

ANNUAL REPORT 2005–2006



PSMA Australia LIMITED

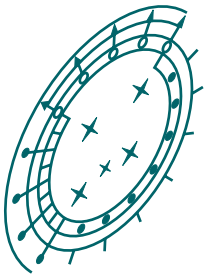


PSMA Australia LIMITED

ABN 23 089 912 710

Corporate directory

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



PSMA Australia LIMITED

Vision

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

Mission

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

Objects of the company

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

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

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Chairman's foreword

In line with the directions identified by the Board in the Annual Program, the 2005–06 financial year has been one of consolidation, building on the success of previous years with a focus on qualitative improvements in all facets of our business.

The 2005–06 Annual Program was structured to build on the foundations established to date by strengthening the company, its relationships, its datasets and its capacity to deliver the identified strategic outcomes. Consequently, the Annual Program for 2005–06 provided significant challenges, but to the credit of the Board and staff all programs within the control of PSMA Australia were achieved resulting in another rewarding year for the Company, our shareholders and our clients.

The year has been characterised by a rapid growth of spatial data awareness spurred on by the arrival on every desktop of Google Earth. This has led to some wonderful success for PSMA Australia and our VARs in the signing of Google, NineMSN and NAVTEQ to name just a few. Furthermore this awareness has also extended to government with significant interest beginning to be shown. For instance, recognition by the Australian Government in the importance of 'spatially enabling the business of government' through initiatives of Minister Nairn and the uptake of G-NAF for the validation and geocoding of government addresses within the Department of Human Services.

PSMA Australia continues to build the range of data themes available. New datasets are being selected to increase the functionality and strategic importance of those already under maintenance. As planned, a property view of the cadastre was developed with the first release going to VARs at the time of writing. More importantly, this dataset will assist in improving the quality of G-NAF by increasing confidence and geocode accuracy.

A key component of the year's program was the implementation of the Spatial Data Warehouse, initially conceived and investigated in 2004–05 and renamed LYNX during the year as part of the system development and promotion. This initiative recognises the benefits of managing all datasets in a common environment and will directly lead to improvement in data quality, integrity and cross dataset consistency.



The LYNX infrastructure will also facilitate a thorough investigation of persistent topology implementation, which if successful will likely hold the key to the difficult task of managing the spatial mesh block boundary alignment to the PSMA Australia datasets.

The only disappointment during the year was the slippage associated with the joint development and commercialisation of Spatial Postcode Boundaries with Australia Post. The internal changes necessary within Australia Post have delayed the development with release of the authoritative dataset now due late in 2006.

The delivery of tangible benefits to shareholders continues to be a high priority for PSMA Australia as well as contributing more generally to the national good. In addition to returning more than \$1 million in royalties, PSMA Australia was also able to deliver tangible benefits in the form of qualitative improvements to custodian data holdings, technical workshops and product and policy documentation for use by data custodians.

On the 20th June 2006, PSMA Australia celebrated its 5th anniversary as a public company. It is with great satisfaction that I recall the achievements during this period and the growth in the company from strength to strength to now total 11 staff, 25 VARs, four data managers and a turnover of approximately \$5 million. Much has been done, but there is much more to do and I believe that PSMA Australia will continue to make significant contributions to Australia's economic, environmental and social outcomes through the assembly, maintenance and delivery of national spatial datasets well into the future.

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

Ollie Hedberg
CHAIRMAN
PSMA Australia Limited

Objectives, achievables and deliverables 2005–06

Project: Spatial Data Warehouse Project (LYNX)		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
The implementation of the Spatial Data Warehouse, incorporating an Integrated Data Model (IDM), that will provide PSMA Australia with a rigorous and robust framework to drive significant benefits through improvements to data quality and improved efficiencies in data movement.	1 Implementation of transitional technical arrangements with data managers	Complete
	2 Amendment of agreements with the data managers as necessary	Complete
	3 Finalisation of the IDM & documentation with reference to ICSM HDF#	Complete
	4 Test loading of Aug05 Datasets to IDM	Complete
	5 Completion of tender documentation	Complete
	6 Completion and presentation of paper at SSI conference	Complete
	7 Call for tenders and tender evaluation	Complete
	8 Contract negotiation and signing of spatial data warehouse manager	Complete
	9 Implementation of the spatial data warehouse in accordance with the tender documentation	Rescheduled completion date: August 2006
	10 Rigorous quality assurance processes in place	Rescheduled completion date: August 2006
	11 Hand-over to Dataset Maintenance Area	Rescheduled completion date: September 2006

