

ANNUAL REPORT 2001 – 2002



PSMA Australia LIMITED



PSMA Australia LIMITED

ABN 23 089 912 710

Corporate directory

Chairman	Olaf Hedberg
Chief Executive Officer	Dan Paull
Registered office	National Surveyors House 27–29 Napier Close Deakin ACT 2600
Share registry	National Surveyors House 27–29 Napier Close Deakin ACT 2600
Auditors	Walter & Turnbull 19–23 Moore Street Turner ACT 2601
Solicitors	Chamberlains Law Firm 25 Geills Court Deakin ACT 2600
Directors	Olaf Hilmer Hedberg <i>Chairman</i> Steven Kenneth Jacoby <i>Deputy Chairman</i> Peter Maxwell Gardner Peter Robert Holland Martin Laurence Holmes Desmond Joseph Mooney Graeme James Rush Stephen Gregory Ryan Victor Clifford Stephens
Secretary	Dan Paull
Executive Committee	Olaf Hedberg <i>Chairman</i> Steven Jacoby Martin Holmes
Board Audit Committee	Graeme Rush <i>Chairman</i> Peter Holland Stephen Ryan

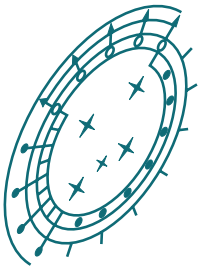
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ANNUAL REPORT 2001 – 2002



PSMA Australia LIMITED

Vision

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

Mission

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

Objects of the company

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

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

Contents

1 Chairman's statement

REVIEW OF OPERATIONS

4 Corporate governance

- 4 Background to incorporation
- 5 Executive Committee
- 6 Audit Committee
- 6 Audit Committee report
- 8 ATO ruling
- 8 Trade mark registration
- 8 Cash management policy and investment strategy
- 9 Corporate Governance Manual
- 9 Corporate policy development
- 10 Strategic planning

11 Data development and management

- 11 Technical Committee
- 11 Data management environment
- 12 Cadastral Lite (Cad Lite)
- 13 Geocoded National Address File (G-NAF)
- 13 Reduced Output Spatial Data (ROSD)

14 Business development and management

- 14 Data access and pricing policy
- 15 ABS contract
- 15 Value Added Resellers
- 16 Data licensing activity
- 16 Spatial Information Industry Action Agenda
- 16 Marketing and sponsorship

18 National office

- 18 Human resources
 - 18 Information technology and communications
 - 19 PSMA website
 - 19 Office facilities
-

FINANCIAL REPORTS

- 21 20 June 2001 to 30 June 2001
 - 39 1 July 2001 to 30 June 2002
-

Figures

- 3 Figure 1: Strategic goals and 2002–03 objectives
- 5 Figure 2: Organisational structure

Chairman's statement

This is the first annual report for PSMA Australia Limited (PSMA Australia) following its incorporation, and my first as Chairman.¹

At the outset, I would like to thank the former Chairman of the PSMA consortium, Professor Don Grant AM, for the vision and drive displayed during his seven years as Chairman. It is, in no small part, due to his efforts that a consortium of nine Australian jurisdictions was formed.

I would also like to acknowledge the PSMA Australia Board of Directors. The jurisdictional representatives displayed enormous dedication and commitment to overcome the obstacles and complexities associated with incorporating the consortium of Australian jurisdictions.

During the company's first year of operation, the demands on the directors have, at times, been onerous and I thank them for their on-going work and guidance.

I also commend Western Australia for its cooperation and participation in PSMA Australia. State legislation has prevented Western Australia from becoming a shareholder in PSMA Australia, and we look forward to Western Australia taking up its shareholding in the near future, pending changes to the Department of Land Administration entity.

Australia's spatial information industry is a growing sector of the economy and the activities described in this annual report are centered on positioning the organisation so that it can proactively respond to, and anticipate, industry demands for a greater range of national datasets.

This report includes a comprehensive account of activities undertaken during the 2001–02 financial year, which I need not recount here. However, there are a few matters that I wish to highlight from the Chairman's perspective:

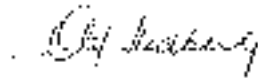
- Staffing in the PSMA Australia national office has grown from one to four during the 2001–02 financial year. I would like to acknowledge the efforts of Dan Paull, as Chief Executive Officer, and his staff for the excellent support they have provided the Board over the year and their commitment to the achievement of the company's vision. I would also like to thank Land Property Information NSW for the secondment of Bill Miller and Bill's efforts during his time with PSMA Australia.

¹ This annual report covers two reporting periods: 20 June 2001–30 June 2001 and 1 July 2001–30 June 2002.

- Soon after incorporation, the Board resolved to form Executive and Audit Committees. Martin Holmes and Steven Jacoby joined me on the Executive Committee, whilst Peter Holland, Graeme Rush and Stephen Ryan formed the Audit Committee. Acknowledgement must go to these directors for performing these additional, important functions.
- The Board and national office staff devoted a considerable period of time during the year to the development and implementation of a cyclical planning and reporting mechanism. The PSMA Australia Annual Program 2002–03 provides detail on the company’s proposed activities for the 2002–03 financial year and will be the key document used to report on activities in next year’s annual report. I am confident that the company has accountable and transparent short-, medium- and long-term goals.
- Whilst PSMA Australia has paid licence fees to jurisdictions for the use of their data, the directors have determined that in the national good, dividends for 2001–02 should be reinvested in the development and generation of new datasets. Details of proposed datasets can be found in the PSMA Australia Annual Program 2002–03.
- Reform of the data management environment was a priority during 2001–02. The completion of a pilot study in May 2002 presented a new data management environment capable of incremental updates. All datasets, commencing with the roads dataset, will now be built in this environment, geared for incremental updates on a six-monthly basis.
- PSMA Australia signed a new spatial data supply agreement with the Australian Bureau of Statistics (ABS) on 15 May 2002. The agreement covers the supply of national spatial data to the ABS until the next Census, which is to be held in 2006. The signing of this contract extends the relationship between ABS and PSMA Australia to span fifteen years and three Censuses.
- Activity on the development of a Geocoded National Address File (G-NAF) accelerated significantly during the 2001–02 financial year, and, based on present indications, will provide the company with its primary dataset development focus during the coming year. I would like to acknowledge the work of the members of the G-NAF Group. Their commitment will see this ambitious project become reality.

- Due to the growth in staff and business activity, PSMA Australia’s national office has outgrown its existing office space and will be moving to new premises early in the new financial year.
- As detailed in the Financial Reports, PSMA Australia is in a sound financial position. With the planned business activity for 2002–03, it is anticipated that the company’s growth rate will accord with that of the broader spatial information sector.

