12 months. The advantage is that we started this process four years ago. This has paid dividends in terms of making other elements of PSMA Australia's transformation faster and more successful.

Given our dynamic and increasingly competitive environment, the shareholders recognised that we needed to modernise our governance to better meet our business needs. In response, the shareholders implemented changes to both the organisation's Constitution and the structure and make-up of the Board.

The skills-based appointments to the Board now more effectively support the needs of the business.

This year we also secured a concessional loan from the Commonwealth Government. While this form of capital is not ideal for funding growth, it is a capital structure that is acceptable to our shareholders and is an important element to support our ongoing innovation to place intelligence in a digital world. The purpose of the loan is limited to improving the accessibility and useability of our data products, while also enhancing our ability to assist with future national spatial data priorities through a coordinated national approach.

“Location data remains an untapped resource and there are enormous benefits to the economy and society.”

The work on our rebrand was another significant focus this year, and a signal to the market about the way PSMA Australia has changed. Our new brand traits – grounded, dynamic and boldly transparent – and associated visuals provide a clear and distinct representation of our personality and what we're offering. The branding process also helped ensure everybody, internally and externally, is clear about our claims and commitments.

In another notable development during the year, Geoscape Built Environment hit a milestone in October when we finished mapping the entire continent.

Technological transformation requires organisational transformation

● SPEED

We needed a structure that enabled us to move more quickly.

● SCALE

We need a way to create a winning formula and then scale it up.

● CREATIVITY AND INNOVATION

We want to enable innovation to occur easily and naturally inside our organisation.

With Release 8, the total number of buildings is now more than 15.3 million. The media coverage of this milestone helped us reach more than 25 million people.

Many other achievements are highlighted in this Annual Report, including practical location usage cases that demonstrate our commitment to customer-centric solutions.

Finally, we have had to become an organisation that's comfortable engaging with change. I'd like to congratulate all staff on committing to a long period of transformation and recognising the value this is now bringing to what we're here to achieve. Location data remains a largely untapped resource, which can deliver enormous benefits to the economy and society. PSMA Australia is now well placed to help realise those benefits.



Dan Paul
Chief Executive Officer,
PSMA Australia Limited

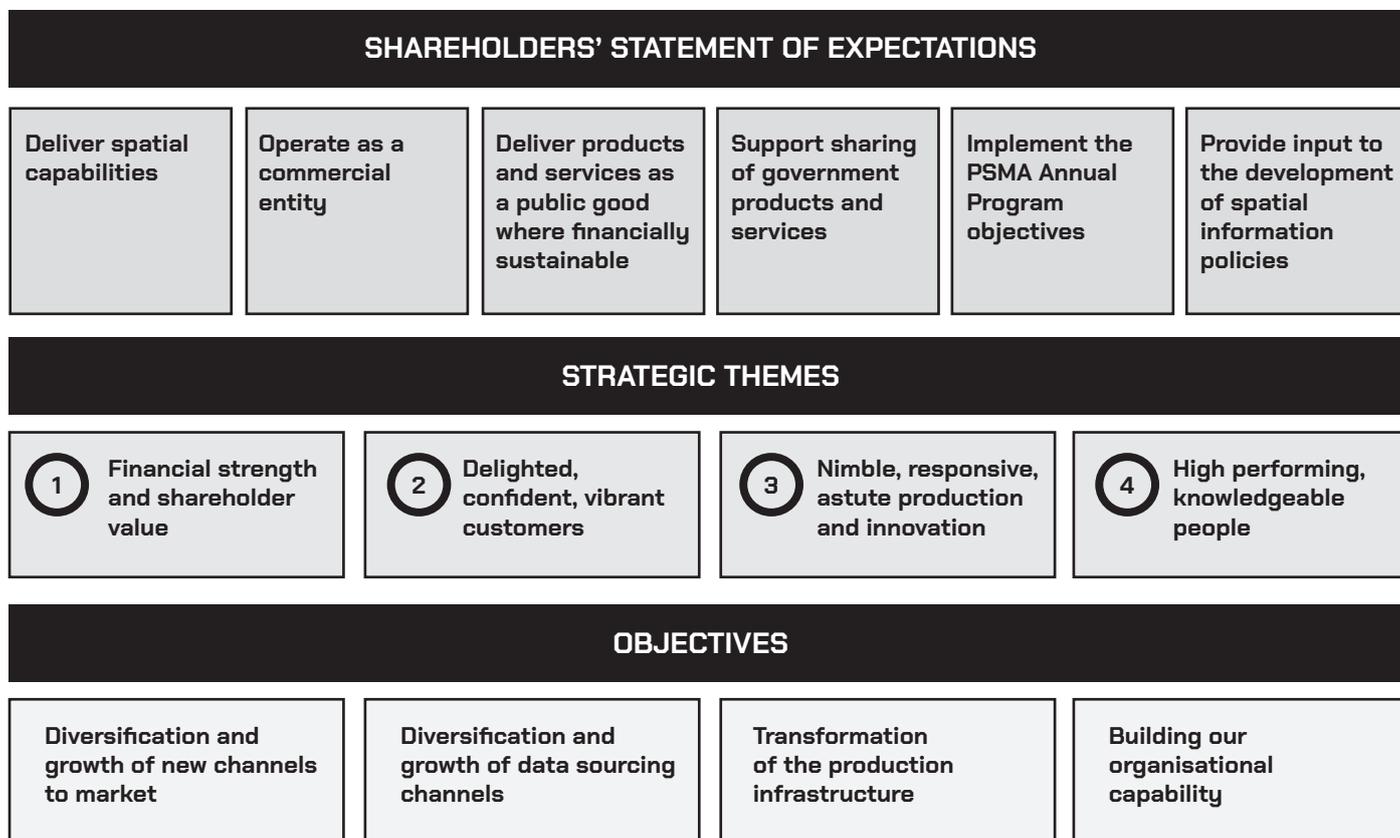


Strategic roadmap

Our strategic roadmap outlines how we will achieve our purpose.

We are guided by the PSMA Australia shareholders' [Statement of Expectations](#). We refer to these expectations to shape our activity for the year – with four strategic themes that steer our direction and corresponding objectives that help us prioritise our activities. This ensures our achievements align with the shareholders' expectations.

Our strategic roadmap approach for the year is summarised below.



Through our strategic roadmap, we're building our confidence to extend the range and scope of the products and services that we can deliver, maximising the positive impact for our customers and our shareholders. We're investing in innovation, our people and products. We're collaborating with our partners and drawing on the best technical expertise to rethink the possibilities of data. And we're working with our customers in real time to deliver flexible content as a critical collaborator to their success.

Here is a summary of progress we have made against each strategic theme this financial year.

Theme 1: Financial strength and shareholder value

<p>Profitability</p> <p>PSMA Australia returned a total profit of \$2.34m in the year.</p> <p>This was below last year's \$3.66m but ahead of plan (\$2.03m), largely enabled by revenues at 3.6% below budget and expenses at 6.7% below budget.</p> <p>The five-year average figure for Return on Capital Employed remains above target at 17% [target = 10%].</p>	<p>Revenue growth</p> <p>Headline revenue growth for the year was 5.4%. While this was below the target of 12.5%, the five-year average remains strong at 13.1%.</p> <p>Geoscape revenues into the future are expected to lift this metric.</p>
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Alignment with the shareholders' Statement of Expectations: operate as a commercial entity in a market environment; implement the PSMA Annual Program objectives cost-effectively.

Theme 2: Delighted, confident and vibrant customers

<p>High value customers</p> <p>The total lifetime value of PSMA Australia's customer base fell to \$67.4m at year end, down from \$79.2m in June 2018.</p> <p>While there was a significant increase in client numbers during the year (61 new clients, bringing the total to 91 clients at year end), the loss of three clients resulted in a retention drop from 100% to 95% (retention has a multiplier impact on customer lifetime value).</p> <p>This reflects a decrease of 14.9% in customer lifetime value for the year.</p>	<p>Best choice products</p> <p>With national coverage achieved for Geoscape, we turned attention to product enhancement and maintenance activities, and to growing the customer base. The year has seen strong take-up within the engineering industry, urban planning and Commonwealth, state and local governments.</p> <p>We renewed our contract with the Commonwealth Government to continue to make G-NAF, Australia's most authoritative physical address database, open to all, free of charge for another five years.</p>
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Alignment with the shareholders' Statement of Expectations: Deliver spatial capabilities, including authoritative and integrated products and services at national level; support the sharing of government products and services within and across governments.

Theme 3: Nimble, responsive, astute production and innovation

Supply chain of the future

The PSMA supply chain is the combination of ICT infrastructure, software and people that allows data to be received from suppliers, curated into products and delivered to customers.

Over the year, we made significant advancements to deliver our Continuous Data Platform. We are completing development work in collaboration with a leading agile practitioner, to deliver a supply chain that can evolve over time, scale up in response to new demand and automate production workloads. The Continuous Data Platform focuses on transactional data maintenance, driven from either supplied or calculated change records. This allows for management of sensitive information, four-dimensional data, and the automatic capture of provenance through production workflows.

National address data is already being delivered through the platform, with pipelines at varying levels of maturity to deliver building, administrative boundary, road and cadastral data all. The platform foundations now in place will support the addition of new data as prototype products are ready to be launched into the market.

Expert teams

To align development priorities with customers, we have expanded our product management capability. Product managers help prioritise development and innovation activities.

We also established a data acquisition team to ensure market-aligned data is available from both government and commercial suppliers.

Alignment with the shareholders' Statement of Expectations: Deliver spatial capabilities, including authoritative and integrated products and services at national level; support the sharing of government products and services within and across governments.

Theme 4: High performing, knowledgeable people

Capability

The year saw strong recruitment of target skills sets, particularly in leading-edge software and platform development, and we grew our team of pre-sales and sales professionals.

We employed an in-house recruitment consultant to better leverage the employee value proposition and improve our speed and efficiency in recruitment.

An experienced knowledge manager joined the team to introduce best-practice processes and tools, to streamline the way we collect, manage and leverage our knowledge.

Expert teams

We sharpened our focus on a customer centric culture. This included revising our employee value proposition to demonstrate our agile, innovative and customer-focused behaviours as core cultural attributes.

We increased staff numbers by 40% over the period, which demonstrates:

- our strong corporate culture
- our agile-based work delivery model
- our flexible work arrangements
- the exciting products we are delivering.

We anticipate attracting a similar number of new staff next financial year.

Alignment with the shareholders' Statement of Expectations: Deliver spatial capabilities; operate as a commercial entity in a market environment.

An aerial photograph of a golf course, showing several sand traps (bunkers) and a winding path. The image is overlaid with various white geometric shapes, including circles, squares, and L-shaped brackets, scattered across the scene. The text "Our stakeholders" is prominently displayed in the center-left area.

Our stakeholders

Our shareholders are the state, territory and Commonwealth governments of Australia. We engage with our shareholders through senior staff in the government agencies responsible for managing a PSMA Australia share. Less frequently, we engage with the ministers who are responsible for the relevant portfolios.

We also work with other stakeholders, including the following:

Other Commonwealth Government departments	Other state and territory departments	Local governments	Peak industry bodies
Other organisations with an interest or capability in geospatial data or services	PSMA Australia staff	Suppliers of data and infrastructure	Research institutions and providers

Our partners

Together with our partners, we're solving business problems.

Our partner network and our industry relationships have evolved this year in line with our vision, purpose and strategic roadmap.

We have worked closely with ThoughtWorks and AWS to guide our technical solutions and scalability. We're partnering with more suppliers of location data – including DigitalGlobe – to enhance our data sourcing channels.

Our distribution partners, including resellers continue to help businesses unlock new revenue streams, improve customer experience, increase productivity and reduce costs – using customised or other solutions across all industries.



Our people



Agile approach

PSMA Australia has adopted an agile approach to our business as a more modern way of managing staff, resources and talent. We have formed autonomous cross-functional teams – which we call squads – who work together to deliver end-to-end solutions.

Our structure is designed to deliver speed, scalability and flexible execution, to drive innovation and create an environment that is stimulating, motivating and self-improving.

The drive for greater speed to market has shifted our traditional focus on manual processes for periodic updates to continuous processing. As a result, we have adopted a new practice of combined software development and IT delivery, or DevOps. This is an important transition, providing more capability and agility than ever before.

Our year

As at 30 June 2019, we employed 59 staff, an increase of 40% compared with the previous financial year. We proactively recruited IT and sales professionals to build our capabilities, attracting 24 people over 12 months.

Our staff retention rate was 86%, and the majority of staff have worked with us for more than two years.

Due to staff growth, we opened one additional office location near our head office on Canberra Avenue Griffith, ACT.

We also opened an office in Sydney in April to focus on direct sales and partner enablement, helping to make our partner network more effective. There are two full-time staff in Sydney (with plans to grow).

Our continued transformation is supported by training and workshops, so every employee understands how they should contribute to building a customer centric culture.

During the year we also confirmed our organisational values, refreshed our employee value proposition, and developed a new remuneration structure to better reflect the market.