Intergovernmental Committee on Surveying and Mapping Harmonised Data Framework

Project: Quality Management Framework (QMF)		NEW INITIATIVE
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
<p>To consolidate PSMA Australia's management systems into a comprehensive framework that underpins all of PSMA Australia's activities and provides a benchmark to improve the quality of PSMA Australia's management systems. The QMF will ensure that PSMA Australia is continuously improving in its capacity and ability to deliver comprehensive national datasets to market. The QMF will be integrated into PSMA Australia's day-to-day activities and is the foundation upon which the organisation defines the way it does its business.</p>	1 A documented Quality Management Framework endorsed by the Board of PSMA Australia	Rescheduled completion date: November 2006
	2 A fully maintained Continuous Improvement Program that supports the QMF	Rescheduled completion date: November 2006
	3 A VAR feedback interface to enable VARs to track the progress of issues logged with PSMA Australia	Redefined for inclusion as LYNX enhancement
	4 A Report to the Board of PSMA Australia to determine the feasibility of attaining ISO certification	Rescheduled completion date: November 2006

This project required rescheduling of delivery dates due to human resource availability during the year. The steering committee (Audit Committee) has approved the changes and continues to monitor and assist with the implementation of this important project.

Project: Australian Bureau of Statistics (ABS) Mesh Blocks Theme (Administrative Boundaries Dataset)		NEW INITIATIVE
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
<p>Under contract to the ABS, maintain and distribute authoritative spatial Mesh Block Boundaries as a part of the PSMA Australia Administrative Boundaries Dataset.</p>	1 Data Model that conforms with the IDM	<p>Progress on this New Initiative has been delayed due to the status of Mesh Block Boundaries development within the ABS, together with the challenges associated with identifying the maintenance and dataset alignment methodology. PSMA Australia and ABS continue to work in partnership on this project and it has a high interdependency with the development of a vertical topology solution within LYNX.</p>
	2 Formal agreement with the ABS	
	3 Maintenance and dataset alignment methodology	
	4 Dataset specification developed	
	5 Data Manager arrangements established	
	6 Pricing and Access Policy	
	7 Spatial Mesh Block Boundary Theme	
	8 Standards compliant Metadata	
	9 Hand-over to Dataset Maintenance Area	

Project: Spatial Postcode Boundaries Theme (Administrative Boundaries Dataset)
NEW INITIATIVE

OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
In partnership with Australia Post, develop, maintain and distribute Australia's authoritative spatial Postcode Boundaries as a part of the PSMA Australia Administrative Boundaries Dataset.	1 Data Model that conforms with the IDM	Complete
	2 Formal agreement with Australia Post	Negotiations on commercial aspects continue
	3 Maintenance and locality alignment methodology	Complete
	4 Dataset specification developed	Complete
	5 Data Manager arrangements established	Complete
	6 Pricing and Access Policy	Negotiations on commercial aspects continue
	7 Spatial Postcode Boundary Theme	BETA version expected in August 2006
	8 Standards compliant Metadata	Rescheduled completion date: August 2006
	9 Hand-over to Dataset Maintenance Area	Rescheduled completion date: November 2006

Australia Post has begun implementing a number of spatial initiatives within its distribution management area. This has included the redefinition of spatial postcode boundaries although this alignment process has been slowed by the impact of other internal factors beyond the control of PSMA Australia hence the rescheduling of several deliverables.

Project: Property Cadastre Theme (CadLite® Dataset)
NEW INITIATIVE

OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To enhance the PSMA Australia datasets through the development of a property view of CadLite® and in doing so: <ul style="list-style-type: none"> ■ better meet the needs of users of PSMA Australia's spatial datasets ■ complement the data held by the States and Territories, without any denigration to the revenue source derived from this asset. 	1 Data Model that conforms with the IDM and CadLite profile	Complete
	2 Amendment of agreements with the jurisdictions as necessary	Complete
	3 Maintenance methodology developed	Complete
	4 Dataset specification developed	Complete
	5 A Demonstrator Project	Complete
	6 Data Manager arrangements established	Complete
	7 Pricing and Access Policy	Complete
	8 Property Cadastre Theme	Complete
	9 Standards compliant Metadata	Complete
	10 Hand-over to Dataset Maintenance Area	Complete