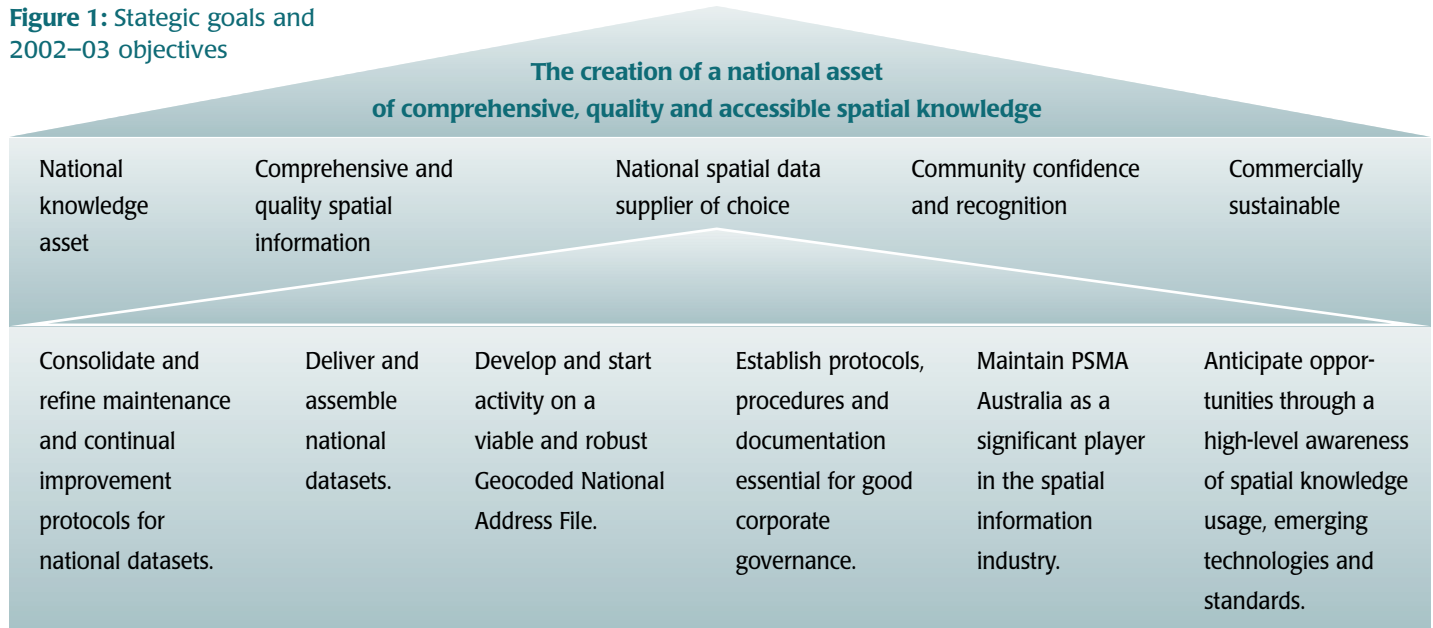
The next twelve months are set to be a challenging, yet rewarding period for the company. I consider that the achievements of the first twelve months of operation have put PSMA Australia in a strong position to meet the demands of 2002–03 and beyond.



Olaf Hedberg
CHAIRMAN

Figure 1: Strategic goals and 2002–03 objectives

Strategic goals
2002–2003 Objectives



Background to incorporation

The PSMA Australia consortium was originally created in 1993 as an unincorporated joint venture between the nine mapping agencies of the states, Commonwealth and territories, to respond to an ABS tender for the provision of mapping services and facilities for the 1996 Census of Population and Housing.

PSMA Australia was awarded the contract and broke new ground with the delivery of a national topographic dataset augmented with a representation of the nation's cadastral framework.

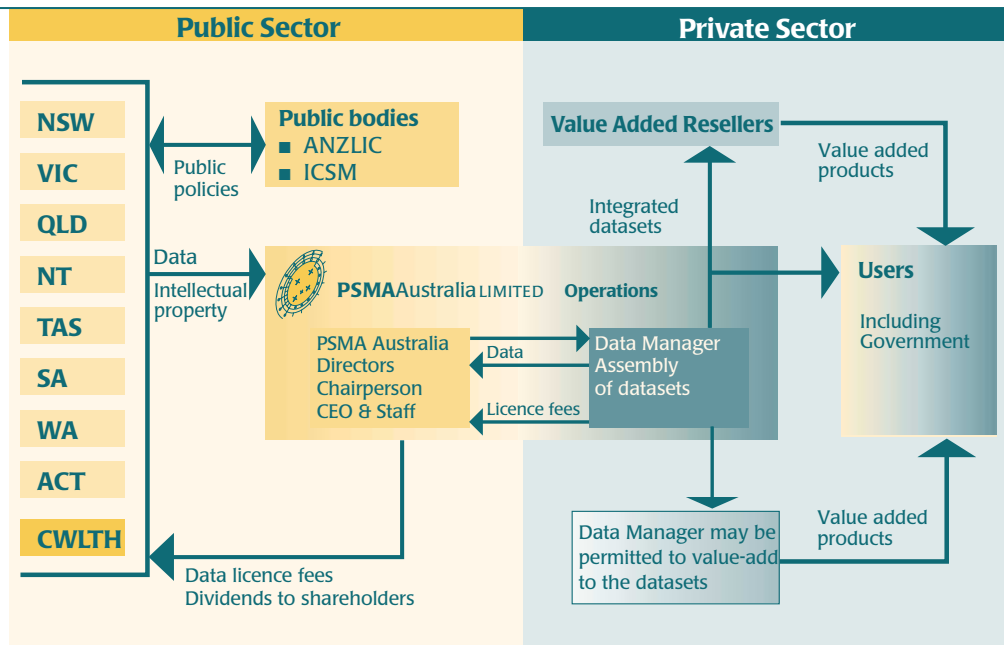
As word of this initiative spread, PSMA Australia encountered strong demand to create or provide national datasets for other organisations with national interests, both in the private and public sectors.

As demand continued to grow, PSMA Australia and ANZLIC recognised that PSMA Australia's structure was inappropriate if the organisation was to explore other opportunities for use of its national datasets.

In response, a private consultant was engaged after a competitive bidding process, and tasked with conducting a comprehensive management and structure review of PSMA Australia. The consultant subsequently developed options for consideration by ANZLIC and PSMA Australia. The option adopted was to form PSMA Australia Limited—an unlisted public company limited by shares and owned by the governments of Australia. The terms of establishment and governance of the company are detailed in the PSMA Australia Limited Establishment Agreement and Constitution.

Incorporation was achieved on 20 June 2001, with all jurisdictions, excepting Western Australia, joining as Shareholders.

Figure 2: Organisational structure



Executive Committee

The PSMA Australia Executive Committee was formed in August 2001. The Executive Committee comprises three directors, one of whom is the Chairperson of the Board. The Chairperson of the Board also chairs the Executive Committee. The Committee is approved by the unanimous resolution of the Board at the annual general meeting.

The CEO presents issues to the Executive Committee for consideration and provides executive support and advice to assist the committee in making decisions.

The purpose of the Executive Committee is to act on behalf of the Board during intervals between meetings of the Board and to report to the Board at its next regular meeting on any actions taken. Although actions of the Executive Committee are generally limited to handling legal formalities and technicalities concerning administrative operations, the Executive Committee has the power to act on major matters where it deems action appropriate, providing a degree of flexibility and ability to respond to

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time-sensitive business and legal matters without calling a special board meeting. The actions taken by the Executive Committee are binding and do not require ratification by the Board to be legally effective. However, significant decisions that would normally require the approval of the Board are ratified at subsequent board meetings.

Audit Committee

The Audit Committee was established in August 2001 to oversee and appraise the quality and performance of the internal and external control procedures with particular regard to the following areas:

- financial reporting and practices
- business policies and practices
- accounting policies
- management and internal control.

The Audit Committee comprises three directors. The committee members are approved by unanimous resolution of the Board for twelve months at the annual general meeting. Members of the Executive Committee are exempt from membership of the Audit Committee.

The Audit Committee, in consultation with management, develops an annual cycle for its review activities, including making provision for meetings without management present.

Audit Committee report

During the 2002–03 financial year, the Audit Committee focused on the development of an annual audit program, endorsed by the Board at the May 2002 board meeting.

The committee identified the following broad areas for consideration for inclusion in the audit program:

- financial (internal)
 - expenditure
 - royalties
 - licence fees
- financial (external)
 - audit of company financial reports in accordance with the company Constitution and the Corporations Act 2001
- Value Added Reseller (VAR) audit
 - one onsite internal audit of a VAR to determine the legal and financial compliance with licence agreements in place with PSMA Australia
- efficiency and effectiveness
 - assessment of continuous improvement process
 - communications with stakeholders
 - meeting procedures and timing
 - contract documentation
 - IT—support, systems, web page, data backup and recovery
- compliance (internal)
 - legislation
 - company policy
 - board resolutions.

Aside from the development of the structure and timetable for the audit program and a regular review of monthly reports, the most significant audit activity undertaken during the year was an audit of one of PSMA Australia's major VARs. At the time of the printing of this annual report, the Audit Committee had not reviewed the outcomes of the VAR audit.