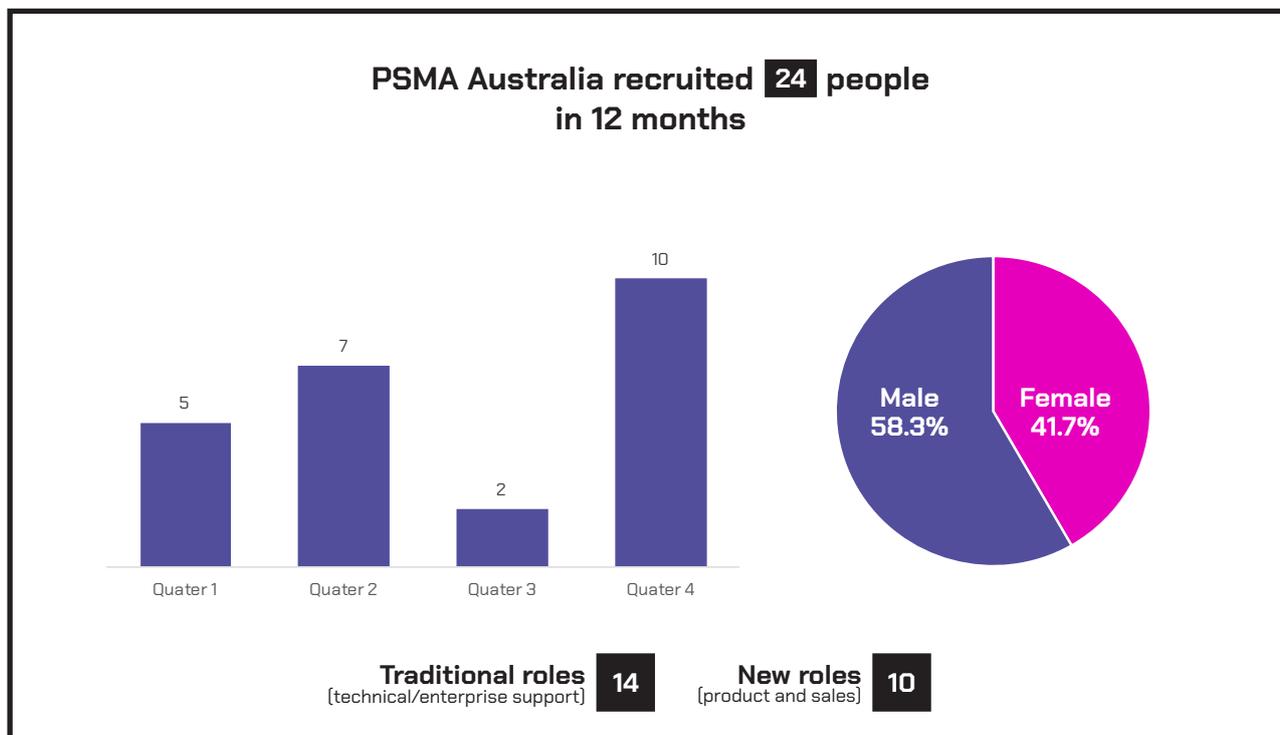


Figure 1: Active recruitment over 12 months

Our Board

The Board of Directors is responsible for the overall governance, management and strategic direction of PSMA Australia.

This year, the Board began transitioning to become fully independent, with the resignation of all but three nominee directors and the appointment of three new independent directors. This transition will be completed at PSMA's Annual General Meeting in October 2019.



Lynne Robinson

Chair since 16 November 2018
(Independent Director)



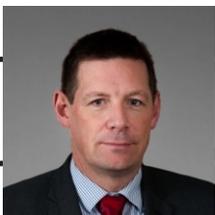
Jodi Cant

Western Australia Nominee Director



Bruce Thompson

New South Wales Nominee Director



Stuart Fletcher

Tasmania Nominee Director



Des Mooney

Independent Director [joined 25 October 2018]



Mark Judd

Independent Director [joined 25 October 2018]



Peter Woodgate

Independent Director [joined 25 October 2018]

Penelope Winslade

Victoria Nominee Director (resignation effective 10 August 2018)

Jeffrey Brown

Australian Capital Territory Nominee Director
(resignation effective 5 October 2018)

Glenn Appleyard

Former Chair (appointment expired 25 October 2018)

Fabio Finocchiaro

Northern Territory Nominee Director
(resignation effective 25 October 2018)

Walter Mayr

Independent Director (appointment expired 25 October 2018)

Find out more about the structure and responsibilities of the PSMA Australia Board in the Directors' Report on page 49.

Our leadership

Our leadership team provides strategic advice to all our squads and is responsible for driving the executive roadmap.

<p>Dan Paull Chief Executive Officer</p>	<p>Throughout his tenure, Dan has seen every facet of the geospatial industry change dramatically – from the technology used to how geospatial data is applied in a business context, to the rise of neo-geography and the active consumption of geospatial data in our everyday lives.</p> <p>Dan has steered the company through the evolution of geospatial data supply and demand in Australia and worldwide to ensure PSMA Australia continues to deliver fundamental national spatial datasets.</p> <p>Dan has an Executive Master of Business Administration. He is a graduate of the Australian Graduate School of Management General Manager Program. He also has a Company Directors' Diploma and a Certificate of Competency from the Board of Surveyors, New South Wales. Dan graduated with a Bachelor of Surveying (Hons) from the University of New South Wales.</p> <p>He is a fellow of the Australian Institute of Company Directors and a fellow of the Australian Institute of Managers and Leaders.</p>
<p>Michael Dixon Chief Data Officer</p>	<p>Michael joined PSMA Australia in 2007, bringing extensive experience in delivering geospatial solutions.</p> <p>Michael oversees the ongoing evolution of Australia's foundational geospatial datasets, including address, transport, land management and built environment, and improvements in the data supply chain. He has seen the geospatial landscape change significantly, moving from niche to mass application.</p> <p>Michael has a Master of Science and Technology from the University of NSW and a Bachelor of Science (Hon) from the University of Tasmania.</p>
<p>Martin Rose Chief Marketing Officer</p>	<p>Martin joined PSMA Australia in 2016 to lead the organisation's Distribution and Marketing Services Group.</p> <p>Martin's focus is the delivery of exemplary geospatial products and services, and building a diverse customer network to inspire spatially enabled innovation in the broader Australian economy.</p> <p>Most of Martin's career has been devoted to the design and delivery of digital solutions, with a focus on web-based delivery of content and services, and an overarching mission to help end-users push beyond previous limitations.</p> <p>He has worked across a range of businesses including publishing, digital marketing, systems integration and management consulting, with significant experience in financial services, retail, media and the public sector.</p>

<p>Nicholas Toole Chief Finance Officer</p>	<p>Nicholas joined PSMA Australia in 2014, bringing a wealth of experience in financial management in the small to medium enterprise sector.</p> <p>Nicholas oversees financial management including reporting to key stakeholders, financial planning, management of financial risks, and regulatory/statutory obligations and reporting.</p> <p>Nicholas holds a Master of Business Administration (finance) degree from Charles Sturt University.</p>
<p>Jo Abhayaratna Chief Technical Officer</p>	<p>Jo joined PSMA Australia in 2008 and leads the continuing program of technology innovation. He has been instrumental in launching the application program interface (API) and cloud aspects of the business. Jo also plays a key role in PSMA Australia's major transition to continuous data maintenance, to respond to the changes in the spatial industry.</p> <p>Jo has been involved with global working groups and forums, contributing to the development of National Address Management Framework and multiple national and international standards. He also hosts Meetup.com groups to share knowledge about technology.</p>
<p>Mike Watson Head of People and Culture</p>	<p>Mike joined PSMA Australia in February 2018 after providing consultancy services since 2016. During his consultancy, Mike provided advice on strategic and cultural alignment to create competitive advantage. Now, Mike leads the People and Culture Squad.</p> <p>Mike has international experience as a change leader and is an experienced company executive. He guides business strategy and fosters staff engagement, while helping to create high performing teams and build capability.</p> <p>Mike is a Chartered Accountant and Graduate of the Australian Institute of Company Directors.</p>
<p>Alexandra Nikolic Company Secretary and Senior Legal Counsel</p>	<p>Alex has been one of PSMA's in-house lawyers since 2012, and this year was appointed Company Secretary. With over 10 years' experience as a corporate and commercial lawyer (previously with Norton Rose Fulbright), Alex works to safeguard PSMA's legal interests and mitigate exposure to liability and other risks. As Company Secretary, she now also manages the proper functioning of the Board and other governance matters.</p> <p>Alex has a Bachelor of Laws (LLBHons) from the Australian National University and is completing a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.</p>



Our achievements

Diversification and growth of new channels to market

We deliver our products to customers through a range of different channels to market. In developing multiple channels, we aim to maximise the **reach** of the data while continually improving **ease of access**.

This year we focused on:

- building capability for developers/APIs, direct licensing and partners
- sustaining access through data.gov.au
- creating a new self-service portal.

The completion of Geoscape's national coverage at the end of October 2018 provided an opportunity to attract new customers, particularly given the strong media coverage we achieved.

We also welcomed several new partners, which opened up the prospect of entering new markets. With continued interest, the architectural, engineering and construction market became a key area of interest and continues to drive components of our product development.

We continued to enhance our datasets via regular collation, standardisation and enhancement of data. In addition, we re-engineered some elements to meet customer requirements. This included specific data clips for particular geographical areas.

We cater for supplier and ICT changes by regularly augmenting production processes.

Our API solutions for developers continue to evolve and we experienced a substantial increase in usage this year. We also introduced a simplified pricing model based on a fixed number of transactions per month.

Developer solutions

Our APIs make trusted Australian location data accessible. Our solutions are tailored for the developer community.

We're gaining traction, with a 75% increase in beta developers over the last 12 months. Thank you to all our beta testers who have helped refine our APIs and continue to provide valuable user insights.

In other developments this year:

- we introduced new API documentation that generates sample code in many languages, helping to speed up coding time for developers
- we saw a significant increase in API consumption, with the number of API calls per month growing from approximately 100,000 to approximately 1 million by the end of the financial year
- we introduced a simpler pricing model.

How do organisations access PSMA data?

- Developers/APIs
- Approved resellers
- Directly through licensing agreements
- Self-serve data portal
- data.gov.au (for G-NAF and Administrative Boundaries)

What is it used for?

- Scenario modelling
- Policy formation
- Risk analytics
- Urban development
- Emergency services
- Real estate
- Mobile network design
- Smart government
- Navigation and logistics
- Marketing analysis
- Noise modelling

Our data is helping companies extract every drop of value from their own data to guide decision making.

Addresses API and Buildings API

Addresses API verifies an address and returns attributes including fully parsed address data, electorates, local government and Australian Bureau of Statistics 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. New spatial queries added this year including a geocoder, bounding box and custom spatial queries. This API is being investigated as a tool for servicing our new Geoscape data portal for self-service of clipping and extracting data.

Predictive Address Verification (PAV) API

Two new datasets were introduced to the predictive API.

We released a beta version of a single combined address dataset for all physical and mailing addresses, allowing users to search for PO Boxes and other mailing addresses, as well as addresses through G-NAF, all via one API.

We also added fuzzy logic to help match addresses to user searches, even if they type an address with a spelling mistake or they're not 100% sure what they're looking for.

Deltas API (beta)

For businesses that traditionally consume our quarterly data supply, we introduced a beta API for queries dimensioned around time. This will allow users to update existing data by requesting the change between two points – helping to improve understanding of change across Australia, such as new developments, subdivisions or name changes.

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. Product learnings continue to contribute to the development of new representational state transfer (REST) APIs. This year, we introduced a reverse geocoder to PSMA Cloud.

PSMA Developer Portal and Simplified Pricing

The portal continues to improve self-service choices 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.

In May we introduced a simpler pricing model to enable developer access to all APIs – providing greater value, while encouraging more use and evaluation. Plans entitle developers to a certain number of transactions per month – the bigger the plan, the more transactions. Calls are charged at the same single transaction cost, with a few exceptions.

The pricing model offers one set of plans that bundle all APIs.

Our resellers

PSMA Australia works with a diverse range of reseller partners that use our foundation and Geoscape datasets 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 existing products.

Our wholly owned subsidiary, PSMA Distribution, is responsible for managing our reseller network via appropriate licensing arrangements. We have been working closely with our partners to facilitate appropriate licensing arrangements to match their usage requirements.

This year, we developed a more stringent onboarding process to ensure all partners are delivering a value proposition for customers. The process involves developing a better understanding of partner business models and objectives for the use of our datasets, as well as credit checks.

Our direct customers

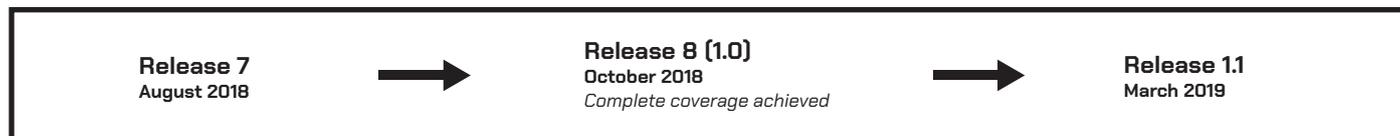
Over the past 12 months we have deployed a new team to engage directly with end-user customers to better understand and meet their needs for location data, while also seeking their feedback on our data products.

Some of the market segments that we focus on include:

- architectural, engineering and construction enterprises
- telecommunications
- insurance
- government departments at all levels (Commonwealth, state/territory and local)
- education (universities and other institutions).

Geoscape

Using advances in satellite imagery, machine learning and big data processing, we now have a digital representation of Australia’s entire built environment. Release 8 (1.0) of Geoscape represented complete continent coverage, taking Australia’s building count to 15,243,669.



In subsequent releases of the dataset, the building count continued to increase, reaching 15,322,991 in March 2019.

Continuous maintenance of Geoscape focused on urban areas with a high degree of change, including central business districts (CBDs) and new residential development areas. Updates and improvements during the year included:

- additional urban buildings, 2 metre gridded surface cover, and trees coverage across all states and territories
- updates to existing building address, CAD, property, planning zone and locality relationships
- improved elevation source code to better reflect digital elevation
- re-engineering (along with our supply partner) the solar panel process to increase the accuracy to above 90% completeness (included in release 1.0)
- running pilots for a higher definition capture of Sydney CBD, which is being tested by clients and partners.

In May 2019, we introduced a new Geoscape pricing model (along with a simplified API pricing model) to:

- increase Geoscape market penetration
- shorten the sales cycle
- build recurring revenue streams
- improve pricing consistency across the reseller network.