Project: Imagery Dataset Business Case		NEW INITIATIVE
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To determine the feasibility of developing or providing access to a multi-resolution imagery dataset in conjunction with one or more custodial partners so as to complement the PSMA Australia vector dataset offerings.	Business Case document considering all aspects of the new dataset	<p>Redefined to instead see PSMA Australia as a collator of jurisdictional imagery on an as requested basis.</p> <p>Licence agreements have been established with jurisdictions to facilitate this activity.</p> <p>PSMA Australia is now in a position to supply integrated orthorectified imagery and associated digital elevation model data.</p>

Project: Datasets Maintenance Program		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To ensure the delivery of updated datasets and metadata to PSMA Australia clients in a timely fashion with a focus on continual improvement of those datasets.	1 Continual Improvement Plan with specific datasets enhancements identified.	Complete
	2 Quarterly updates to G-NAF dataset, Road Centreline theme, Cadastral Theme, Localities theme.	Complete
	3 Annual Updates to hydrology, green-space, remainder of the Administrative Boundaries dataset and the remainder of the transport theme.	Complete
	4 ANZLIC compliant metadata and feature level metadata.	Complete
	5 Comprehensive dataset documentation.	Complete
	6 Maintenance of relationships with Data Managers, Data Custodians	Complete

Project: Points of Interest (POI) Redevelopment		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To determine and implement a robust methodology for the enhancement and maintenance of PSMA Australia's Points of Interest dataset	1 Business Case document considering all aspects of creation and maintenance of POI	Complete
	2 POI Dataset Specification	Complete
	3 Matrix of data sources	Redevelopment of POI has now been split into two categories, Government POI and commercial POI. Two contracts were let during 2005–06 in pursuit of the identification of data sources as well as an analysis of the ability of PSMA Australia to self collect. The securing of data sources remains the biggest challenge. This important project will continue in the coming year.
	4 Appointment of a Data Manager	
	5 New POI Dataset released to market	
	6 Hand-over to Dataset Maintenance Area	

Project: Optimising Benefits for Shareholders		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
<p>To strengthen relationships with data custodians and to increase the value and benefits of this relationship for data custodians and shareholders more broadly.</p> <p>To undertake a range of Community Service Activities, under the guidance and direction of shareholders.</p> <p>Deliver tangible benefits to shareholders that demonstrate the mutual benefits of PSMA Australia.</p>	1 The provision of PSMA Australia datasets and support on a subsidised basis for opportunities identified by the Board of PSMA Australia as being in the national good.	Complete
	2 Priority areas for the provision of datasets include Emergency Management, Counter Terrorism and Natural Resource Management.	Complete
	3 A relationship management framework, supported by our key government stakeholders that can be reapplied every year and includes: <ul style="list-style-type: none"> a. a calendar of events b. a suite of communication tools c. a feedback mechanism to measure the effectiveness of the QMF d. supporting policy/procedural documentation, particularly for the Tangible Benefits Program. 	Complete
	4 Budget and resourcing requirements	Complete

Project: Marketing and Communications Program		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
<p>To implement a comprehensive program of marketing and communications activities that:</p> <ul style="list-style-type: none"> ■ raises the profile of PSMA Australia within the spatial information industry and more broadly ■ supports, as appropriate, PSMA Australia's Annual Program 2005–2006 ■ enhances communication with PSMA Australia's VARs and end-users to stimulate a more market-driven approach to product development. ■ enhances communications with jurisdictions and data custodians to improve working relationships and knowledge of PSMA Australia. 	Marketing and Communication Program 2005–2006 Plan which incorporates:	Complete
	1. Communications: Internal <ul style="list-style-type: none"> a. VAR newsletters b. pre-release reports c. custodian newsletters d. workshops e. websites f. stakeholder events 	Complete
	2. Communications: External <ul style="list-style-type: none"> a. General newsletter b. Attendance and presentations at conferences in targeted new segments c. Sponsorships d. Vertical industry strategy 	Complete
	3. Assembly of two sector-specific advisory groups	Incomplete due to resourcing constraints
	4. Brand management activities	Complete