ATO ruling

Due to the nature and ownership of the company, PSMA Australia requested a ruling from the Australian Taxation Office (ATO) to ascertain its obligations under the *Income Tax Assessment Acts 1936 and 1997*.

Subsequent advice received on 28 January 2002 from the ATO indicated that PSMA Australia Limited is considered to be exempt from income tax under the provisions of Section 24AM of Division 1AB of the Income Tax Assessment Act 1936 on the grounds that it is a state/territory body.

Accordingly, PSMA Australia is not required to lodge returns of income.

It is a requirement for retaining this exemption that PSMA Australia notifies the ATO when there are any changes in the character, purpose, method of operation, constituent documents, or name or address of the organisation. PSMA Australia must also maintain proper financial records for examination by the ATO in the course of routine reviews that may be carried out from time to time.

Trade mark registration

PSMA Australia lodged trade mark applications for the 'PSMA Australia Device' and 'PSMA Australia' in July 2001. The trade marks were accepted by the Trade Marks Office for registration and were advertised in the Official Journal of Trade Marks on 15 November 2001. Both trade marks were registered on 6 June 2002.

Cash management policy and investment strategy

The Executive Committee developed a cash management policy that was endorsed by the Board at its May 2002 meeting. The policy outlines the way in which PSMA Australia will manage its cash on a day-to-day basis and its cash assets in the longer term. The document also defines how these two activities are linked and those who would have authority to modify arrangements and access funds.

The manual provides directors with access to all of the documents and resources necessary to assist them in meeting their responsibilities and obligations.

The Executive Committee has also investigated alternatives for longer-term investments that accord with the cash management policy. The committee is striving to ensure cash assets are invested in a way that minimises risks and maximises returns.

Corporate Governance Manual

The national office developed a Corporate Governance Manual for directors during the 2001–02 financial year. Whilst still evolving, this manual provides directors with access to all of the documents and resources necessary to assist them in meeting their responsibilities and obligations. The manual is accessible via a password-protected Internet site.

The value of this resource will be maintained and enhanced through constant maintenance and updates.

Corporate policy development

At the February 2002 meeting of the Board, a policy development process was endorsed. The national office has identified a number of areas where policies and procedures specific to PSMA Australia require development and implementation. These include:

- risk management
- privacy
- human resource management
- asset management
- financial management
- administration.

The immediate focus during the 2001–02 financial year was the establishment and implementation of appropriate financial management policies and procedures. A timetable and tracking mechanism for completion of the remaining policies has been implemented and progress is reviewed at board meetings.

*PSMA Australia
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Strategic planning

To ensure that the company is always working towards achieving its long-term outcomes, PSMA Australia implemented a cyclical planning and reporting mechanism during the 2001–02 financial year. This mechanism encompasses short-, medium- and long-term activities that are articulated in the following documents:

Strategic Plan 2002–06: In February 2002, the PSMA Australia Board endorsed the Strategic Plan 2002–06. This plan identifies the five long-term outcomes for PSMA Australia to achieve by 2006. All of the company’s activities contribute to one or more of these five outcomes.

Annual Program: To achieve these long-term outcomes the Annual Program identifies objectives that provide the focus for the company for the next twelve months. In accordance with the company Constitution, the Annual Program 2002–03 will be tabled at the Shareholders annual general meeting in September 2002 for approval.

90-Day Work Program: Operational-level detail for the achievement of these objectives is provided in the 90-Day Work Program. The CEO reports against the 90-Day Work Program at board meetings. At the same time, the Board endorses the 90-Day Work Program for the coming quarter.

During the year, the company also developed a Communications and Relationship Plan 2002–05, which was endorsed by the Board in May 2002. This plan articulates the short-, medium- and long-term strategies for the company in the areas of marketing and communications. This plan also includes measurable objectives to be reported against to the Board.

Data development and management

Technical Committee

At a strategic planning workshop in December 2001, the Board identified development and implementation of a Data Management Plan by 2003 as a critical mechanism towards achieving the company's long-term objectives. Following on from this workshop, a Technical Committee was established, comprising Victor Stephens (Chairman), Olaf Hedberg and Graeme Rush, together with the CEO and Manager, Spatial Data Projects.

During 2001–02, the committee has undertaken the following activities:

- defined the PSMA Australia data management processes that should be in place by 2003
- assessed existing commitments to clients, such as incremental updates, and identified priorities in the context of these commitments
- defined a high-level data management plan to meet these priorities
- reviewed the ABS Census 2006 technical mapping specifications and identified issues for further discussion with ABS
- reviewed the 2000 Technical Workshop issues and recommendations and agreed on final responses
- agreed to a proof of concept project designed to prove the effectiveness of the proposed data management process, using roads data, and provided revised specifications for data supply from jurisdictions.

Data management environment

PSMA Australia commissioned a pilot study in April 2002 into the feasibility of building a Roads dataset maintainable through incremental updates. The pilot study outputs included a practical example of the implementation of this through the generation of software to create incremental updates for two nominated jurisdictions and software to load these updates into the PSMA Australia Roads dataset.

Importantly, the study delivered an XML-based file format to use for incremental updates, designed for application across all PSMA Australia vector-based datasets. The study also demonstrated that data could be taken from jurisdictions, in a variety of common spatial data formats, and processed in Oracle Spatial to produce an incremental update file. The benefit of this is that, providing jurisdictions maintain their data in a format capable of conversion to the ICSM model, PSMA Australia is able to process the data into a single national update file.

The intention is for these incremental update files to be made available to licensed users through the PSMA Australia website.

Following the success of the pilot study, PSMA Australia released a tender in June 2002 for a data manager to upgrade the Roads dataset into the new data management environment.

The PSMA Australia Annual Program 2002–03 includes provision for both the Points of Interest and Cadastral datasets to be migrated into the new data management environment, following the same process as the Roads dataset.

Cadastral Lite (Cad Lite)

Cad Lite was officially launched at the ANZLIC Meeting in mid-October 2001. Cad Lite is a seamless national cadastral dataset designed to meet the needs of organisations that require a graphical representation of land parcel boundaries on a broad scale to integrate with other data. The product is positioned as a graphical index of digital cadastre or registered land parcels used to reference other geographic and land administration data available from respective jurisdictions.

Three VARS have signed up for access to Cad Lite, with other VARS currently in negotiation for access.

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Geocoded National Address File (G-NAF)

In June 1995, the concept of a national file of geocoded addresses (that is, points defined by geographic coordinates to which one or more addresses are attached) was first developed. It was recognised at the time that to achieve this nationally would be an ambitious and expensive undertaking. Since that time, a number of national organisations have expressed interest to PSMA Australia in the achievement of a geocoded national address file. A G-NAF Group was formed, comprising the ABS, the Electoral Council of Australia (ECA), Australia Post, Telstra and PSMA Australia, to explore the feasibility of establishing a geocoded national address file.

A feasibility study completed in May 2001 found that jurisdictional Digital Cadastral Data Bases (DCDBs) can provide a recognised and definitive spatial link between most address data and the physical location of addresses. In addition, the study determined that the jurisdictions are best placed to coordinate, collect, collate and quality check the address data using existing datasets, links to local government, valuable local knowledge and other established contacts. Thus, the presence of the state and territory mapping agencies in PSMA Australia makes it the most appropriate body to create, own and maintain G-NAF.

A business case for the development of the G-NAF was completed in June 2002. The business case has been presented to the G-NAF Group and others. At the time of the printing of this report, recipients were considering their position. Initial responses indicate strong support for the model developed in the business case.

Reduced Output Spatial Data (ROSD)

A new version of ROSD was released in July 2001. This version of the ROSD is derived from data delivered to ABS to carry out the 2001 Census. All VARS have been provided with this updated version.