The sales process is supported by discounts for multi-year subscriptions, which differentiates our offering across channels, reflecting different channel needs, and the substantial variability in deal size.

Sales of Geoscape were generally through our partner network, with some significant direct sales to the Commonwealth and state governments.

Geoscape 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 business and government can use location data at this scale.



Case Study

Geoscape helps GHD halve cost of noise modelling

GHD is a global leader in engineering, architecture, environmental and construction services. Through services such as noise modelling, GHD helps public and private sector clients fulfil their social and environmental responsibilities and comply with health, safety and environmental regulations.

Noise models help assess the impact of noise on people and the environment. They're important in gaining construction project development approvals.

For the proposed Port Kembla Gas Terminal in New South Wales, GHD developed noise models to identify areas that would be affected by the construction of a floating storage and regasification unit for Australian Industrial Energy (AIE) – the first development of its kind in Australia.

7,000 buildings to map

"We had over 7,000 buildings in the area and to try to draw all of these manually would have taken a long, long time," said Pri Pandey, senior engineer in acoustics and vibration modelling at GHD.

For previous projects, GHD had manually created each building footprint or acquired the data from an external organisation. GHD then verified the data was satisfactory for its needs and GIS specialists at GHD helped extract address, land use and other details.

GHD trialled a variety of solutions to help automate the generation of building footprints and other details required for noise modelling.

"Our research included different footprint generation algorithms," Pandey said. "We even looked at different image processing algorithms and extracting data from Google Maps. But we found there were issues with whatever approach we used – they were never satisfactory."

"If you manually draw building data, you may get a different number of vertices on a building. But for noise modelling, it's important to have buildings that are sharp looking, with as few vertices as possible. We got this from Geoscape."

Pri Pandey, GHD

Automation and quality – GHD discovers Geoscape

This complex process was simplified into one step using Geoscape.

"The data is ready to go, which is great for us," Pandey said.

"We don't need to do any manual adjustments. Historically, we had to manually assign heights and conduct spatial filtering or other processing to ensure the data was up to the standard needed for the modelling.

"But now we have it all in one package – heights, addresses, zones and categories are all part of the one shapefile, which we insert directly into the model."

Importantly, the data from Geoscape was of a quality that enabled confidence in the outputs.

Cost of producing a noise model cut by half

For the Port Kembla Gas Terminal study for AIE, Pandey estimated using Geoscape cut the cost of producing a noise model by at least 50%.

"It's enabled us to streamline the modelling process and provide a cost-efficient outcome – not just in terms of the noise modelling, but also for the client by improving our impact assessments," he said.

AIE was pleased the noise impact of the project was assessed using the latest proven technologies and techniques.

"We are proposing to bring a new technology to Australia for our operations, so we were delighted to be able to also use a leading-edge approach when completing our noise modelling and mapping," said Kylie Hargreaves, Government and Stakeholder Relations, AIE.

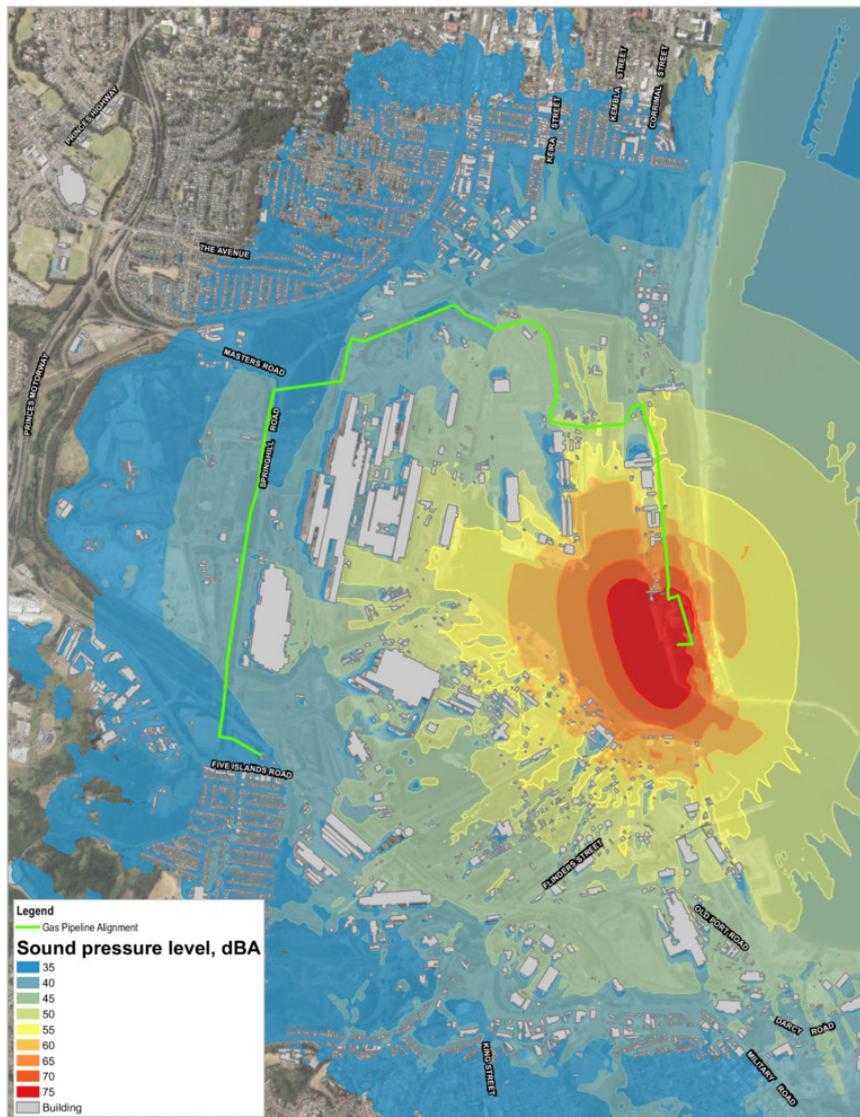


Figure 2: Noise model for Port Kembla Gas Terminal
Image supplied by GHD

G-NAF

Australia's Geocoded National Address File (G-NAF) has been openly available via data.gov.au since February 2016. G-NAF is the core data used for our Address Verification APIs.

At a glance, G-NAF has:

- a total of over 14.65 million addresses of which 13.9 million (94.86%) are principal addresses
- a geocode reliability of principal addresses made up of 96.84% address level, 3.09% street locality and 0.07% locality addresses
- more than 13.2 million jurisdiction addresses maintained on daily, weekly or monthly basis for most jurisdictions in G-NAF Live.

G-NAF has undergone improvements throughout the year – most in collaboration with the Commonwealth Government in the final year of our improvement program contract. These improvements included:

- reducing locality only addresses, which are identified at the local suburb level and cannot be verified on a specific road or property – providing improved dataset confidence (May 2019 release)
- adding a new Address Feature table to help users identify and track address changes, with the option to retain retired/unsupported addresses for a full history
- adding the Australian Government Indigenous Programs & Policy Locations (AGIL) dataset as a source as part of our commitment to improve Indigenous addressing for service delivery (due for August 2019 release).

We are always focused on improving our ability to identify and build relationships between addresses sourced from various suppliers. We continually use feedback and insights from various users at government level to feed improvements into the G-NAF production process.

Open data

PSMA Australia entered into a new agreement with the Commonwealth Government to continue enabling open access to quarterly G-NAF and Administrative Boundaries releases via data.gov.au The agreement was finalised in December 2018 and extends to July 2024. The quality improvement program is not part of the new agreement.

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 persistent identifier.

G-NAF turns 15!

In April 2004, G-NAF was born.

Since then the importance to the economy of a reliable street address reference has grown.

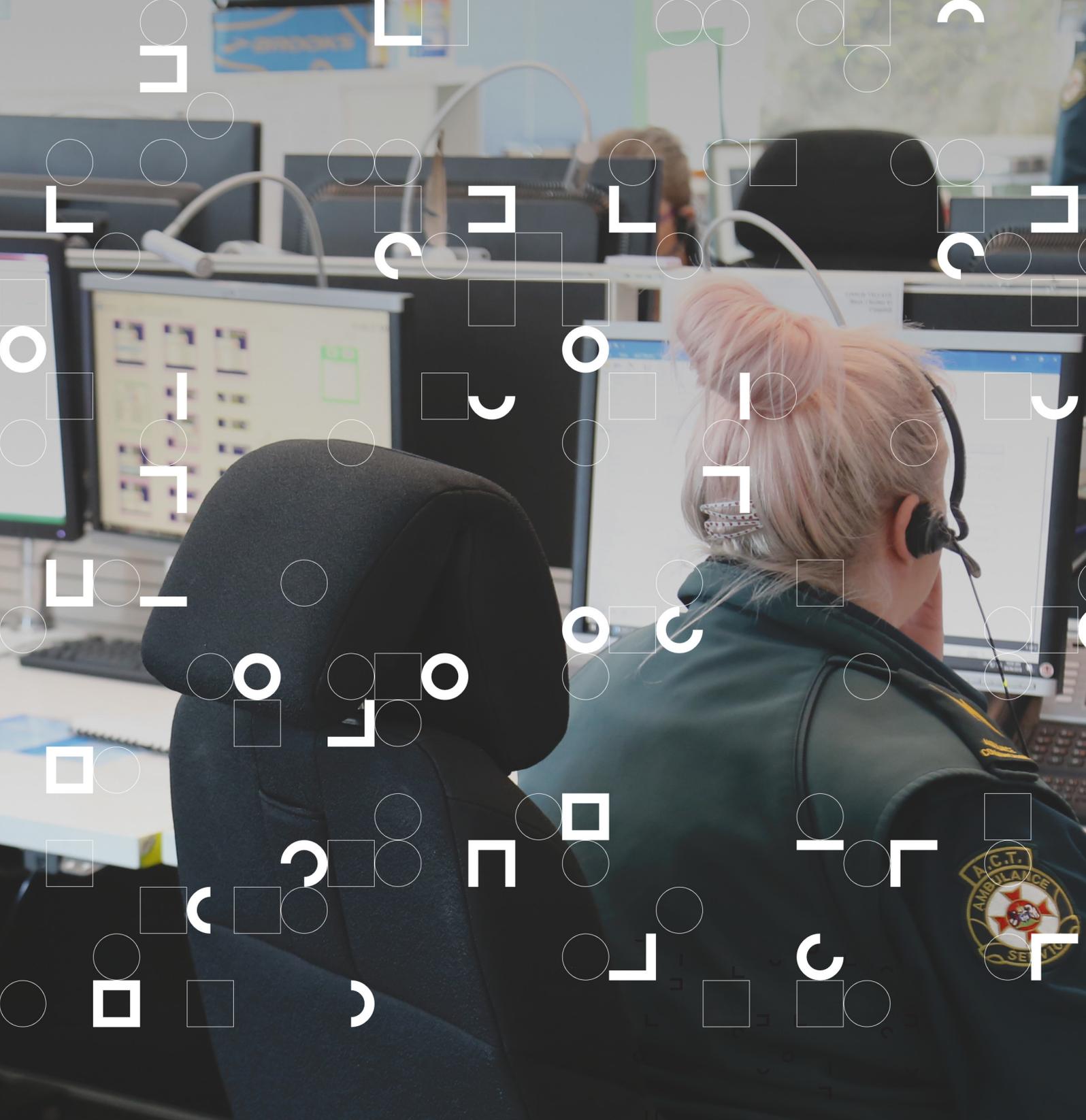
The Commonwealth Government recognised the need for G-NAF to be more accessible and, in February 2016, released it as open data following the negotiation of a commercial agreement with PSMA Australia. The open availability of G-NAF significantly broadened its

use across government and industry, evidence by the number downloads of G-NAF from data.gov.au – there's been 1,200 average monthly downloads over the past year.

While G-NAF's structure is essentially the same as it was on its initial release 15 years ago, production processes have evolved. For example, in the initial release there were no alias addresses identified in G-NAF. Today, there are more

than 750,000. The vast majority of these are identified by the G-NAF production processes, rather than the contributors.

In 15 years, there have been 60 updates of G-NAF. We are now implementing a continuous maintenance platform, not only to continue the quarterly release of G-NAF, but also to meet user needs for more frequent updates of addresses.



Case Study

Confidence in address data saves lives

When you call triple-zero, you want to know emergency services can find you quickly. Accurate address data forms the backbone of the trust and confidence we place in our emergency services.

“When people call triple-zero, they’re usually having one of the worst days of their lives. With G-NAF, residents can have absolute faith that the information that helps us locate an individual’s address comes from an authoritative source,” explained Steve Forbes, Assistant Director Spatial Services at the ACT Emergency Services Agency (ESA).

“We know the validation process in building G-NAF is stringent, so we have a high confidence level. It’s one less worry for our crews and call takers.”

A long-term relationship

PSMA Australia’s G-NAF has been an integral part of the ESA’s tech mapping since G-NAF was first created 15 years ago.

“Back when the national address file was being built, ESA was about to release our new call-taker dispatch software,” said Forbes. “We spoke to PSMA about the address requirements for an emergency service and how it might work. They sent through the beta and we have never looked back.”

Since then, the ACT ESA has used G-NAF data with other localised information such as automatic fire alarms and points of interest data – combining them all for a complete picture of what is at an address.

The ACT ESA comprises ACT Ambulance Service, ACT Fire and Rescue Service, ACT Rural Fire Service, ACT State Emergency Service and ESA Support Services. Even though they are focused on the ACT, given Canberra’s proximity to NSW towns such as Queanbeyan, they need to access location data beyond the ACT border.

“Our triple-zero call-takers take regional calls as well as the ACT, so we needed a dataset that encompasses more than the ACT,” explained Forbes.