Project: VAR Qualification and Management Framework		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To continue with the implementation of the VAR Qualification and Management Framework as endorsed by the PSMA Australia Board	1 A Project Plan that properly scopes the extent of the VAR Qualification and Management Framework	Complete
	2 Comprehensive policy/procedural documentation	Complete
	3 Approved ongoing budget and resourcing requirements	Complete
	4 Ongoing VAR contract management in accordance with the Management Framework defined in 1 above	Complete
	5 Annual VAR Survey (needs analysis and performance assessment)	Complete
	6 Fully maintained VAR Survey Issues Register	Complete

Project: Data Access and Pricing Policy Review		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To undertake a comprehensive review of PSMA Australia's Pricing and Access Policy	1 Project Plan including: a. consultation phase b. analysis of alternative models c. presentation and recommendations to Board d. new Pricing and Access Policy e. implementation plan	Complete
	2 Fully implemented Pricing and Access Policy	It was agreed that due to the interdependencies between this activity and the development of LYNX as well as resourcing constraints, the completion of this project would be rescheduled to 2006–07.

Project: Director and Employee Development Program		ONGOING ACTIVITY
OBJECTIVES	DELIVERABLES	STATUS (30/6/06)
To provide opportunities for personal and professional development for the directors and employees of PSMA Australia. To provide for ongoing resourcing and management of the Performance Management Program for the employees of PSMA Australia.	1 Performance Management Program 2005-06 implemented for all staff of the PSMA Australia national office	Complete
	2 At least one Director professional development activity combined with a Board meeting during the year	Complete
	3 Detailed guidelines to support PSMA Australia's Travel and Accommodation Policy	Complete
	4 Director and Employee Development Fund budgeted in 2005–06 Budget	Complete
	5 Fully maintain domestic and overseas opportunities calendar	Complete

Project: Dataset Development and Research Program**ONGOING ACTIVITY****OBJECTIVES****DELIVERABLES****STATUS (30/6/06)**

To consider new opportunities that eventuate during the year and investigate their viability and appropriateness via the PSMA Australia Business Case Process and support the Cooperative Research Centre for Spatial Information (CRC-SI) via participation in CRC-SI projects and 43 Pty Ltd activities

- 1 Business Case document to the Board for each opportunity
- 2 Interactions with the CRC-SI

Complete
Complete

Project: Corporate Services**ONGOING ACTIVITY****OBJECTIVES****DELIVERABLES****STATUS (30/6/06)**

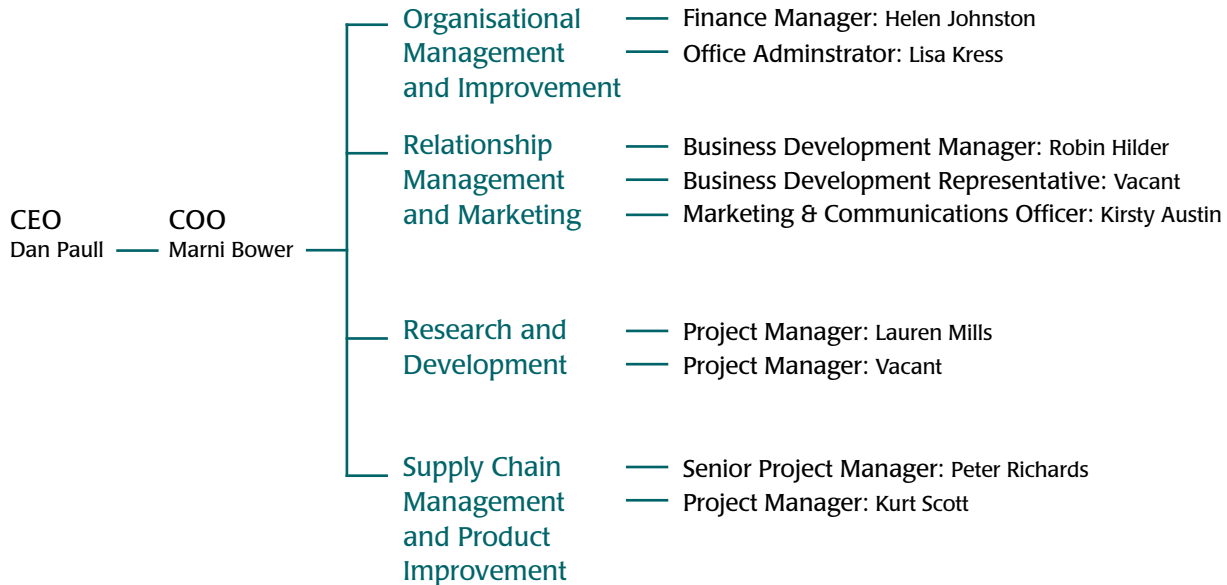
To ensure the robustness of the Company through the ongoing management and resourcing of best practice corporate governance and financial systems, policies and processes.