Data access and pricing policy

The PSMA Australia data access and pricing policy was revised in September 2001 to take account of changes in the marketplace and the introduction of Cad Lite. The key principles underlying the policy remain the same, and include:

- simplicity of concept
- equality of access for all users
- logical structure
- ability to be flexibly applied to as yet unknown applications
- non-exclusivity with respect to VAR Agreements
- protection of intellectual property rights of PSMA Australia and VARs.

Pricing of PSMA Australia data reflects the value of each dataset in different applications. The intention is to ensure that high-value products are reflected in the pricing matrix, whilst also facilitating opportunities to have the data used ubiquitously in low-price digital products.

A dual fee structure of annual access fees and royalties applies to access to PSMA Australia datasets. This structure is based on a matrix of data type, data volume, user applications, and number of users.

Changes of significance in pricing and access during 2001–02 included:

- a shift away from large initial access fees, to annualised access fees of a smaller amount to increase accessibility to the data
- a greater demand from VARs for licensing to enable service delivery via the Internet. In response, PSMA Australia has refined its pricing model for Internet applications.

To increase accessibility to data, there has been a shift away from large initial access fees to annualised access fees of a smaller amount.

ABS contract

PSMA Australia signed a new spatial data supply agreement with ABS on 15 May 2002. The agreement covers the supply of national spatial data to the ABS until the next census, which is to be held in 2006. During this period PSMA Australia will maintain the Bureau's spatial data holdings using newly devised incremental update techniques. The national datasets include transport, cadastre, infrastructure, administrative boundaries and hydrography (drainage).

The signing of this agreement means that PSMA Australia and the ABS have a commercial relationship spanning fifteen years and three Censuses.

Value Added Resellers

The organisations listed below are Value Added Resellers of PSMA Australia datasets:

- RP Data Ltd
- MapIQ
- Transtech Consulting Services Pty Ltd
- Magellan GPS Systems Pty Ltd
- MapInfo Australia Pty Ltd
- Navigate Pty Ltd
- Pacific MicroMarketing Pty Ltd
- Pathfindersolutions (Australia) Pty Ltd
- ABS.

Data licensing activity

The table below details new four-year data licence agreements signed during 2001–02:

Value Added Reseller	ROSD	Cad Lite
MapInfo Australia Pty Ltd	✓	✓
Magellan GPS Systems Pty Ltd	✓	
Navigate Pty Ltd	✓	✓
Pathfindersolutions (Australia) Pty Ltd	✓	✓

Spatial Information Industry Action Agenda (the Action Agenda)

The Action Agenda, released in September 2001, identifies five distinct goals aimed at developing a commercially successful and internationally competitive Australian Spatial Information Industry. It lists a total of forty-five recommended actions related to achieving these goals. An assessment of these actions indicates that many of them are of interest to the PSMA Australia and the Board was cognisant of these initiatives in the development of the company's strategic plan.

Marketing and sponsorship

The following marketing and sponsorship activities were undertaken by PSMA Australia during the 2001–02 financial year:

- PSMA Australia sponsored the 'GIS Responds to the World Trade Centre Disaster' seminar series. A representative from New York City GIS delivered a presentation on the use of GIS in responding to the World Trade Centre disaster. Sessions were held throughout Australia and there was a tremendous response to the event.
- URISA (Urban & Regional Information Systems Association) 2001 Conference—PSMA Australia accepted an invitation to attend the URISA Conference held in California in October 2001. Whilst at the conference, Olaf Hedberg and Steven Jacoby attended a meeting of the URISA Board and provided a presentation to the Board on PSMA Australia.

- MapWorld Conference—Following an invitation from MapInfo Australia Pty Ltd, the CEO and Marketing Director attended the MapWorld Conference in Florida in October 2001. As well as attending various sessions, the CEO represented PSMA Australia in a panel discussion of MapInfo's international data providers, which included Europe, the United States of America, Canada and Japan.
- Spatial Industry Cooperative Research Centre (CRC)—PSMA Australia contributed financial support to the preparation of a submission for a Spatial Industry CRC and the CEO was a member of the steering committee that facilitated preparation of the submission. The bid was lodged with the federal Minister for Science, Peter McGauran MP, in June 2002. An announcement on the successful bids is expected in December 2002.
- AURISA Conference—PSMA Australia sponsored the welcoming reception at the AURISA 2001 Conference, held in Melbourne in November 2001.
- Spatial Data Infrastructure (SDI) Conference—The Chairman delivered a presentation on PSMA Australia to the SDI Conference, held in Melbourne in October 2001.
- ISOTC211 (International Standards Organisation Technical Committee on Geographic Information)—PSMA Australia sponsored the ISOTC211 meeting held in Adelaide in October 2001. The CEO attended the welcoming reception on behalf of the Chairman.
- Land Registrars Development Officers Conference (LRDOC)—PSMA Australia sponsored the welcoming reception for the LRDOC held in Hobart 8–10 May 2002.

National office

Human resources

In its first year of operations as a company, PSMA Australia grew from having one employee to four staff in the positions of:

- Chief Executive Officer
- Office Administrator
- Manager, Spatial Data Projects
- Business Development Manager.

Staff have attended various training courses and workshops during the year. Notably, the CEO completed a six-day Company Directors course and the Office Administrator attended MYOB workshops and a word processing course.

The company places great importance on the strategic recruitment of people who will enhance and complement the existing team, and additional staff will be engaged as required.

Information technology and communications (IT&C)

The PSMA Australia Limited head office upgraded its IT&C resources during the 2001–02 financial year.

- Four new desktop PCs, a server and a laptop were purchased, replacing two Pentium I PCs.
- A networked and combined photocopier/printer/fax/scanner, was purchased and has already realised significant efficiencies, particularly in the compilation of board papers.
- The company signed with a local telephony and data provider for a 12-month trial period in March 2002. This service provides one megabit constant access to the Internet as well as cheaper telephone services using the newly installed TransACT optic fibre network.

This complete upgrade of IT&C resources ensures that PSMA Australia has the necessary infrastructure to respond to increased business activity.

*www.pasma.com.au
provides an entry
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the business of
PSMA Australia*

PSMA website

The PSMA Australia website at www.pasma.com.au provides an entry point for prospective VARs and other interested parties to the business of PSMA Australia. It displays general information and relevant links to the company, jurisdictions and management team. It also provides an overview of available datasets and the data access and pricing policy.

The site includes a 'What's New' section, where media releases and new business activities are highlighted. During 2002–03, the national office intends to concentrate on using the 'What's New' facility as a focal point for communicating news to existing and potential clients.

The national office receives approximately 10–15 enquiries per month from potential clients through its website.

Office facilities

For the past three years, the PSMA Australia national office has been located in National Surveyors House, Deakin, ACT. The lease on this office space is due to expire in September 2002.

Due to the impending expiration of the lease and the fact that the organisation has started to outgrow its present accommodation, considerable time has been devoted to sourcing and securing larger leased premises to accommodate the organisation for the future. It is expected that the PSMA Australia national office will relocate to new premises in August 2002.

Financial report

for the period

20 June 2001 – 30 June 2001



Directors' report

The directors present their first report together with the financial statements of PSMA Australia Limited for the period 20 June 2001 to 30 June 2001 and the auditor's report thereon.

Directors

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

Name	Meetings attended	Meetings held
Peter Gardner	1	1
Olaf Hedberg	1	1
Peter Holland	1	1
Martin Holmes	1	1
Steven Jacoby	1	1
Desmond Mooney	1	1
Graeme Rush	1	1
Stephen Ryan	1	1
Victor Stephens	1	1

Incorporation

The company was incorporated on 20 June 2001 as a public company limited by shares. On that date the net assets of the previously unincorporated body, Public Sector Mapping Agencies, were transferred to this company at book value.

Principal activities

The principal objectives of the company are to coordinate, assemble and deliver national products from jurisdictional datasets and achieve the widest possible use of the PSMA dataset.

Company details

The registered office of the company and principal place of business are at Level 1, National Surveyor's House, 27–29 Napier Close, Deakin ACT.