“G-NAF is, and always has been, the primary product for our address gazetteer.”

Validated and trusted

“When someone’s having a heart attack, every second counts. Whatever we can do to speed up our response time, the better the outcome,” explained Forbes.

“We use location information in our onboard computing system in our ambulances to help crews navigate to the exact address and enable them to locate the emergency situation. Underpinning these systems is G-NAF. Their faith in that address being correct is very high.”

Staff confidence and community trust are vital for ensuring the ACT’s emergency management is of the highest standard.



Image supplied by ESA

“We use location information in our onboard computing system in our ambulances to help crews navigate to the exact address and enable them to locate the emergency situation. Underpinning these systems is G-NAF. Their faith in that address being correct is very high.”

**Steve Forbes, ACT
Emergency Services Agency**

Administrative Boundaries

This is Australia's most comprehensive national collection of boundaries, including government, statistical and electoral boundaries.

Transport & Topography

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

- update five of the eight jurisdictions' railway information, including the Sydney, Newcastle and ACT new light rail lines (May 2019 release)
- improve green space information across Australia to include more attributes, with Melbourne and the ACT seeing the greatest changes thanks to new data (May 2019 release)
- improve processes for information on surface types in Queensland
- remove private roads, particularly in rural areas for end of road networks
- improve access roads and pedestrian thoroughfares, particularly in the ACT.

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 made some important changes, including:

- a boost to the data in Western Australia with a four-fold increase in the CAD points – where previously there was only one CAD point record for each strata parcel, there is now one CAD point for each Lot/Plan combination (May 2019 release)
- the addition of easement information in Western Australia
- improving the linkages between land parcels and properties to better represent property, particularly in Queensland.

Foundation data release dates:

- **August 2018**
- **November 2018**
- **February 2019**
- **May 2019**

Postcode Boundaries

Postcodes are integral to mailing addresses and are used in a wide range of spatial aggregation and analysis activities. This dataset is a partnership between Australia Post and PSMA.

Diversification and growth of data sourcing channels

Traditionally, data supply at PSMA Australia has focused on government data sources and operational production processes. This data has been the lifeblood of our product suite and this content remains an important part of our offering.

However, our existing products face fit-for-purpose challenges. We need to be able to increase the breadth [the range of data] and improve the depth [supply frequency and ease of access] of supplies through the existing data sourcing channels. This means new approaches are required to meet market expectations.

Our market interactions have told us that government data alone won't satisfy many users. In many contexts the idea of 'authoritative' doesn't mean the dataset accurately represents the real world. Other sources may be the custodians of richer and more complete or up-to-date sources of information. We are keen to explore alternative government sources and commercial entities that capture local, regional or national data at a high quality and frequency, which may better represent the real world than our traditional data suppliers.

Data sourcing is of strategic importance to our organisation. We are increasing our capability and capacity to develop processes to rapidly evaluate and prototype possible sources for market-aligned products.

Enhancing our product offering

To enhance our product offering, we aim to create new business opportunities and mitigate business risk associated with the data supply chain. We're moving away from distributed operational supply management to a focused data supply, driven by product development needs.

This year, we:

- sourced a new data supplier for Geoscape buildings and incorporated this into marketable products (with the potential for a new tier offering for high value areas)
- started developing a data sourcing strategy and established an initial data sourcing team to match customer requirements with product features and innovative (and more frequent) data supply arrangements.

We extended data and alliance capability by:

- finding new data sources or better suppliers of existing sources
- deepening relationships with existing suppliers (frequency, coverage, attribution).

Traditional agreements with state and territory data sources continued to evolve during the year as illustrated below.

Victoria <i>November 2018</i>	<ul style="list-style-type: none"> • New agreement established
South Australia <i>March 2019</i>	<ul style="list-style-type: none"> • Data frequency increased from quarterly to weekly supply • New agreement established in June 2019
Australian Capital Territory <i>May 2019</i>	<ul style="list-style-type: none"> • Agreement varied
Queensland <i>June 2019</i>	<ul style="list-style-type: none"> • Data frequency increased from monthly to daily supply • Automated supply mechanism established to retrieve updates at time of publication by jurisdiction
Northern Territory <i>June 2019</i>	<ul style="list-style-type: none"> • Mechanism to enable a daily data supply established (to be activated pending new agreement)

We also looked at streamlining supplier onboarding through template agreements, supply side APIs and incentives for preferential supply.

Getting ready for GDA2020

Australians rely on satellite positioning systems daily.

The Earth's crust is made up of tectonic plates that constantly move – sometimes called continental drift – and Australia sits on one of the fastest moving. It's moving north-north-east at a rate of about seven centimetres per year.

Australian location features, including addresses, roads and property boundaries, are mapped relative to Australia's tectonic plate, not the fixed centre of the earth, so the constant movement of the plate means a divergence occurs between GPS coordinates that are Earth-fixed and Australian location data that is plate-fixed. By 2020, the divergence will be up to 1.8 metres.

For many users of location services and applications, the 1.8 metre shift isn't important. However, accounting for the shift is essential in high precision applications and for some emerging technologies.

The transition to GDA2020 will see spatial features in most of our data products shift north-north-east by 1.5 to 1.8 metres.

PSMA Australia is formulating our GDA2020 transition plan now, and we're part of the Intergovernmental Committee on Surveying and Mapping (ICSM) working group. We're consulting with our partners, customers and end users to understand how best to support them in the transition to GDA2020. We plan to add an option to download datasets referencing the new national GDA2020 Datum in upcoming data releases.

Industry collaboration

PSMA Australia is an active industry collaborator and contributor.

PSMA representatives have been part of these industry groups.

Open Geospatial Consortium:

- Citizen Science Domain Working Group
- The Australian and New Zealand Forum
- Geosemantics Domain Working Group.

World Wide Web Consortium (W3C):

- Spatial Data on the Web Interest Group, focusing on best practices.

Australian Government Linked Data Working Group ICSM:

- Permanent Committee on Addressing
- Permanent Committee on Cadastre
- Permanent Committee on Topographic Information
- GDA Modernisation Implementation Working Group (GMIWG)
 - » This is to ensure the practical implementation of the datum occurs seamlessly and with minimal disruption to existing systems and processes.

PSMA Australia presented at:

- SSSI Victoria Surveying and Spatial Summit 2018, 5 October 2018
- Comms Connect in Melbourne, 20–22 November 2018
- Navigate Data Forum, Canberra, 19 February 2019
- Locate19, 10 April 2019
- ThoughtWorks LIVE, 9–11 April 2019

PSMA Australia hosted:

- two Multi-agency Address Validation and Geocoding Workshops convened by the Department of Innovation, Industry and Science, 25 and 26 March 2019

Transformation of the data infrastructure

To enable continuous and automated data processing, we re-engineered our production environment, developing our continuous data platform.

The platform needed to ingest and process diverse datasets in near real time and make trusted data available to our customers. This removes the burden of production processing from other teams and enables them to focus on product innovation.

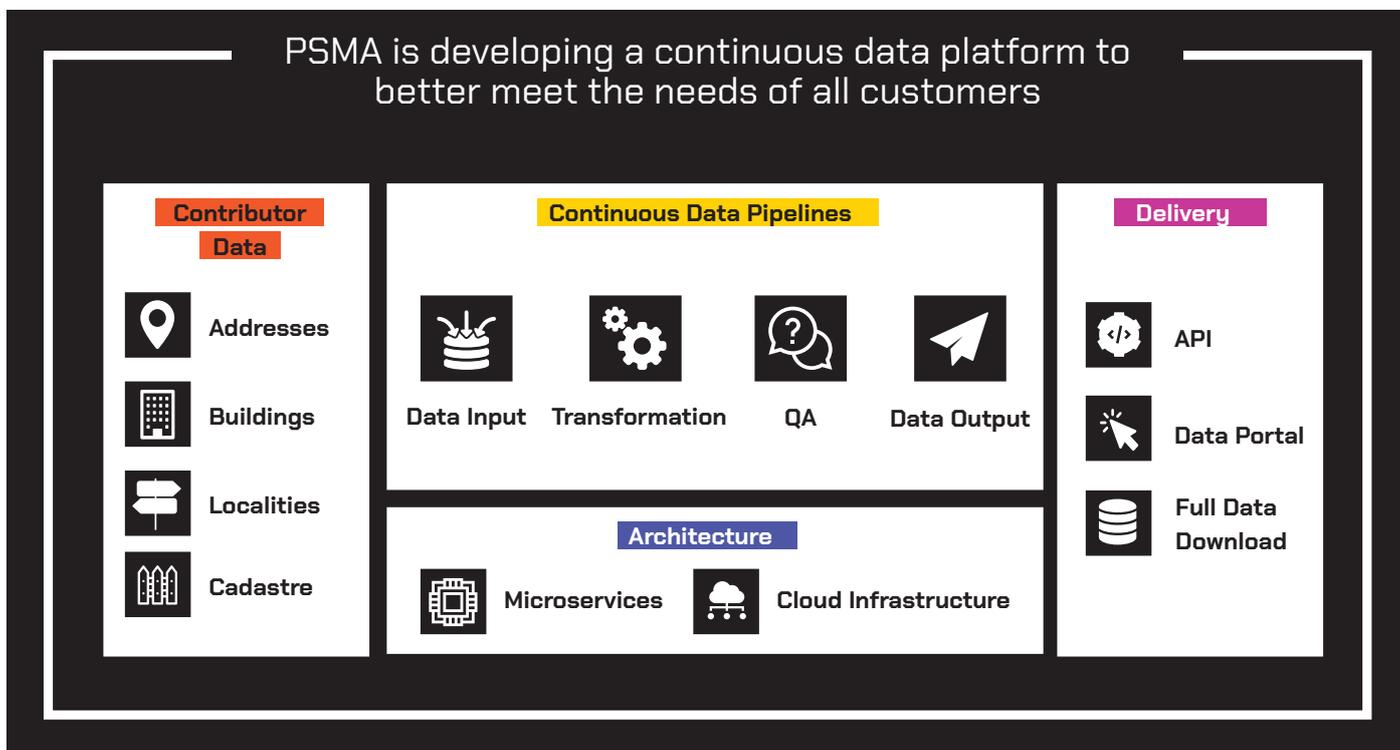


Figure 3: Continuous data platform

This year, we focused on:

- building foundational capability
- processing our highest priority data themes
- creating internal capability
- improving stakeholder collaboration
- improving strategic planning
- increasing productivity
- Increasing scalability.

Partnership insights

ThoughtWorks helped us form our platform vision by looking at our business strategies, our capabilities and harvesting elements with each new business idea. ThoughtWorks provided strong technical leadership and vision to the program, and helped build the capability of our internal teams. This enabled us to innovate at scale.

Components of the platform

As shown in the following diagram, the new platform continuum is built based on five components: cloud native; big data streaming; data provenance; protection of personally identifiable information (PII); and machine learning (ML) and data science.

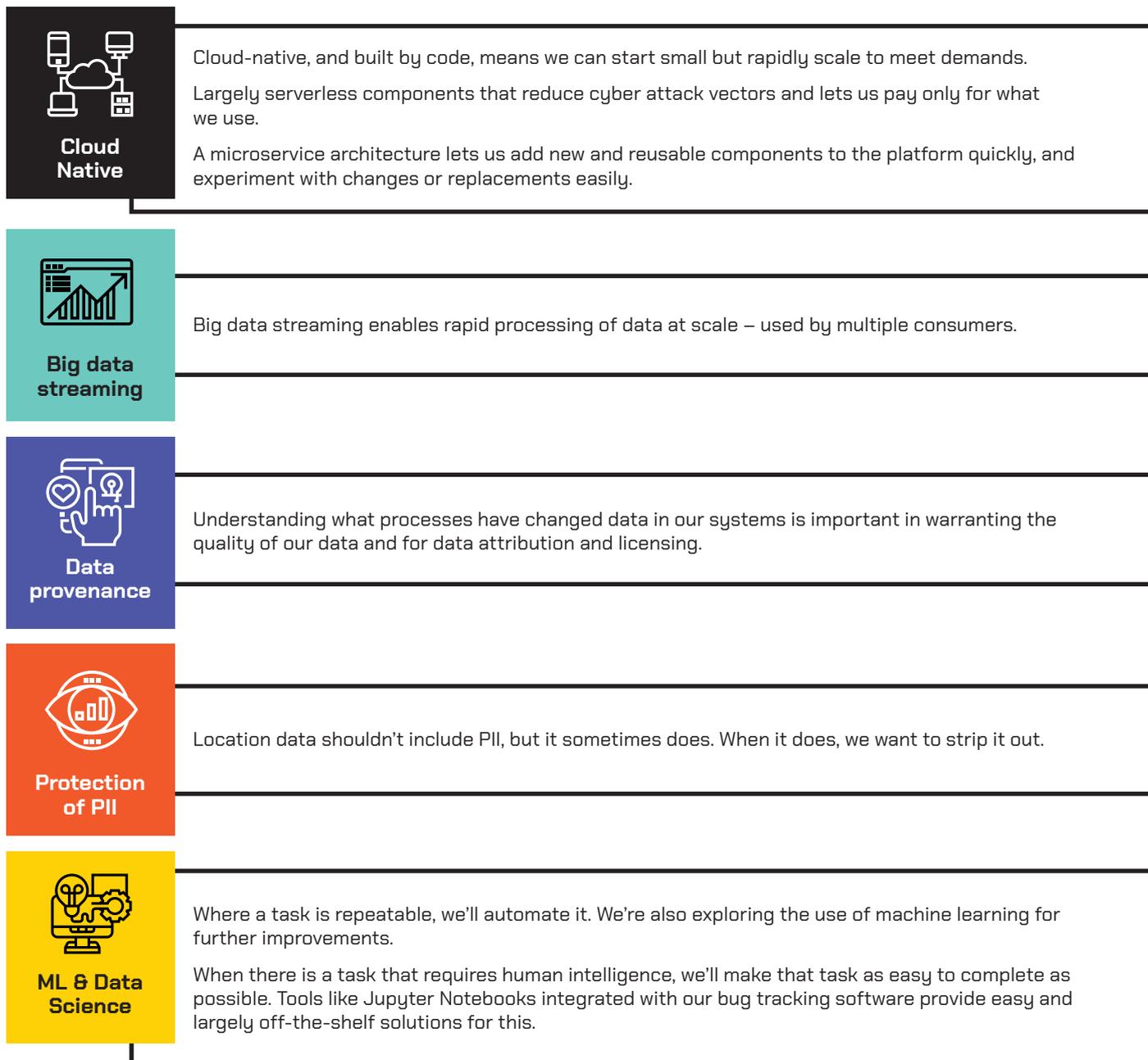


Figure 4: Data platform components

Building our organisational capability

Elevating place

PSMA recognises the increasingly important role that data – and location data in particular – is playing as society comes to grips with the fourth industrial revolution.