- 1 Sound financial system delivering quality and timely reports to the Board and Audit Committee
- 2 Unqualified Audit
- 3 Legislative compliance as required with ongoing internal auditing
- 4 Cycle of bi-annual VAR Audits
- 5 Flexible and reliable payroll services
- 6 Delivery of Board Meeting papers in hard copy and electronically
- 7 Maintenance of Annual Program Implementation and Tracking Program
- 8 Efficient and cost effective Travel and Accommodation bookings system

Complete
Complete
Complete
Complete
Complete
Complete
Complete
Complete

PSMA Australia Human Resource review

The national office continued to experience growth in numbers during 2005–06. At the June 2006 Board meeting, the Board approved a revised organisational structure (see below) with a recruitment process underway to fill vacant positions. The new output based structure is mirrored in financial and operational planning and reporting frameworks with the growth in positions reflective of a heightened focus on relationship management and research and development.



Audit Committee report

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

The Audit Committee oversees the annual financial audit of the company and the annual Value Added Reseller (VAR) Audit Program. VAR Audit focus this year has included the interpretation of VAR Licence Agreements and VAR royalty reporting compliance.

An online PSMA Australia Director's Corporate Governance Resource Library is regularly maintained to ensure that Board members have immediate access to appropriate Board Meeting and Company documentation.

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

The Audit Committee oversaw the development of two major policy initiatives for PSMA Australia during 2005–06:

- 1 The Audit Committee performed the steering committee role for the Management System for Quality project.
- 2 The VAR Qualification and Management Framework received Board endorsement at the June 2006 Board meeting. This Framework is a significant new policy for PSMA Australia, which was developed by the national office under the guidance of the Audit Committee.

PSMA Australia Strategic Plan 2006–09

After strategic discussions at the December 2005 Board Meeting, the PSMA Australia office developed a revised Draft Strategic Plan for Board review. Further discussions were held at the March 2006 meeting of Directors. By analysing the direction in the Draft Strategic Plan and considering associated future opportunities, the Board was able to broadly outline desired achievements for the coming financial year, prior to the formal development of PSMA Australia's Annual Program.

The Strategic Plan 2006–2009 forms the basis for the development of the Annual Program.

PSMA Australia Strategic Plan 2006–09

2007 milestones		2009 scorecard				2009 outcomes	
1	Data logistics infrastructure implemented and delivering value	Preferred supplier of national datasets				Comprehensive, diverse and needs-driven datasets	
		Products align to customer needs					
		No serious competitors					
2	Future program positions PSMA Australia to enhance value proposition	Increased royalties to shareholders				Optimising the benefits of PSMA Australia for the shareholders	
		Suppliers adopt PSMA Australia enhancements					
		Increased number of partners					
3	Consulting business developed to assist government in optimal use of spatial data	Strong stakeholder relationships				Market acceptance of quality	
		VAR satisfaction					
		QA accreditation					
4	G-NAF used as fundamental tool across government	Key partners' satisfaction				Strong market awareness	
		Number and range of end users					
		Number of VARs					
5	Enhanced stakeholder relationships	Co-branding				Ubiquitous use of PSMA Australia datasets	
		Contributing to the development of the SII					
		Number of sales/VARs					
6	Comprehensive Quality Program in place	Number of websites/website hits				Expanded market base	
		Number of market segments					
		Number of partners/VARs					
7	Enhanced G-NAF maintenance through selective address geocoding opportunities	Number of market segments				Robust organisation	
		Increased sales					
		Financial viability					
8	Two more significant VARs or partners	Competent people				Best practice processes supporting strategy	
		Effective business processes					
		Single authoritative source					
9	Two new authoritative datasets to market	Facilitating ubiquitous access to government information					
		Building relationships and developing partnerships					
		Tangible benefits to shareholders					
10	Clear brand identified and established	Demand orientated dataset development					
		Supporting the industry and encouraging innovation					
		Best practice processes supporting strategy					

Strategic pathways

Single authoritative source	Facilitating ubiquitous access to government information	Building relationships and developing partnerships	Tangible benefits to shareholders	Demand orientated dataset development	Supporting the industry and encouraging innovation	Best practice processes supporting strategy
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Management System for Quality

PSMA Australia began implementing its Management System for Quality (MSQ) in February 2006. The system is designed to support business management through an integrated quality management and continuous improvement framework which overarches all business processes. The MSQ promotes a whole-of-business focus on enhanced customer value and continuous improvement, compliant with ISO9001 standards.