Result for the period

The company earned an operating loss of \$6,570 for the period 20 June 2001 to 30 June 2001.

Information on directors

Name **Peter Gardner**

Age 52

Qualifications Bachelor of Economics, BA (Political Science)

Experience 1999–2001: Director Resource Information, Department of Environment, Heritage and Aboriginal Affairs

1992–98: State Government Statistician, Australian Bureau of Statistics

Name **Olaf Hedberg**

Age 63

Experience 1990–2001: General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania and Acting Director of Information Management, Department of Justice and Industrial Relations, Tasmania

Special responsibilities Chairman

Name Peter Holland

Age 48

Qualifications Bachelor of Surveying, Graduate Diploma in Computing Studies.

Experience 1996: General Manager AUSLIG
1989–95: Manager Dandenong/Canberra Offices

Name Martin Holmes

Age 55

Qualifications Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management

Experience 1999: Executive Director, Corporate Management, Department of State Development
1997–98: Director, Marketing and Corporate Communications, Department of Public Works and Housing, Queensland
1994–97: Marketing Director, Department of Natural Resources, Queensland

Special responsibilities Marketing Director

Name Steven Jacoby

Age 39

Qualifications Bachelor of Applied Science (Cartography), Masters Preliminary Honours

Experience 1999: Director, Land Information Group, Department Natural Resources and Environment (DNRE)
1997–98: Director Geospatial Information, DNRE
1996: Director, Geographic Data Victoria

Special responsibilities Deputy Chairman

Name Desmond Mooney
Age 51
Qualifications MBA, Bachelor Surveying
Experience 2001: General Manager, Land and Property Information NSW
1999–2000: Executive Director, Management Services, NSW Police Service
1990–98: General Manager, Land Information Centre NSW

Name Graeme Rush
Age 51
Qualifications Bachelor of Surveying
Experience 2000–01: General Manager, Land Management and Use
1996–2000: General Manager, Land Information Management

Name Stephen Ryan
Age 46
Qualifications Bachelor of Arts
Experience Director Land Information and Building Services, ACT Department of Urban Services

Name Victor Stephens
Age 54
Qualifications BA Hons (Geography), MSc Econ (Urban and Regional Planning) Grad Dip Management
Experience 1995–2001: Assistant Secretary Land Information Division, Department Lands Planning and Environment (DLPE)
1998: A/Deputy and A/Assistant Secretary Water Resources and A/Assistant Secretary Natural Resources, DLPE
1996: A/Director Infrastructure Services, Division of Communications and Information Technology, Department of Transport and Works

Directors' benefits

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

Indemnifying officers and auditor

The company has not, during or since the financial year indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings or paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings, in respect of the auditor of the company.

The company has not insured the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company.

Dividends

No dividends were paid during the period.

Operations for the year

The company incurred a deficit of \$6,570 for the period 20 June 2001 to 30 June 2001. No trading activities have been undertaken since incorporation to the end of the financial period.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature

likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Likely developments

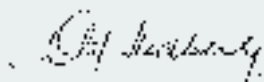
The board remains committed to delivering national products from jurisdictional datasets to the widest possible use. No significant change to the company's activities is anticipated beyond those already mentioned.

Environmental issues

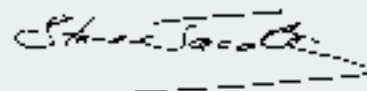
The company's operations are not subject to significant environmental regulation under the law of the Commonwealth or States.

Dated at Canberra this 14th day of September 2001.

Signed in accordance with a resolution of the directors of PSMA Australia Limited.



OLAF HEDBERG
CHAIRMAN



STEVEN JACOBY
DEPUTY CHAIRMAN

Auditors' report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

Scope

We have audited the financial report of PSMA Australia Limited for the period 20 June 2001 to 30 June 2001 consisting of the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes and the directors' declaration set out on pages 6 to 15. The Company's directors are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

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

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

Audit Opinion

In our opinion, the financial report of PSMA Australia Limited is in accordance with:-

- (a) the Corporations Law, including:-
 - i) giving a true and fair view of the Company's financial position as at 30 June 2001 and of its performance for the period 20 June 2001 to 30 June 2001; and
 - ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

Alan Morse & Co

ALAN MORSE & CO
CHARTERED ACCOUNTANTS

PP BURGETT
PARTNER

238 Howick Street
Bathurst
Dated: 17 September 2001

Declaration by directors

The directors declare that the attached financial report and notes:

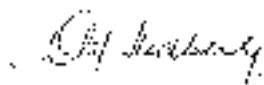
- a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
- b) give a true and fair view of the company's financial position as at 30 June 2001 and of its performance, as represented by the results of its operations and cash flows for the period 20 June 2001 to 30 June 2001.

In the directors' opinion:

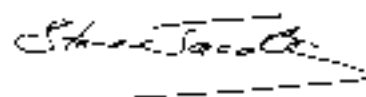
- a) the financial report and notes are in accordance with the *Corporations Act, 2001*; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Canberra this 14th day of September 2001.

Signed in accordance with a resolution of the directors of
PSMA Australia Limited.



OLAF HEDBERG
CHAIRMAN



STEVEN JACOBY
DEPUTY CHAIRMAN

Financial reports and notes

20 June 2001 to
30 June 2002

*These financial statements
are to be read in conjunction
with the accompanying notes.*

Statement of financial position as at 30 June 2001

	Note	2001 \$
CURRENT ASSETS		
Cash assets	3	757,546
Receivables	4	290,808
Total current assets		1,048,354
NON-CURRENT ASSETS		
Property, plant and equipment	5	20,478
Total non-current assets		20,478
Total assets		1,068,832
CURRENT LIABILITIES		
Payables	6	341,487
Provisions	7	3,537
Total current liabilities		345,024
Net assets		723,808
EQUITY		
Issued capital	11	8
Retained earnings	12	723,800
Total equity		723,808

Statement of financial performance for the period 20 June 2001 to 30 June 2001

	Note	2001 \$
Revenue from rendering services		–
<i>Classification of expenses by function</i>		
Employee expenses		(1,922)
Depreciation		–
Other expenses from ordinary activities		(4,648)
Profit/(loss) from ordinary activities		(6,570)
Income tax expense		–
(Loss)/profit from ordinary activities after income tax expense		(6,570)
Extraordinary Item		
Net assets transferred from Public Sector Mapping Agencies upon incorporation		730,370
Profit from ordinary activities and extraordinary items		723,800
Total change in equity	11;12	723,808

*These financial statements
are to be read in conjunction
with the accompanying notes.*

Statement of cash flows for the period 20 June 2001 to 30 June 2001

	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts in the course of operations	–
Cash payments in the course of operations	–
	<hr/>
Net cash used in operating activities (Note 10.2)	– <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash funds from the transfer of PSMA net assets	757,546
	<hr/>
Net cash provided by investing activities	757,546 <hr/>
NET (DECREASE)/INCREASE IN CASH HELD	
Cash at the beginning of the financial year	–
	<hr/>
CASH AT THE END OF THE FINANCIAL YEAR (NOTE 10.1)	757,546 <hr/>

*These financial statements
are to be read in conjunction
with the accompanying notes.*

Notes to and forming part of the financial statements

for the period
20 June 2001 to
30 June 2001

1 Summary of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

1.1 Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. This financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, nor except where stated, current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

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

1.2 Property, plant and equipment

Acquisition

Items of property, plant and equipment are recorded at cost and depreciated as outlined below.

Depreciation and amortisation

Plant and equipment is depreciated/amortised using the prime cost method over their estimated useful lives to the company. The rates of depreciation applied are as follows:

Plant & equipment 25%

1.3 Provision for employees' leave entitlements

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

1.4 Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised as it accrues taking into account the interest rates applicable to the financial assets.