There has always been a market for location data. But new technologies enable people to do things with location data they couldn't do before. That requires a response from suppliers of location data and those who build solutions around it. Our purpose to place intelligence in a digital world is about making location data more accessible and useable.

This year we more clearly defined who we are, what we offer, and how we want to communicate. We redefined our future relevance under the brand idea, 'elevating place'.

PSMA staff and customers were actively involved in the process of the rebranding, attending workshops and presentations helping to define the brand they wanted to work for and on.

We have begun a comprehensive organisation rebrand, to better define our personality traits aligned with our products, strategy and corporate culture.

There was disparity in our identity, as well as the look and feel of our PSMA and Geoscape brands. A refreshed visual identity and tone of voice for both PSMA Australia and Geoscape will better reflect who we are today and symbolise our future direction.

New brand elements will reflect a more modern look and capture the innovative business practices and culture that is fundamental to our success as an organisation.

As we move from thought leadership and dataset marketing to a more customer-centric focus, we're positioning Geoscape as the go-to-market brand and a core cloud platform.

Digital

We worked on new websites (www.psm.com.au and www.geoscape.com.au) to provide a clear message of who we are, what we stand for and where our values lie when developing, delivering and maintaining our data.

The new websites will offer a clean and consistent look and feel.

Social

Building relevancy and engagement with our audiences is crucial so we're introducing a new social channel for our developers along with a dedicated Geoscape Twitter channel.

Marketing

External communications initiatives supported Geoscape's complete data capture release in October 2018. The aims of our media campaign were to:

- create awareness of Geoscape within new markets
- highlight its potential benefits and drive new enquiries and customer leads (to both PSMA Australia and resellers).

We used three case studies to demonstrate the value of Geoscape data, with state-based facts to make stories relevant for media across the country.

The campaign was a success, with strong media coverage resulting in new customers for building data.

“Trust is a critical element of the digital eco-system and transparency is the key to trustworthiness.”

- External interview

“We're the source of truth on 'where'.”

- Internal interview

“At the very highest level good data is about saving lives, resources and time.”

- External interview

“We enable customers to see the relationships that exist between things in the real world.”

- Internal interview

“Time and money have always been business currency, but now location is too.”

- External interview

Success measures	Results
Number of media interviews secured	5
Number of Australian articles published, including syndications	44
Total reach	> 25 million
Geoscape website page views	10,203 (fivefold increase)
Geoscape sample data requests	1,971 (first full year of availability)

Table 1: Geoscape media campaign results

We have continually marketed to the developer community via the Developer Portal and Twitter account.

People and culture

The pace of change has been challenging yet rewarding, as our organisation embarked on a clear forward strategy.

Staff survey

We conducted a staff survey in April 2019 to assess levels of resilience, engagement and productivity. We benchmarked the results against previous surveys conducted at two-yearly intervals.

Given the significant scope of change over the last two years, the survey told us that some staff felt out of the loop about strategic decisions, which lowered the levels of trust in the leadership team. However, we were pleased to note that personal resilience remained strong and staff continued to recommend PSMA as a great place to work.

Overall, the feedback told us we had work to do on:

- remuneration
- leadership within the agile operating model
- sharing feedback
- gender neutrality in our recruitment processes
- developing our employee value proposition.

Following the survey, the senior leadership team sat down with every member of staff to discuss the strategic and operational roadmap for PSMA to build linkages, trust and engagement.

Staff survey themes:

- People at PSMA are treated with respect, regardless of their role
- Trust is important in an agile working environment
- PSMA has a flexible culture with work-life consideration
- The workplace is free from discrimination, bullying and harassment

Employee value proposition and values

Leading on from the survey results, we commenced work on our employee value proposition. This involved conversations with staff about how they viewed the organisation, how we can ensure credibility, and how we can align with the new brand's principles and tone of voice.

PSMA's employee value proposition defines the experiences staff value at PSMA, in line with our personality traits. This includes providing:

- experiences that empower people and create a sense of pride in what we're doing (GROUNDED)
- experiences that promote curiosity and exploration that breaks new ground (DYNAMIC)
- experiences that help overcome difficult challenges with openness and inclusion (BOLDLY TRANSPARENT).

The employee value proposition clarifies our expectations of staff – from recruitment and induction through to workplace behaviour and performance reviews.

Our values provide a strong backbone for our culture

VALUES	Passionate about people	Proven knowledge	A leader's mindset	Respectful collaborators
WE ARE	We're passionate about making a difference and putting people first in the decisions we make.	We have a continual thirst for knowledge, experts who are always looking to learn.	We're agile and nimble, leading the way through our innovative and creative thinking.	We're respectful, optimistic and encouraging, celebrating diverse backgrounds and perspectives.
INTERNAL BEHAVIOUR	We have an environment that gives people the opportunity to thrive, to realise personal goals and meaningfully contribute to our collective ambitions.	We understand the importance of our national responsibilities, so we're dedicated to professional development and helping our people grow.	We have a culture built on ideas and trying to be better, open to discovering and pushing the boundaries from small steps to giant leaps.	We're principled in our work and positive in our nature, we do things the right way and we collaborate to give everyone a fair go.
EXTERNAL BEHAVIOUR	We understand our customers and what they need, giving them the right data to create positive impacts on the lives of everyday Australians.	We offer customers unparalleled access to a breadth and depth of tried and tested knowledge, the critical source of truth on where.	We're thought-leaders who create real-world relevance, testing convention and solving problems for our customers, today and tomorrow.	We're always open and honest with our partners, consistent in what we promise, committed to building relationships based on trust and transparency.

Figure 5: PSMA employee value proposition

PSMA: Connecting people, place and possibility

At PSMA we are proudly ambitious and passionate about making a difference. Every day we challenge ourselves to go further and create new opportunities for our customers. We're always learning. It's exciting, fast moving, at times unpredictable, but always enjoyable and rewarding.

As a team, we respect one another and believe everyone should be given opportunities to grow, develop and be the best they can be. We also believe in work-life balance and flexibility that allows people to thrive, at work and at home. This isn't just something we say, it's something we do. In our agile work environment, we support, challenge and back our staff all the way.

We are proud of our past, excited by our future and determined to succeed. We have done some amazing things, solving real-world problems by connecting people and places – and this is just the start.

This past year we also took a new conversational approach to communicating our values. These values are expressed every day through our organisational personality, and form the backbone of our culture.

Recruitment and remuneration

We appointed an in-house recruitment consultant to increase our recruiting speed and cost efficiency. Our employee value proposition is already helping us attract the right staff – particularly in the competitive contractor market.

We appointed an experienced Knowledge Manager to change our mindset about collecting, managing and leveraging our knowledge and to introduce best-in-class processes and tools to streamline this work.

Based on survey feedback, we benchmarked our salaries against the Radford Global Survey. This is an international business survey, where the Australian technology-business survey element represents 529 organisations with 79,000 staff in 1,039 roles. This benchmarking helped us develop a new remuneration structure to provide consistency with the market definition of role, capability expectations and remuneration banding levels.

We're also building an appropriate short-term incentive program to align all staff with our customer-centric approach and to provide market-competitive remuneration packages for our new sales and customer enablement staff.

Culture

Our culture is guided by our Community Rules, which encompass our formal policies, our operational and administrative procedures, our customs and unwritten rules. Our Code of Conduct provides an overview of PSMA's expectations for behaviour – including business ethics and professional integrity.

Our strong corporate culture is supported by the following initiatives:

- frequent all-staff meetings led by our Senior Leadership Team to provide updates and information on our business
- squad engagement in the recruitment processes for their new people
- effective meetings protocol (including time blocking for two meeting-free afternoons a week)
- frequent gratitude and recognition events and squad showcases
- health and wellbeing program, including onsite yoga, bike-ride group, walking meetings, supply of fresh fruit, supply of men's and women's health magazines, participation in Women's Health Week and Men's Health Week
- 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
- waste reduction and recycling programs with contributions to nominated charities
- 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 (for example, Movember, Dry July).

Managing risk

We recognise that risk management is central to the continued growth and success of our business. It is an integral part of our organisation's corporate governance arrangements.

We are committed to establishing sound, consistent and comprehensive processes to identify, assess, monitor and manage material risks related to our business activities, and we acknowledge that management of all risks is a principle means of creating and protecting value for the company. Our aim is to improve the management of risks, better understand the risk/reward balance, and reduce risks to acceptable levels.

We use the approach outlined in the ISO 31000 Standard on Risk Management. This approach:

- increases risk awareness
- ensures the appropriate management of risks
- makes business unit risk profiles transparent.

It means risks can be compared and aggregated and allows our Board to take a portfolio approach to risk engagement and management.

Future outlook

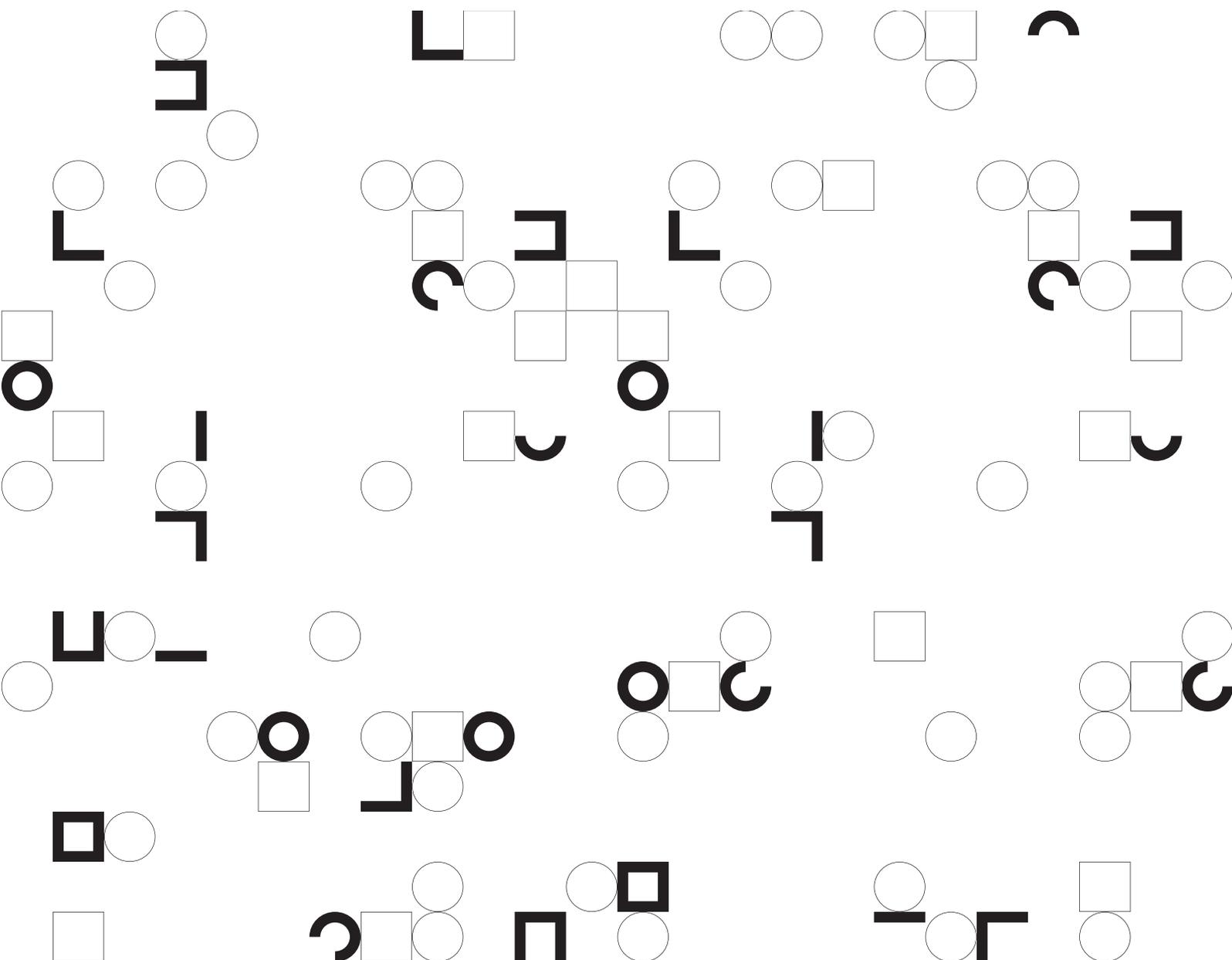
We see a future where anyone can be a location data supplier.

We're identifying new and innovative ways to deliver a great customer experience to maximise the value customers obtain from access to national location data resources.

In the year ahead we will continue to build our capability to meet the challenges of our changing environment and increasing market competition. We aim to grow the number of customers and partners by embedding a customer-centric approach into our data production process and encouraging innovation to meet market needs.

We will leverage technology to provide more choices for customers, building on our market-leading position to create products and services that deliver even greater value and improve even more people's lives.

In this way we will continue to work towards our vision of a digitally connected a world of places and people, where location moves us to predict and act with insight.



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2019

PSMA Australia Limited
ABN 23 089 912 710

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DIRECTOR'S REPORT**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019**

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 2019 and the auditor's report thereon.

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DIRECTOR'S REPORT**1 DIRECTORS****Name:** Lynne Robinson**Qualifications and Affiliations:** Bachelor of Arts (Philosophy and Political Theory); Master of Agribusiness (Deans Hons); Graduate of the Australian Institute of Company Directors**Experience:** Managing Director of Mercury Partners Pty Ltd; Chair, Western Australian Market Led Proposals; Former Head of Enterprise Technology Transformation/Data Services, ANZ; Former Senior Manager, Service Centre, ING; Former e-Business Lead, GIO**Special Responsibilities:** Independent Chair (since 16 November 2018) and Director of PSMA Australia Ltd; Member of Audit and Risk Committee; Member of Executive Committee (until 16 November 2018)**Name:** Jodi Cant**Qualifications and Affiliations:** Bachelor of Economics; Graduate of the Australian Institute of Company Directors; Fellow of Leadership WA**Experience:** Director General, Department of Finance, Western Australian Government; Advisory Board Member, Curtin Institute of Computation; Trustee of CEDA, Committee for Economic Development of Australia; Former Chief Executive Officer, Landgate; Former Board Member of Property Exchange Australia Ltd (PEXA); Former Chair of earthmine Australia**Special Responsibilities:** Deputy Chair (until 16 November 2018) and Nominee Director of PSMA Australia Ltd; Member of Nomination and Remuneration Committee, Deputy Chair of Executive Committee (until 16 November 2018).**Name:** Bruce Thompson**Qualifications and Affiliations:** Bachelor of Design Studies; Master of Business Administration, Master of Business (Information Technology), ANZSOG Executive Fellows Program**Experience:** Executive Director Spatial Services, NSW Department of Customer Service; Chair of ANZLIC; Former General Manager Land Services, Victorian Department of Environment, Land, Water and Planning; Former Deputy Secretary Corporate Services, Victorian Department of Environment and Primary Industries; Former Chief Information Officer, Victorian Department of Sustainability and Environment; Former

DIRECTOR'S REPORT

Director Spatial Information Infrastructure, Victorian Department of Sustainability and Environment

Special Responsibilities: Nominee Director of PSMA Australia Ltd; Member of Executive Committee (until 16 November 2018)

Name: **Stuart Fletcher**

Experience: General Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment; Former Information and Program Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment; Former Advisor, Office of the Deputy Premier, Tasmania Department of Premier and Cabinet; Former Manager Spatial Operations, Information and Land Services, Land Tasmania, Department of Primary Industries, Parks Water and Environment; Former Manager Geodata Systems Development, Land Tasmania, Department of Primary Industries, Parks Water and Environment

Special Responsibilities: Nominee Director of PSMA Australia Ltd; Member of Audit and Risk Committee

Name: **Des Mooney (appointed 25 October 2018)**

Qualifications and Affiliations: Bachelor of Surveying (Hons); Master of Business Administration, Company Directors Diploma; Fellow of the Australian Institute of Company Directors, Fellow of the Institute of Managers and Leaders

Experience: Senior Advisor and Consultant; Former CEO, New South Wales Land Registry Services; Former Registrar General and Surveyor General of New South Wales, Former CEO, Land and Property Information, Department of Finance and Services New South Wales

Special Responsibilities: Independent Deputy Chair (since 16 November 2018) and Director of PSMA Australia Ltd; Chair of Nomination and Remuneration Committee

Name: **Mark Judd (appointed 25 October 2018)**

Qualifications and Affiliations: Bachelor of Surveying

Experience: Head of Digital Services, AusNet Services; Chair of the Deakin University/AusNet Services Research Management Committee; Committee Member of the Free Electrons: The Global Energy Accelerator; Former Manager Energy Services, (Commercial Energy Services), AusNet Services; Former Executive Director and Co-Founder of Geomatic Technologies; Former Director of earthmine Australia

DIRECTOR'S REPORT

Special Responsibilities: Independent Director of PSMA Australia Ltd; Member of Nomination and Remuneration Committee

Name: Peter Woodgate (appointed 25 October 2018)

Qualifications and Affiliations: Bachelor of Forest Science; Master of Applied Science (Remote Sensing); Doctorate of Business Administration; Graduate of the Australian Institute of Company Directors; Honorary Fellow, Surveying and Spatial Sciences Institute; Life Member, International Society for Digital Earth

Experience: Chair, Australian Urban Research Infrastructure Network, Board Member, AuScope Limited; Member of Council, Charles Sturt University; Chair of SmartSatCRC bid; Former Board Member, UNESCO World Heritage Centre on Space Technologies for Natural and Cultural Heritage; Former CEO and Managing Director, Australia and New Zealand Cooperative Research Centre for Spatial Information

Special Responsibilities: Independent Director of PSMA Australia Ltd; Chair of Audit and Risk Committee (since 16 November 2018); Independent Director of PSMA Distribution Pty Ltd (since 16 November 2018)

Name: Daniel Paull

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

Experience: Chief Executive Officer and Company Secretary, PSMA Australia Ltd (since 2001); Chief Executive Officer, PSMA Distribution Pty Ltd (since 2008)

Special Responsibilities: Executive Director of PSMA Distribution Pty Ltd; Company Secretary of PSMA Australia Ltd (until 16 April 2019); Deputy Company Secretary of PSMA Australia Ltd (since 16 April 2019)

DIRECTOR'S REPORT

Name: Glenn Appleyard (appointment expired on 25 October 2018)

Qualifications and Affiliations: Bachelor of Economics, Graduate of the Australian Institute of Company Directors

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

Special Responsibilities: Independent Chair and Director of PSMA Australia Ltd; Chair of Executive Committee; Independent Chair and Director of PSMA Distribution Pty Ltd

Name: Walter Mayr (appointment expired on 25 October 2018)

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

Experience: President of the Gold Coast Catchment Association, Former Technical Director, RPS Group; Former Executive Director of Terranean Mapping Technologies; Former Asia Pacific Product Director, MapInfo Corporation (now Pitney Bowes); Former Chairman of Spatial Industry Action Agenda; Former Managing Director of ERSIS Australia; Former Director of ERSIS Australia

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

Name: Fabio Finocchiaro (resignation effective as of 25 October 2018)

Qualifications and Affiliations: Bachelor of Arts (Town Planning)

Experience: Executive Director of Land Services, Northern Territory Department of Infrastructure Planning and Logistics (retired July 2019); Former Senior Director Land Information Services

Special Responsibilities: Nominee Director of PSMA Australia Ltd; Chair of Group Audit Committee

DIRECTOR'S REPORT

Name: Jeffrey Brown (resignation effective as of 5 October 2018)

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

Experience: Surveyor-General of the ACT; Co-chair ACT Place Names Committee; ACT Representative member of CRSBANZ; Former ACT Representative member of ANZLIC; Former Managing Director of Jeff Brown Surveys Pty Ltd; Former Partner of Brown Clarke & Di Pauli; Former Managing Director of Jeff & Leigh Brown Pty Ltd; Former President of The Institution of Surveyors ACT; Former Chairman of the Survey Practice Accreditation Scheme subcommittee; Former Board Member of ACS Search Pty Ltd; Former Chairman of ACS Search Pty Ltd; Chairman of the Association of Consulting Surveyors NSW; Former Board member of the Association of Consulting Surveyors NSW

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

Name: Penelope Winslade (resignation effective as of 10 August 2018)

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

Experience: Executive Director, Victorian Department of Environment Land Water and Planning (until December 2018); Former Executive Director, Victorian Department of Premier and Cabinet; Former General Manager, WW Public Sector, Boston Consulting Group

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

DIRECTOR'S REPORT**2 COMPANY SECRETARY**

Name: Alexandra Nikolic (appointed 16 April 2019)

Qualifications and Affiliations: LLB (Hons); BA (Philosophy); Graduate Diploma in Legal Practice; admitted to practice in the Supreme Court of the Australian Capital Territory; Member of ACT Law Society; Member of the Association of Corporate Counsel; Associate Member of the Governance Institute of Australia; currently completing a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia

Experience: Associate, Norton Rose Fulbright (formerly Deacons)

Special Responsibilities: Company Secretary of PSMA Australia Ltd and PSMA Senior Legal Counsel

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 of the Company, are as follows:

Director	PSMA Australia Ltd Directors' Meetings	Audit and Risk Committee (formerly Group Audit Committee) Meetings	Nomination and Remuneration Committee Meetings	Executive Committee Meetings (Committee disbanded 16 November 2018)
Number of meetings held	12	3	3	-
Lynne Robinson	12	2	-	-
Jodi Cant	12	-	3	-
Bruce Thompson	11	-	-	-
Stuart Fletcher	12	3	-	-
Des Mooney	8	-	3	-
Mark Judd	10	-	3	-
Peter Woodgate	7	2	-	-
Glenn Appleyard	2	-	-	-
Wal Mayr	2	-	-	-
Fabio Finocchiaro	2	1	-	-
Jeff Brown	1	1	-	-
Penelope Winslade	-	-	-	-

DIRECTOR'S REPORT**4 CORPORATE GOVERNANCE STATEMENT**

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

4.1 BOARD OF DIRECTORS**Role and responsibilities of the Board**

The role of the PSMA Australia Ltd Board is to ensure that the Company develops and implements:

- strategies and supporting policies to enable it to fulfil its objects (set out in its constitution); and
- systems, processes and procedures to enable the Group to comply with its legal and regulatory obligations and ensure that its assets and operations are not exposed to undue risks through appropriate risk management.

The responsibilities of the Board include:

- demonstrating leadership of the Group;
- defining the Company's purpose and setting its strategic objectives, including its annual program;
- approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- appointing the Chair and the Deputy Chair;
- appointing and replacing the CEO and Company Secretary;
- overseeing management in its implementation of the Company's strategic objectives, instilling of Company values and performance generally;
- approving and monitoring operating budgets and capital expenditure budgets;
- overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- satisfying itself that the Group has in place an appropriate risk management framework (for both financial and non-financial risks);
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- whenever required, challenging management and holding it to account;
- satisfying itself that remuneration policies are aligned with PSMA's purpose, values, strategic objectives and risk appetite; and
- monitoring the effectiveness of PSMA's governance practices.

The Board has delegated responsibility for management of the day-to-day business of the Group to the Chief Executive Officer, who must act within the policies and specific delegation limits specified by the Board from time to time.

Board processes

The PSMA Australia Ltd Board scheduled seven meetings during the year and an annual strategy day. Four additional ad hoc meetings were called. The agenda for Board meetings is prepared by the Company Secretary in consultation with the Chair and Chief Executive Officer.

DIRECTOR'S REPORT

Standing items include finance, strategy, governance, risk and compliance, and the CEO report. When the Board meets quarterly at the Company's head office in Canberra, directors have the opportunity to interact with all staff.

Directors are asked to declare any conflicts of interest at the beginning of each Board and Committee meeting. Director interests and related party transactions are recorded by the Company Secretary in a register.

During the year the Board had three standing committees:

- the Audit and Risk Committee, formerly known as the Group Audit Committee;
- the Nomination and Remuneration Committee, which was established in November 2018; and
- the Executive Committee, which was inactive and disbanded in November 2018.

The Audit and Risk Committee and Nomination and Remuneration Committee have their own charters, which are approved by the Board and reviewed every two years. These Committees are generally not decision-making bodies. Their role is to assist the Board by reviewing the matters described in their charters, making recommendations to the Board on these matters and implementing Board policy. The Board may establish other standing or ad hoc committees as required.

Composition of the Board

The Directors section above sets out the names of the directors and which are independent directors and which are nominee directors.

As part of recent governance reforms, the transition to a skills-based independent Board began this year when all but three nominee directors resigned and three new independent directors were appointed at the Annual General Meeting in October 2018. That transition will be completed at the Annual General Meeting in October 2019.

The composition of the Board is determined using the following principles:

- the Company must have between 4 and 7 directors;
- the Company needs an appropriate collective mix of skills, experience, expertise and diversity. This is determined by reference to a director skills matrix developed in consultation with the shareholders in 2018; and
- the Chair should 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 24 of the Notes to the Financial Statements.

DIRECTOR'S REPORT**4.3 COMMITTEES OF THE BOARD**

During the year, the Company had an Audit and Risk Committee (formerly known as the Group Audit Committee) and a Nomination and Remuneration Committee. It also had an Executive Committee that was not active and was disbanded in November 2018. Members of these committees were:

Audit and Risk Committee	Nomination and Remuneration Committee	Executive Committee
Peter Woodgate	Des Mooney	Lynne Robinson
Lynne Robinson	Jodi Cant	Jodi Cant
Stuart Fletcher	Mark Judd	Bruce Thompson
Fabio Finocchiaro		Glenn Appleyard
Jeff Brown		Wal Mayr

Audit and Risk Committee (formerly known as the Group Audit Committee)

The responsibilities of the Audit and Risk Committee are to facilitate the effective functioning of the Board and promote shareholder confidence by regularly reviewing and overseeing:

- the identification of Group risks based on staff feedback (as received through the Chief Executive Officer and Chief Financial Officer) and business strategy;
- systems of internal business control and compliance activities including those related to loan commitments and other financial obligations;
- quarterly consolidated financial statements;
- the Group risk register in the context of the Company's risk management framework;
- recommendations for the appointment of external auditors, including communication between management and external auditors;
- the adequacy of records and systems of internal accounting controls;
- important changes in accounting procedures; and
- the adequacy of Group staff policy.