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

Notes to and forming part of the financial statements for the period 20 June 2001 to 30 June 2001

1.5 Income tax

The entity adopts the income statement liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The company is subject to income tax at the corporate rate however whilst the shares continue to be beneficially owned by government entities all income will be exempt from tax.

1.6 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

1.7 Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investment in money market instruments with less than 14 days to maturity.

1.8 Accounts payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

1.9 Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

1.10 Comparative figures

Where required by Accounting Standards comparative figures are not applicable as these are the first set of financial statements prepared by the company since incorporation.

Notes to and forming
part of the financial
statements for the
period 20 June 2001
to 30 June 2001

2 Result from ordinary activities	2001
The result from ordinary activities before income tax	\$
Expense has been determined after charging:	
(a) <i>Expenses</i>	
Remuneration of auditor	
■ Audit	2,000
■ Other services	1,500
	<u>3,500</u>
Travel	1,148
3 Cash assets	
Cash at bank	757,546
4 Receivables	
Trade debtors	290,775
Other debtors	33
	<u>290,808</u>
5 Property, plant and equipment	
Plant and equipment—at cost	32,341
Less: Accumulated depreciation	<u>(11,863)</u>
	20,478
<i>Movements in carrying amounts</i>	
Balance at the beginning of the period	—
Transfer from PSMA	<u>20,478</u>
Carrying amount at the end of period	<u>20,478</u>

Notes to and forming
part of the financial
statements for the
period 20 June 2001
to 30 June 2001

6 Payables	2001
	\$
Sundry creditors	261,029
G-NAF feasibility study	80,458
	<hr/> 341,487 <hr/>

7 Provisions

Current

Employee entitlements including on-costs 3,537

Number of employees at year end

■ Full time equivalent

2

8 Directors' remuneration

Directors' Income

Directors' income from the company for the current year was nil.

No payments were made in respect of superannuation or retirement plans related to the directors.

9 Related parties

Directors

The names of each person holding the position of director of PSMA Australia Limited during the financial year were P Holland, P Gardner, V Stephens, S Jacoby, M Holmes, D Mooney, S Ryan, O Hedberg and G Rush.

Apart from details disclosed in this note no director has entered into a material contract with the company and there were no material contracts involving directors' interests subsisting at 30 June 2001.

Notes to and forming
part of the financial
statements for the
period 20 June 2001
to 30 June 2001

10 Notes to the statement of cash flows

10.1. Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at the bank and on short term deposits. Cash as at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2001
	\$
Cash assets	757,546

10.2. Reconciliation of profit from ordinary activities to net cash provided by operating activities

	2001
	\$
Result from operating activities	(6,570)
<i>Change in assets and liabilities during the year:</i>	
(Decrease)/increase in payables	<u>6,570</u>
Net cash used in operating activities	<u>–</u>

11 Share capital

	2001
	\$
8 fully paid ordinary shares	8
Ordinary shares at the beginning of the reporting period.	–
Shares issued during the period	<u>8</u>
	<u>8</u>

12 Retained profits

	2001
	\$
Retained profits at beginning of period	–
Result for the period recognised in statement of financial performance	<u>723,800</u>
Retained profits at end of period	<u>723,800</u>

13 Financial instruments

13.1 Interest rate risk

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

	Floating Interest Rate 2001 \$	Fixed Interest 2001 \$	Non Interest Bearing 2001 \$	Total Carrying Amount as per Balance Sheet 2001 \$	Weighted Average Effective Interest Rate 2001 %
1 Financial assets					
Cash assets	757,546	–	–	757,746	5.25%
Receivables—trade	–	–	290,808	290,808	
Total	757,546	–	290,808	1,048,554	
2 Financial liabilities					
Payables	341,487	–	–	341,487	
Total	341,487	–	–	341,487	

13.2 Net fair values

The aggregate net fair value and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to and forming part of the accounts.

Cash, cash equivalents and short term investments: the carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables: the carrying amount approximates fair value because of their short term to maturity. Trade debtors are generally settled within 60 days. Trade payables are normally settled within 30 days.

13.3 Credit risk exposures

The company's maximum exposure to credit risk on recognised financial assets, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Financial report

for the period

1 July 2001 – 30 June 2002



Directors' report

Your directors present their report on PSMA Australia Limited for the financial year ended 30 June 2002.

Directors

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

Peter Gardner

Olaf Hedberg

Peter Holland

Martin Holmes

Steven Jacoby

Desmond Mooney

Graeme Rush

Stephen Ryan

Victor Stephens

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the company during the financial year were:

- to coordinate, assemble and deliver national datasets from data held by state, territory and Commonwealth governments; and
- to achieve the widest possible use of the PSMA datasets.

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

Operating results

The profit of the company amounted to \$489,150 in the financial year ended 30 June 2002 (compared to a loss of \$6,570 for period 20 June 2001 to 30 June 2001).

Dividends paid or recommended

No dividends were paid or declared for payment to members for the period 1 July 2001 to 30 June 2002.

Review of Operations

An analysis of operations for the financial year is set out in the Review of Operations section of the PSMA Australia Limited Annual Report 2001–02.

Significant changes in state of affairs

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

After balance date events

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

Future developments

Future developments which may affect the operations of the company in subsequent financial years are in the PSMA Australia Annual Program 2002–03 and in the Review of Operations section of the PSMA Australia Limited Annual Report 2001–02. In the opinion of the directors, disclosure of any further information on likely developments in operations would be unreasonably prejudicial to the interests of the company.

Information on directors

Name	Peter Gardner
Age	53
Qualifications	Bachelor of Economics, BA (Political Science)
Experience	1999–2002: Director Environmental and Geographic Information, Department of Environment and Heritage 1992–98: State Government Statistician, Australian Bureau of Statistics

Name **Olaf Hedberg**
Age 64
Experience 1990–2001: General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania
Special responsibilities Chairman

Name **Peter Holland**
Age 49
Qualifications Bachelor of Surveying, Graduate Diploma in Computing Studies.
Experience 1996–2002: General Manager, National Mapping Division, Geoscience Australia
1989–95: Manager Dandenong/Canberra Offices AUSLIG
Special responsibilities Member of the Audit Committee

Name **Martin Holmes**
Age 56
Qualifications Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management
Experience 1999–2002: Executive Director, Corporate Management, Department of State Development
1997–98: Director, Marketing and Corporate Communications, Department of Public Works and Housing, Queensland
1994–97: Marketing Director, Department of Natural Resources, Queensland
Special responsibilities Marketing Director

Name **Steven Jacoby**
Age 40
Qualifications Bachelor of Applied Science (Cartography), Masters Surveying Science
Experience 1999: Director, Land Information Group, Department Natural Resources and Environment (DNRE)
1997–98: Director Geospatial Information, DNRE
1996: Director, Geographic Data Victoria
Special responsibilities Deputy Chairman

Name Desmond Mooney
Age 52
Qualifications MBA (SYD), Bachelor Surveying (HONS), Company Directors Diploma, FAIM, FAIC Dip
Experience 2001–02: General Manager, Land and Property Information NSW
1997–2000: Executive Director, Management Services, NSW Police Service
1990–97: General Manager, Land Information Centre NSW

Name Graeme Rush
Age 52
Qualifications Bachelor of Surveying
Experience 2000–02: General Manager, Land Management and Use, Department of Natural Resources and Mines
1996–2000: General Manager, Land Information Management
Special responsibilities Member of the Audit Committee

Name Stephen Ryan
Age 47
Qualifications Bachelor of Arts
Experience 2001–02: Director Territory Planning, ACT Department of Urban Services
1999–2001: Director, Land Information and Building Services, ACT Department of Urban Services
Special responsibilities Member of the Audit Committee

Name Victor Stephens
Age 55
Qualifications BA Hons (Geography), MSc Econ (Urban and Regional Planning) Grad Dip Management
Experience 2001–02: Director Information Services, Department of Infrastructure, Planning and Environment
1995–2001: Assistant Secretary Land Information, Department of Lands, Planning and Environment (DLPE)
1998: A/Deputy and A/Assistant Secretary Water Resources and A/Assistant Secretary Natural Resources, DLPE
1996: A/Director Infrastructure Services, Division of Communications and Information Technology, Department of Transport and Works

Director's emoluments

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

Meetings of directors

During the financial year, eight meetings of directors (including committees) were held. Attendances were:

Name	Directors' meetings		Audit Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Gardner	5	5		
Olaf Hedberg	5	5	3	3
Peter Holland	5	5		
Martin Holmes	5	5		
Steven Jacoby	5	5		
Desmond Mooney	5	5		
Graeme Rush	5	5	3	3
Stephen Ryan	5	5	3	3
Victor Stephens	5	5		

Indemnifying officers or auditor

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

- During the year, the company paid a premium of \$5,142 to CGU Professional Risk Insurance in respect of a Directors & Officers Liability Insurance Policy. The policy covers the directors and officers of the company.