The Committee is comprised of three Directors and the Chief Financial Officer. The Chief Executive Officer and Senior Legal Counsel are also invited to attend Committee meetings.

Nomination and Remuneration Committee

The responsibilities of the Committee are:

- to facilitate the effective functioning of the Board and promote shareholder confidence by regularly reviewing and overseeing a process for the appointment and reappointment of directors to the Board, the induction and continuing professional development programs for directors, processes for evaluating the performance of the Board, its Committees and directors, succession planning for the Board, a process for the appointment and reappointment of the Chief Executive Officer, a process for evaluating the performance of the Chief Executive

DIRECTOR'S REPORT

Officer and Company Secretary and succession planning for the Chief Executive Officer and other senior executives;

- to promote the desired culture within PSMA by:
 - overseeing culture related matters generally, including the review of PSMA's statement of values and code of conduct;
 - balancing PSMA's desire to attract and retain high quality Directors and to attract, retain and motivate senior executives and other employees, the need to ensure that incentives encourage staff to pursue the growth and success of PSMA without rewarding conduct that is contrary to PSMA's values or risk appetite, the implications for its reputation and standing in the community if it is seen to pay excessive remuneration to Directors and senior executives and PSMA's commercial interest in controlling expenses; and
 - regularly reviewing and overseeing PSMA's remuneration and incentive policies, practices and performance indicators, the remuneration of Directors, the remuneration and terms and conditions of employment of the CEO and Company Secretary, the Company's remuneration framework, including superannuation and whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

The Committee is comprised of three Directors. The Chief Executive Officer is also invited to attend Committee meetings.

Executive Committee

As a consequence of recent governance reforms, the Executive Committee became inactive and was disbanded in November 2018. The Executive Committee had acted 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.

4.4 RISK MANAGEMENT

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 board approved Annual Program and monitoring of progress against the Program; and
- 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:

DIRECTOR'S REPORT

- assembling fundamental datasets of national interest
- coordinating the delivery of these datasets, so as to achieve the widest possible audience and widest possible use; and
- 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 2018–2019.

7 PERFORMANCE MANAGEMENT

Management and the Board monitor the Group's overall performance from the implementation of its strategic objectives 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 board meeting, allowing all directors to actively monitor the Group's performance.

8 OPERATING RESULTS

The Group earned an operating profit of \$2,398,586 (2018: \$3,664,389) for the financial year from 1 July 2018 to 30 June 2019. 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 2018 to 30 June 2019 (2018: Nil).

10 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

PSMA Australia received a concessional loan from the Commonwealth Government. The purpose of the loan is to improve the accessibility and useability of our data products, while also enhancing our ability to assist with future national spatial data priorities through a coordinated national approach. The loan will enable us to upgrade our IT infrastructure and develop our staff capability in project management, IT and data science.

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.

DIRECTOR'S REPORT**12 FUTURE DEVELOPMENTS**

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the future outlook section in the Operational Review of the PSMA Australia Limited Annual Report 2018-19.

13 OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2018 to 30 June 2019. 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 \$7,111 to AIG Australia Limited in respect of a policy that specifically covers directors' and officers' liability, and \$952 to Chubb Insurance Limited in respect to a policy that provides personal accident insurance for non-working directors and volunteers.

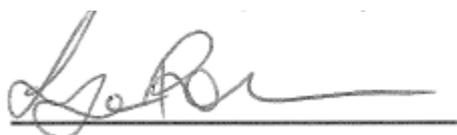
The Group has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the Company:

- 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:



Lynne Robinson

Chair, PSMA Australia Limited

Dated at *Canberra*

this *9th* day of *October* 2019

**DIRECTOR'S DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019**

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 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

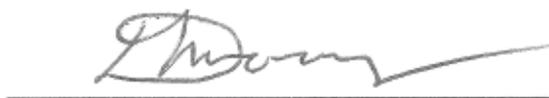
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Lynne Robinson

Chair, PSMA Australia Limited

Dated at *Canberra* this *9th* day of *October* 2019



Des Mooney

Deputy Chair, PSMA Australia Limited

Dated at *Canberra* this *9th* day of *October* 2019

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Consolidated	
		2019	2018
		\$	\$
Revenue			
Access fees	6	10,316,224	9,878,023
Royalties	6	5,828,311	5,486,587
PSMA cloud and consulting	6	706,072	611,437
Interest	7	55,300	64,638
Other income	6	-	59,090
Other gains and (losses)	6	228,269	80,295
Total revenues from ordinary activities		17,134,176	16,180,070
Expenses from operations			
Employee benefits expense	8	7,216,413	6,604,458
Depreciation and amortisation expenses		2,260,388	150,902
Other expenses	9	4,567,949	5,730,950
Total expenses from operations		14,044,750	12,486,310
Profit before income tax expense		3,089,426	3,693,760
Income tax expenses	10	690,840	29,371
Profit after income tax expense		2,398,586	3,664,389
Other comprehensive income		-	-
Total comprehensive income for the year		2,398,586	3,664,389

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Consolidated	
		2019	2018
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	11.1	13,664,242	8,714,618
Investments	12	92,524	90,472
Trade and other receivables	13	1,604,138	2,666,614
Other assets	14	354,186	139,431
Total current assets		15,715,090	11,611,135
Non-current assets			
Property, plant and equipment	15	362,619	274,252
Deferred tax	16	70,685	198,716
Intangible assets	17	20,712,957	16,089,775
Total non-current assets		21,146,261	16,562,743
TOTAL ASSETS		36,861,351	28,173,878
LIABILITIES			
Current liabilities			
Trade and other payables	18	2,917,320	2,748,661
Income in advance		1,656,809	858,286
Income tax		-	(139,945)
Provisions	19	445,155	336,624
Total current liabilities		5,019,284	3,803,626
Non-current liabilities			
Provisions	19	343,267	281,209
Borrowings	20	4,500,000	-
Deferred tax	21	568,463	57,292
Total non-current liabilities		5,411,730	338,501
TOTAL LIABILITIES		10,431,014	4,142,127
NET ASSETS		26,430,337	24,031,751
EQUITY			
Issued capital		9	9
Retained earnings		26,430,328	21,963,779
Reserves		0	2,067,963
TOTAL EQUITY		26,430,337	24,031,751

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
Note	2019	2018	
	\$	\$	
<i>Cash flows from operating activities</i>			
	19,598,144	15,836,019	
	(12,413,716)	(13,004,503)	
6	55,300	64,638	
	(44,384)	-	
	228,269	80,295	
11.2	7,423,613	2,976,449	
<i>Cash flows from investing activities</i>			
15	(281,617)	(63,615)	
17	(6,690,320)	(4,915,844)	
12	(2,052)	(6,493)	
11.2	(6,973,989)	(4,985,952)	
<i>Cash flows from financing activities</i>			
20	4,500,000	-	
11.2	4,500,000	-	
	8,714,618	10,724,121	
	4,949,624	(2,009,503)	
11.1	13,664,242	8,714,618	

The accompanying notes form part of these financial statements.

PSMA AUSTRALIA LIMITED ABN 23 089 912 710 AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 30 JUNE 2019**

Consolidated Group	Share Capital (Ordinary) \$	Retained Earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2017	9	18,299,390	2,067,963	20,367,362
Profit for the year	-	3,664,389	-	3,664,389
Balance at 1 July 2018	9	21,963,779	2,067,963	24,031,751
Profit for the year	-	2,398,586	-	2,398,586
Transfer during the year	-	2,067,963	(2,067,963)	-
Balance at 30 June 2019	9	26,430,328	-	26,430,337

The accompanying notes form part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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 2019 were:

- PSMA Distribution Pty Ltd

The consolidated financial statements of the Company as at and for the year ended 30 June 2019 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 2019 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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 3.6 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 3.10 and 19 – provision accounts

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 2019 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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 following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced 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 that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are 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 or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, 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 use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using 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. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are 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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. 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.

3.3 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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.

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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be 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 a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

3.4 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (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.

Amortisation

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

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The estimated useful lives for the current period are:

Class of intangible	Estimated useful life	Depreciation rate
Externally purchased software	5 years	20%
Internally generated software	5 – 10 years	10% - 20%
PSMA foundational datasets	6 years (from 1 July 2018)	16.7%
Geoscape dataset	10 years (from 1 October	10%
PSMA Platform Technologies	8 years	12.5%
PSMA Application Program Interfaces	2 – 4 years	25% - 50%

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

3.10 PROVISIONS

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.11 REVENUE RECOGNITION**

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Royalties

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

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.

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

3.15 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 2019. 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 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

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, however the financial impact cannot be accurately quantified until a new property lease is signed.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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.

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.

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****5 FINANCIAL RISK MANAGEMENT (CONTINUED)**

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Financial assets										
Cash	1,890,000	1,890,000	-	-	11,774,242	6,824,618	-	-	13,664,242	8,714,618
Receivable	-	-	-	-	-	-	1,604,138	2,666,614	1,604,138	2,666,614
Investment	92,524	90,472	-	-	-	-	-	-	92,524	90,472
Total	1,982,524	1,980,472	-	-	11,774,242	6,824,618	1,604,138	2,666,614	15,360,904	11,471,704
Financial liabilities										
Payable	-	-	-	-	-	-	2,917,320	2,748,661	2,917,320	2,748,661
Total	-	-	-	-	-	-	2,917,320	2,748,661	2,917,320	2,748,661

Foreign currency risk

Foreign exchange risk relates to the contracts from our value-added resellers, which is predominantly 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****5 FINANCIAL RISK MANAGEMENT (CONTINUED)**

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:

<u>Consolidated Group</u>	US Dollars	
	2019	2018
	\$	\$
Cash and cash equivalents	387,835	3,238,212
Total assets	387,835	3,238,212
Trade and other payables	(299,329)	(477,816)
Total liabilities	(299,329)	(477,816)
Net assets	88,506	2,760,396

The company had net assets denominated in foreign currencies of \$88,506 (assets of \$387,835 less liabilities of \$299,329) as at 30 June 2019. 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 \$8,851 higher / \$4,425 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 2019 was \$46,254 (2018: Gain \$209,597).

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 2019 was 3.13:1, 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****6 REVENUE AND OTHER INCOME**

	Consolidated	
	2019	2018
	\$	\$
Services revenue		
Access fees	10,316,224	9,878,023
	10,316,224	9,878,023
PSMA cloud and consulting	706,072	611,437
Total services revenue	11,022,296	10,489,460
Non-services revenue		
Royalties	5,828,311	5,486,587
Interest	55,300	64,638
Total non-services revenue	5,883,611	5,551,225
Other income		
Miscellaneous	-	59,090
Total other income	-	59,090
Other gains and (losses)		
Unrealised foreign exchange gain/(loss)	46,254	209,597
Realised foreign exchange gain/(loss)	182,015	(129,302)
Total other gains and (losses)	228,269	80,295
Total revenue	17,134,176	16,180,070

7 INTEREST

Interest income on cash at bank balances	11,380	12,297
Interest income on term deposits	43,920	52,341
Finance Income	55,300	64,638
Bank charges	(10,190)	(10,544)
Interest	(44,384)	-
Finance expense	(54,574)	(10,544)
Net finance income	726	54,094

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****8 EMPLOYEE BENEFITS EXPENSE**

	Consolidated	
	2019	2018
	\$	\$
Wages and salaries	5,679,309	5,331,390
Employer superannuation	496,395	497,039
Payroll tax	305,230	276,235
Annual leave provision (movement)	115,909	(29,961)
Long-service leave provision (movement)	54,680	92,972
Staff training and professional development	69,896	139,806
Human resources - other	478,358	270,647
Workers compensation insurance	16,636	26,330
Total employee benefits	7,216,413	6,604,458

9 OTHER EXPENSES

Administration costs	70,526	41,570
Equipment	361,517	353,402
Human resource management	25,019	14,452
Insurance	35,344	33,275
Marketing	823,903	288,737
Other expenses	77,856	10,998
Overheads	447,263	390,937
Professional services	153,635	130,296
Research and development	-	9,532
Royalty returns	(272,158)	1,000,863
Supply chain management	1,864,916	1,683,551
Telecommunications	137,287	66,672
Transformation program	575,023	1,494,816
Travel	267,818	211,849
Total other expenses	4,567,949	5,730,950

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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.

	Consolidated	
	2019	2018
	\$	\$
Income tax expense		
Current tax	51,638	88,307
Deferred tax	639,202	(58,936)
Income tax expense	690,840	29,371
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets (note 16)	128,031	15,039
Increase in deferred tax liabilities (note 21)	511,171	(73,975)
Deferred tax	639,202	(58,936)
Profit before income tax expense	3,089,426	3,693,760
Tax at the statutory rate of 27.5%	849,592	1,108,128
Tax effect amounts which are not deductible	1,692,294	409,970
Adjustment for change in tax rate from 30% to 27.5%	21,334	-
Unders/Overs from prior year	51,638	-
R&D Offset	(1,924,018)	(1,488,727)
	690,840	29,371
Adjustment recognised for prior periods	-	-
Income tax expense	690,840	29,371

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****11 CASH****11.1 Cash and cash equivalents**

	Consolidated	
	2019 \$	2018 \$
Cash and cash equivalents		
Cash at bank and in hand	11,774,242	6,824,618
Short term bank deposits	1,890,000	1,890,000
Cash and cash equivalents in the statement of cash flows	13,664,242	8,714,618

The effective interest rate on the bank deposits was 1.35%, with an average maturity of 30 days.

Cash held in trust		
Cash at bank	53,354	53,544
Total cash held in trust	53,354	53,544

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

11.2 STATEMENT OF CASH FLOWS

Reconciliation of cash flows from operating activities

The Group has no non-cash financing or investing activities during the period.