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

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

Options

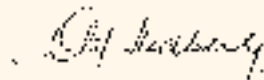
No options were granted over unissued shares or interest during the period 1 July 2001 to 30 June 2002.

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.

Proceedings on behalf of 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.

Signed in accordance with a resolution of the directors:



OLAF HEDBERG
CHAIRMAN

Dated this 13th day of August 2002

Auditors' report



CHARTERED ACCOUNTANTS

MANAGEMENT CONSULTANTS

A DIVISION OF WALTER & TURNBULL PTY LTD

ABN 67 09 766 879

GPO Box 1958, Canberra, A.C.T. 2601

1st Floor, 77 - 23 Moore Street, Tenter A.C.T. 2612

Telephone (02) 6247 6200 Facsimile (02) 6257 6665

E-mail: walterturnbull@walsam.com.au

www.walter.com.au

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

Scope

We have audited the financial report of PSMA Australia Limited for the year ended 30 June 2002 as set out on pages 48 to 60. The Directors of the Company are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the Members of the company.

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

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

Qualification

The opening balances for the period ended 30 June 2001 have not been audited by our firm. Accordingly we are unable to and do not express an opinion on the opening balances for the year ended 30 June 2002.

Qualified Audit Opinion

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

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2002 and of its performance and cashflows for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Steve Baker
Partner
Walter & Turnbull

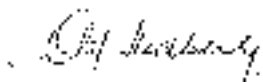
Canberra, ACT

Declaration by directors

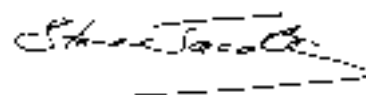
The directors of the company declare that:

1. the financial statements and notes, as set out on pages 48 to 60 are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2002 and of the performance for the year ended on that date of the company;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



OLAF HEDBERG
CHAIRMAN



STEVEN JACOBY
DEPUTY CHAIRMAN

Dated this 13th day of August 2002

Financial reports and notes

1 July 2001 to
30 June 2002

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

Statement of financial performance for the year ended 30 June 2002

	Note	2002	20.06.01 to 30.06.01
		\$	\$
Revenues from ordinary activities	2	1,882,292	–
Employee benefits expense		(234,287)	(1,922)
Depreciation and amortisation expense	3	(13,702)	–
Other expenses from ordinary activities		(1,145,153)	(4,648)
Profit/(Loss) from ordinary activities before income tax expense	3	489,150	(6,570)
Income tax expense relating to ordinary activities		–	–
Profit/(Loss) from ordinary activities after related income tax expense		489,150	(6,570)
Profit/(Loss) from extraordinary item after related income tax expense	4	–	730,370
Net profit		489,150	723,800
Total changes in equity		489,150	723,808

Statement of financial position as at 30 June 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	5	1,135,554	757,546
Receivables	6	1,289,071	290,808
Total Current Assets		2,424,625	1,048,354
NON-CURRENT ASSETS			
Property, plant and equipment	7	29,236	20,478
Total Non-Current Assets		29,236	20,478
Total Assets		2,453,861	1,068,832
CURRENT LIABILITIES			
Payables	8	100,560	341,487
Provisions	9	11,401	3,537
Other	10	1,061,762	–
Total Current Liabilities		1,173,723	345,024
Total Liabilities		1,173,723	345,024
Net Assets		1,280,138	723,808
EQUITY			
Contributed equity	11	8	8
Retained profits	12	1,280,130	723,800
Total Equity		1,280,138	723,808

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

Statement of cash flows for the year ended 30 June 2002

	Note	2002	20.06.01 to 30.06.01
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,105,087	–
Payments to suppliers and employees		(1,660,238)	–
Interest received		29,498	–
GST remitted to the ATO		(73,879)	
Net cash provided by (used in) operating activities	15(a)	400,468	–
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash funds from the transfer of PSMA net assets		–	757,546
Proceeds from sale of property, plant and equipment		–	–
Purchase of property, plant and equipment		(22,460)	–
Net cash flows (used in) investing activities		(22,460)	757,546
Net increase in cash held at 1 July 2001		378,008	757,546
Cash at beginning of the financial year		757,546	–
Cash at 30 June 2002		1,135,554	757,546

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

Notes to and forming part of the financial statements

for the period
1 July 2001 to
30 June 2002

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

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

a) Income tax

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

b) Property, plant and equipment

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

IT equipment

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

Depreciation

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

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

Class of asset	Depreciation rate
IT equipment	25–33.33%

Notes to and forming part of the financial statements for the period 1 July 2001 to 30 June 2002

c) Employee entitlements

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

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

The company does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

d) Cash

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

e) Revenue

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

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

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

f) 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. Receivables and payables on the statement of financial position are shown inclusive of GST.

g) Comparatives

Comparative information has been provided for the period 20 June 2001 to 30 June 2001 as the Company was only incorporated on 20 June 2001.

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
2 Revenue		
OPERATING ACTIVITIES:		
Royalties	1,235,732	–
Access fees	607,200	–
Miscellaneous Income	9,862	–
	<hr/>	<hr/>
	1,852,794	–
NON-OPERATING ACTIVITIES:		
Interest received	29,498	–
	<hr/>	<hr/>
Total revenue	1,882,292	–
	<hr/>	<hr/>
3 Profit from ordinary activities		
Profit from ordinary activities before income tax has been determined after the following expenses:		
Depreciation of non-current assets – IT equipment	13,702	11,863
Remuneration of auditor:		
■ Auditing or reviewing the financial report	7,380	2,000
■ Other services	1,000	1,500
	<hr/>	<hr/>
Total remuneration of auditor	8,380	3,500
Rental expense on operating leases:		
■ office space	15,895	–
■ company car	6,789	–
	<hr/>	<hr/>
Total rental expense on operating leases	22,684	–
	<hr/>	<hr/>

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
4 Extraordinary item		
Net assets transferred from Public Sector Mapping Agencies upon incorporation	—	730,370
	<u>—</u>	<u>730,370</u>
5 Cash assets		
Cash at bank	385,955	757,546
Deposits at call	749,599	—
	<u>1,135,554</u>	<u>757,546</u>
6 Receivables		
CURRENT		
Trade debtors	1,276,482	290,775
Less: provision for doubtful debts	—	—
	<u>1,276,482</u>	<u>290,775</u>
Sundry Debtors	2,985	33
Amount owing from LPI NSW	9,604	—
	<u>1,289,071</u>	<u>290,808</u>
7 Property, plant and equipment		
IT equipment—at cost	54,801	32,341
Less: accumulated depreciation	(25,565)	(11,863)
Total property, plant and equipment	<u>29,236</u>	<u>20,478</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
7 Property, plant and equipment (cont'd)		
a) Movements in carrying amounts		
Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
	IT Equipment	
	\$	
Balance at beginning of year	32,341	
Additions	22,460	
Disposals	–	
Revaluations increments/ (decrements)	–	
Accumulated depreciation at beginning of year	(11,863)	
Depreciation expense	(13,702)	
Carrying amount at end of year	29,236	
8 Payables		
CURRENT		
Trade Creditors	100,560	261,029
G-NAF feasibility study	–	80,458
	100,560	341,487
9 Provisions		
CURRENT		
Employee Entitlements	11,401	3,537
Aggregate employee entitlements liability	11,401	3,537
Number of employees at year end	3	2

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
10 Other current liabilities		
Topo licence fee	113,469	–
Cadastral licence fee	35,812	–
GST collected	115,678	–
GST paid	(9,034)	–
PAYG withholding	4,486	–
Superannuation payable	1,351	–
G-NAF sponsorship	800,000	–
	<u>1,061,762</u>	<u>–</u>
11 Contributed equity		
8 fully paid ordinary shares	<u>8</u>	<u>8</u>
(a) Ordinary Shares		
At the beginning of the reporting period	8	8
Shares issued during the year	<u>–</u>	<u>–</u>
At reporting date	<u>8</u>	<u>8</u>
12 Retained profits		
Retained profits at the beginning of the financial year	723,800	–
Net profit/ (loss) attributable to the members	489,150	(6,570)
Net assets transferred upon incorporation	–	730,370
Transfer from Agency	67,180	–
Retained profits at the end of the financial year	<u>1,280,130</u>	<u>723,800</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
12 Retained profits (continued)		

The company was incorporated on 20 June 2001. The net assets transferred to the organisation amounted to \$723,808. This amount consisted of the following balances:

	Amount transferred
	\$
Cash Assets	757,546
Receivables	290,808
Property, Plant & Equipment	20,478
Payables	(341,487)
Provisions	<u>(3,537)</u>
	<u>723,808</u>

13 Leasing commitments

(a) Operating Lease Commitments

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

■ not later than 1 year	12,174	—
■ later than 1 year but no later than 5 years	617	—
■ later than 5 years	—	—
	<u>12,791</u>	<u>—</u>

14 Segment reporting

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

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

2002
\$
20.06.01 to
30.06.01
\$

15 Statement of cash flows

(a) Reconciliation of cash flow from operations with profit from ordinary activities

Profit/ (loss) from ordinary activity:	489,150	(6,570)
Non cash flows in profit from ordinary activity		
Depreciation	13,702	—
Transfer from Agency	67,181	—
Change in assets and liabilities		
(Increase)/ decrease in receivables	(998,263)	—
Increase/ (decrease) in payables	(240,928)	6,570
Increase/ (decrease) in provisions	7,864	—
Increase/ (decrease) in other liabilities	<u>1,061,762</u>	<u>—</u>
Cash flows from operations	<u>400,468</u>	<u>—</u>

16 Related party transactions

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

Peter Gardner, Peter Holland, Martin Holmes, Olaf Hedberg, Steven Jacoby,
Desmond Mooney, Graeme Rush, Stephen Ryan, Victor Stephens.

None of the directors received, or became entitled to receive, any remuneration.

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

Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002

17 Financial instruments

(a) Interest rate risk

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

	Weighted Average Effective Interest Rate %		Floating Interest Rate \$		Non Interest Bearing \$		Total \$	
	2002	2001	2002	2001	2002	2001	2002	2001
1 Financial assets								
Cash	5.25%	5.25%	1,135,554	757,546	–	–	1,135,554	757,546
Receivables			–	–	1,289,071	290,808	1,289,071	290,808
Total			1,135,554	757,546	1,289,071	290,808	2,424,625	1,048,354
2 Financial liabilities								
Payables			–	–	100,560	341,487	100,560	341,487
Total			–	–	100,560	341,487	100,560	341,487

(b) Credit risk

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

Except for the following concentrations of credit risks, the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form.

**Notes to and forming
part of the financial
statements for the
period 1 July 2001
to 30 June 2002**

18 Company details

The registered office of the company is:

PSMA Australia Limited

National Surveyors House

27–29 Napier Close

Deakin ACT 2600

WALTER & TURNBULL

CHARTERED ACCOUNTANTS

MANAGEMENT CONSULTANTS

A DIVISION OF WALTER & TURNBULL PTY LTD

ABN 82 099 740 876

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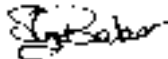
www.walturn.com.au

DISCLAIMER OF OPINION TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

The additional financial data presented on pages 62 to 64 is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our audit of the company for the period ended 30 June 2002.

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

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



Steve Baker
Partner
Walter & Turnbull

Canberra, ACT
13 August, 2002

Detailed income and expenditure statement for the year ended 30 June 2002

	2002	20.06.01 to 30.06.01
	\$	\$
REVENUE		
Bank interest	29,498	–
Map Data Sciences annual access fee	15,000	–
Map Data Sciences royalties	10,000	–
Pathfinder Solutions annual access fee	7,500	–
Pathfinder Solutions royalties	6,000	–
Navigate royalties	12,500	–
Navigate annual access fee	30,000	–
MapInfo royalties	1,003,522	–
Transtech royalties	27,000	–
Pacific Micromarketing	4,000	–
Magellan royalties	80,045	–
Geospend royalties	11,400	–
ABS licence and supply of MSD	125,000	–
ABS royalties	85,265	–
ABS annual access fee	205,000	–
ABS access fee—2001	220,000	–
Test and development licence	700	–
Amount owing from LPI NSW	9,604	–
Miscellaneous income	258	–
Total revenue	1,882,292	–

Detailed income and expenditure statement for the year ended 30 June 2002 continued	2002 \$	20.06.01 to 30.06.01 \$
EXPENDITURE		
Spatial CRC	11,527	–
Miscellaneous expense	403	–
Wages and salaries	150,653	1,923
Wages and salaries–2001	71,590	–
Employer Superannuation	12,044	–
Travel allowance	14,392	–
Travel allowance–2001	1,148	–
Provision transfers	7,864	–
Company car–LPI 777	1,460	–
Company car–LPI 777–2001	2,968	–
Lease St George car	6,789	–
Company car–petrol	2,059	–
Car/service/miscellaneous	564	–
Advertising and promotion	17,835	–
Sponsorship	13,120	–
Travel (domestic)	54,922	1,148
Travel (domestic)–2001	26,507	–
Travel (international)	18,520	–
Minor equipment	4,100	–
Insurance	11,116	–
Staff training and professional development	2,704	–
Office space rental	15,895	–
Cleaning office	763	–
Electricity	1,672	–
Fees for service	20,852	3,500
Fees for service 2001	46,574	–
Legal fees	75,696	–
Legal fees 2001	35,048	–
Accounting/finance/audit fees	29,184	–
Accounting/finance/audit fees–2001	9,091	–
G-NAF	45,129	–
G-NAF–2001	80,458	–
MSD development/enhancements	50,895	–
Cad Lite	83,810	–

Detailed income and expenditure statement for the year ended 30 June 2002 continued	2002 \$	20.06.01 to 30.06.01 \$
Cad Lite—2001	42,434	—
ROSD	46,961	—
ROSD licence fee	43,293	—
ROSD licence fee—2001	14,797	—
Accommodation	26,916	—
Hire—boardroom	810	—
Stationery	2,555	—
Car reimbursement	4,461	—
Printing	4,324	—
Photocopy	1,383	—
Postage/courier/freight	1,291	—
Telephones: teleconference	342	—
Telephones: mobile	443	—
Telephones: office	6,893	—
Web hosting/internet access	3,079	—
Meals	17,993	—
Petty cash reimbursements	1,066	—
Software/maintenance/licence	2,410	—
IT computer hardware	2,773	—
Fringe Benefits Tax	3,750	—
Fringe Benefits Tax—2001	10,178	—
Bank charges/stamp duty	2,535	—
Fee for service	177	—
Depreciation	13,702	—
Royalties expense—Topo	132,219	—
Royalties expense—Cad	17,063	—
Payments to Land & Property Information for services relating to 2000–01 financial year	61,943	—
Total expenses	1,393,142	6,570
Operating profit/ (loss)	489,150	(6,570)





PSMA Australia LIMITED

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