Cash flows from operating activities		
Profit attributable to members:	2,398,586	3,664,389
Non-cash flows in profit		
Depreciation and amortisation	2,260,388	150,902
Loss from disposal of assets	-	1,885
Operating profit before changes in working	4,658,974	3,817,176
Change in trade and other receivables	1,062,476	(1,267,654)
Change in other assets	(214,755)	57,838
Change in trade and other payables	168,659	204,037
Change in other financial liabilities	-	(84,155)
Change in provisions and employee benefits	170,589	63,012
Change in income in advance	798,523	315,597
Change in tax	779,147	(129,402)
Net cash from operating activities	7,423,613	2,976,449

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****12 INVESTMENTS**

	Consolidated	
	2019	2018
	\$	\$
Term deposits	92,524	90,472
Total investments	92,524	90,472

The above term deposits are held by the bankers to cover the bank guarantee of \$65,205 (2018: \$65,205) issued. The effective interest rate on the term deposits was 1.50%, with an average maturity of 30 days.

13 TRADE AND OTHER RECEIVABLES

Trade receivables	695,918	1,616,656
Interest receivable	328	5,467
Accrued income	907,892	1,044,491
Total trade and other receivables	1,604,138	2,666,614

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.

14 OTHER ASSETS

Prepayments	354,186	139,431
Total other assets	354,186	139,431

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****15 PROPERTY, PLANT AND EQUIPMENT**

	Consolidated	
	2019	2018
	\$	\$
IT Hardware – at cost	607,855	340,631
Accumulated depreciation	(357,662)	(230,700)
	250,193	109,931
IT Software – at cost	548,253	547,504
Accumulated depreciation	(455,590)	(393,773)
	92,663	153,731
Furniture and Equipment – at cost	160,105	146,461
Accumulated depreciation	(140,342)	(135,871)
	19,763	10,590
Building Fit out – at cost	144,838	144,838
Accumulated amortisation	(144,838)	(144,838)
	-	-
Total plant and equipment	362,619	274,252

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 2018	109,931	153,731	10,590	-	274,252
Additions	267,224	749	13,644	-	281,617
Depreciation expense	(126,962)	(61,817)	(4,471)	-	(193,250)
Carrying amount at 30 June 2019	250,193	92,663	19,763	-	362,619

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****16 DEFERRED TAX ASSET**

	Consolidated	
	2019	2018
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable</i>		
Amounts recognised in profit or loss:		
Employee benefits	7,892	198,716
Super payable	57,907	-
Property, plant and equipment	4,886	-
Deferred tax asset	70,685	198,716

17 INTANGIBLE ASSETS

Intangible assets		
Foundation Datasets	5,399,601	6,479,523
Geoscape	9,955,630	9,610,252
Spatial Data	1,667,011	-
Data Platform	2,829,568	-
APIs	861,147	-
Total intangible assets	20,712,957	16,089,775
Completed	17,883,389	6,479,523
Work in progress	2,829,568	9,610,252
Total intangible assets	20,712,957	16,089,775
Reconciliation		
Opening balance at 1 July	16,089,775	11,173,931
Addition	6,690,320	4,915,844
Amortisation expense	(2,067,138)	-
Closing balance at 30 June	20,712,957	16,089,775

In 2019, intangibles have been determined to have finite lives, amortised from 1 July 2018 or from the effective date of use of the asset.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019**

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) 8% (2018: 10%) pre-tax discount rate;
- b) Annual projected revenue growth rate of 2% for traditional datasets, 24% to 65% for Geoscape and 12% to 37% for APIs; and
- c) Annual increase of 10% to 11% for traditional datasets, 12% to 33% for Geoscape and 12% to 37% for APIs in operating costs and overheads.

The discount rate of 8% 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.

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 more than 5% 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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****18 TRADE AND OTHER PAYABLES**

	Consolidated	
	2019	2018
	\$	\$
Trade payables		
Trade creditors	904,515	871,444
Employee benefits	170,241	117,220
	1,074,756	988,664
Accrued expenses		
Accrued wages and salaries	155,784	124,937
Accrued Jurisdictional Royalties	1,264,629	1,342,235
Other accrued expenses	422,151	292,825
	1,842,564	1,759,997
Total trade and other payables	2,917,320	2,748,661

19 PROVISIONS

Current		
Annual leave provision	341,114	233,353
Long service leave provision	104,041	103,271
	445,155	336,624
Non-current		
Annual leave provision	32,093	23,945
Long service leave provision	311,174	257,264
	343,267	281,209
Total provisions	788,422	617,833
Reconciliation		
Opening balance at 1 July	617,833	554,821
Movements during the year	170,589	63,012
Closing balance at 30 June	788,422	617,833
Number of employees at year end	59	47

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****20 BORROWINGS**

	Consolidated	
	2019	2018
	\$	\$
Current	-	-
Non-current	4,500,000	-
	4,500,000	-
Total facilities	10,500,000	-
Used at the reporting date	4,500,000	-
Unused at the reporting date	6,000,000	-

PSMA Australia received a concessional loan from the Commonwealth Government. The purpose of the loan is to improve the accessibility and useability of our data products, while also enhancing our ability to assist with future national spatial data priorities through a coordinated national approach. The loan will enable us to upgrade our IT infrastructure and develop our staff capability in project management, IT and data science

The Company entered into the loan facility on 8 March 2019. The facility will mature on 30 June 2026 with interest rate at 4.5% per annum. Repayment of facility will start on 30 June 2021.

As at 30 June 2019, \$6,000,000 of the loan facility remains undrawn. \$2,493,367 of the drawn amount (\$4,500,000) has been spent up to 30 June 2019 on the six deliverables (see below table), leaving \$2,006,633 remaining still to be invested.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****20 BORROWINGS (CONTINUED)**

Deliverables - Stage 1	Estimated cost	Total Spend on	Available
Continuous Data	2,000,000	1,214,881	785,119
Industry Solutions	750,000	462,555	287,445
Application Programming Interfaces	500,000	500,000	-
Data Ecosystem Development	500,000	246,819	253,181
Richer Dataset Development Program	500,000	11,571	488,429
Organisational Capability	250,000	57,541	192,459
Total Deliverable - Stage 1	4,500,000	2,493,367	2,006,633

21 DEFERRED TAX LIABILITY

Deferred tax liability comprises temporary differences attributable to :

Amounts recognised in profit or loss:

	2019	2018
	\$	\$
IP Assets	568,463	-
Property, plant and equipment	-	49,858
Capitalised wages	-	7,434
Deferred tax liability	568,463	57,292

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.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****23 COMMITMENTS****23.1 NON-CANCELLABLE OPERATING LEASES CONTRACTED FOR, BUT NOT CAPITALISED IN THE FINANCIAL STATEMENTS**

	Consolidated	
	2019	2018
	\$	\$
Lease payable commitment		
Not later than 1 year	91,017	355,974
Later than 1 year but no later than 5 years	-	212,186
Total commitments	91,017	568,160

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.

23.2 CONTRACTED COMMITMENTS FOR FUTURE CAPITAL AND NON-CAPITAL EXPENDITURE BUT NOT RECOGNISED IN THE FINANCIAL STATEMENTS**Contract commitment**

Not later than 1 year	1,601,086	1,929,023
Later than 1 year but no later than 5 years	400,271	2,415,105
Total commitments	2,001,357	4,344,128

The above contract relates to the maintenance expenditure for internally generated intangible asset - PSMA Geoscape entered into with the term ending 30/09/2020.

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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

	Consolidated	
	2019	2018
	\$	\$
Directors' remuneration		
Glenn Appleyard	38,325	76,650
Walter Mayr	13,961	27,923
Lynne Robinson	48,961	27,923
Peter Woodgate	15,000	-
Anthony Judd	15,000	-
Desmond Mooney	15,000	-
Total directors' remuneration	146,247	132,496
Key management personnel		
Key management personnel compensation:		
- short-term benefits	1,390,309	988,645
- post employment benefits	137,270	104,444
Total key management personnel benefits	1,527,579	1,093,089
Total of transactions with related parties	1,673,826	1,225,585

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2019****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**

	2019	2018
	\$	\$
Assets		
Current assets	15,463,445	9,795,715
Non-current assets	21,146,264	16,562,744
Total Assets	36,609,709	26,358,459
Liabilities		
Current liabilities	4,966,402	2,244,261
Non-current liabilities	5,411,730	281,208
Total Liabilities	10,378,132	2,525,469
Net assets	26,231,577	23,832,990
Equity		
Issued capital	9	9
Retained earnings	24,163,605	21,765,018
Reserves	2,067,963	2,067,963
Total Equity	26,231,577	23,832,990
Statement of Profit or Loss and Other Comprehensive Income		
Total Profit	2,398,588	3,664,389
Total Comprehensive Income	2,398,588	3,664,389

26 AUDITOR'S REMUNERATION**Consolidated**

	2019	2018
	\$	\$
Audit and review of financial reports	46,350	45,000
Total remuneration of auditor	46,350	45,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

27 COMPANY DETAILS

The registered office of the company is:

PSMA Australia Limited

Level 2

113 Canberra Ave

GRIFFITH ACT 2603

PSMA AUSTRALIA LIMITED ABN 23 089 912 710 AND CONTROLLED ENTITY
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019



RSM Australia Partners

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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 2019, 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.

RSM AUSTRALIA PARTNERS

RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 10 October 2019

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2019



RSM Australia Partners

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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 2019, 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 2019 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 2019, 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.

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**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2019**



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.

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

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that appears to read 'Rodney Miller'.

RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 10 October 2019

**AUDITOR'S DISCLAIMER OF OPINION
FOR THE YEAR ENDED 30 JUNE 2019**



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 2019. 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: 10 October 2019

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RSM Australia Partners ABN 36 965 985 036

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PSMA AUSTRALIA LIMITED ABN 28 089 912 710 AND CONTROLLED ENTITY
DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2019

DETAILED INCOME AND EXPENDITURE STATEMENT

	Consolidated	
	2019	2018
	\$	\$
REVENUE		
VAR and corporate access fees	10,316,224	9,888,603
VAR royalties	5,828,311	5,486,587
PSMA Cloud and Consulting	706,072	600,857
Interest revenue	55,300	64,638
Miscellaneous income	-	59,090
Other gains and (losses)	228,269	80,295
TOTAL REVENUE	17,134,176	16,180,070
EXPENDITURE		
Human resource management		
Wages and salaries	5,679,309	5,331,390
Employer superannuation	496,395	497,039
Payroll tax	305,230	276,235
Annual leave provision (movement)	115,909	(29,961)
Long-service leave provision (movement)	54,680	92,972
Staff training and professional development	169,896	139,806
Human resources - other	403,377	270,647
Workers compensation insurance	16,636	26,330
	7,241,432	6,604,458
Professional services		
Legal	43,635	24,248
Accounting and audit	80,000	76,048
Consultants	30,000	30,000
	153,635	130,296
Equipment		
Equipment costs	3,147	1,050
Hardware and software costs (including re-licensing)	353,061	348,356
Equipment repair / maintenance/ hire	5,309	3,996
	361,517	353,402
Travel		
Travel (domestic)	247,559	166,200
Travel (international)	-	28,780
Meals and accommodation	20,259	16,869
	267,818	211,849

PSMA AUSTRALIA LIMITED ABN 28 089 912 710 AND CONTROLLED ENTITY
DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2019

DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

	Consolidated	
	2019	2018
	\$	\$
Telecommunications		
Telephone	35,002	34,832
Internet/Web-hosting	102,285	31,840
	137,287	66,672
Overheads		
Rent	395,923	345,215
Cleaning/waste removal	21,690	19,128
Security and maintenance	2,695	1,719
Electricity	26,955	24,875
	447,263	390,937
Administration costs		
Postage / freight / handling	12,843	12,673
Stationery / office supplies	57,683	28,897
	70,526	41,570
Insurance		
Business insurance	2,608	1,592
Travel insurance	860	544
Directors and officers insurance	4,311	3,928
Personal sickness and accident insurance	579	-
Professional indemnity insurance	26,986	27,211
	35,344	33,275
Research and development		
CRC.SI 43PL	-	9,532
	-	9,532
Supply chain management		
Dataset and services maintenance	737,026	513,389
Server hosting	1,096,373	1,139,510
Royalties	(272,158)	1,000,863
Project related activities	25,597	30,128
Quality assurance	5,920	524
	1,592,758	2,684,414
Marketing		
Market / Customer Research	55,000	21,090
Graphic design and printing	102,922	148,300
Promotion and sponsorship	137,519	119,347
Rebranding and brand development	512,942	-
Subscription and membership	15,520	14,452
	823,903	303,189

PSMA AUSTRALIA LIMITED ABN 28 089 912 710 AND CONTROLLED ENTITY
DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2019

DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

	Consolidated	
	2019	2018
	\$	\$
Transformation program		
Platform initiatives	23,790	19,380
Enablement Initiatives	551,233	1,475,436
	575,023	1,494,816
Other expenses		
Bank charges	10,190	10,544
Miscellaneous	23,282	454
	33,472	10,998
Depreciation and amortisation expenses		
Depreciation	193,250	150,902
Amortisation	2,067,138	-
	2,260,388	150,902
Interest expenses		
Interest	44,384	-
	44,384	-
Taxation		
Taxation	690,840	29,371
	690,840	29,371
TOTAL EXPENDITURE	14,735,590	12,515,681
NET PROFIT/LOSS	2,398,586	3,664,389

Glossary

Acronym/Abbreviation	Context	Description
AI	IT	Artificial Intelligence
ABS	Organisation	Australian Bureau of Statistics
AGM	Organisation	Annual General Meeting
AEC	Organisation	Architectural, Engineering and Construction enterprises
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
LGA	Government	Local Government Area
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

Acronym/Abbreviation	Context	Description
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

Thanks for another great year.