The MSQ comprises two main components:

- Business Policy, which provides a framework for business activity
- Business Process Mapping, which ultimately provides a structured and quality approved process for achieving quality business outputs.

Supporting business policy has been developed and is nearing final review and signoff by the PSMA Australia Audit Committee. Business Process Mapping is underway and due for completion by 31 August 2006. Project implementation was suspended by three months during this financial year due to changes to staffing arrangements.

Data development and management

An aerial photograph of a river network, likely in a semi-arid region, with various data overlays. The rivers are shown in a light tan color, and there are patches of blue and green, possibly representing water bodies or vegetation. The background is a mix of brown and tan, indicating dry land.

LYNX

The LYNX Feasibility Study investigated the possibility of a standards-compliant, Internet accessible, spatial data warehouse to streamline data logistics for Jurisdictions, Data Managers, Clients and PSMA Australia. The study was completed in October 2005 and determined that the project is feasible. The study's outputs were then included in the specifications for the proposed system.

Implementation then began with an invitation for tenders to build, manage and maintain the warehouse. On 23 December 2005, PSMA Australia signed a contract with Geometry, as the Board-endorsed preferred tenderer, to implement and provide ongoing maintenance of LYNX.

As implementation progressed it was determined that, as an infrastructure project, the implementation of LYNX was the first stage in a program of work aimed at positioning PSMA Australia for the future.

The development of LYNX is progressing well. PSMA Australia has begun introducing users to the new system, with a LYNX Training Workshop scheduled for Contributors in Canberra on 25 July 2006, and workshops for PSMA Australia's value added resellers (VARs) due in September 2006.

The official launch of LYNX, presentation of final deliverables, and hand-over of the system from project to maintenance is due in September 2006.

Quarterly dataset maintenance program

During the 2005–06 financial year, the quarterly maintenance schedule continued with no changes after the annual review. The program is based on four pre-determined release dates throughout the year to provide Contributors and Clients with greater certainty with respect to business planning processes. This maintenance schedule will be continued through the coming year and will not change to a monthly update at this stage. The schedule will be reviewed during 2006–07 in context of the LYNX roll-out and the review of G-NAF processes which are expected to support shorter delivery periods being established in the future.

G-NAF

The G-NAF dataset content across all States and Territories has improved as a result of the updates received from the Contributors this financial year. Specific improvements to G-NAF over the past year include:

- The suburb table has been updated to remove suburbs with incorrect spellings that were included in the first build of G-NAF. The small number of instances where addresses were incorrectly linked to these suburbs as a result, have now also been corrected.
- Contributors have excluded 'duplicated' addresses that were in previous data supplied. This resulted in the number of addresses supplied reducing by approximately 200,000 at a national level.
- At a national level, 49.7% of the principal addresses (i.e. 12.3 million) in G-NAF now have a Confidence level of 2. This represents an improvement of approximately 6% since the first build of G-NAF.
- The number of locality-only geocodes was reduced to 1.15% during the past 12 months, down from 2.5% at the start of the year.
- A new gap geocoding tool that incorporates the use of PSMA Australia's CadLite dataset was introduced during this financial year. This software takes into account the number of parcels between any two address-level geocoded addresses when assigning geocodes. The geocode assigned as part of this process will always lie within the parcel, unlike the existing gap geocoder which is purely based on address ranging. The use of this new tool has improved the spatial precision of the geocodes allocated by gap geocoding. Both gap geocoding tools will be used in the future.
- Additional work was undertaken throughout the year to resolve the difficulties associated with past updates with regard to addresses associated with suburbs with duplicated names.

Administrative Boundaries Request for Quotation (RFQ)

In May 2006 PSMA Australia released an RFQ inviting respondents to quote for the provision of services for the maintenance of the PSMA Australia's Administrative Boundaries and Postcode Boundaries datasets. Up until this time PSMA Australia had managed this dataset within the national office.

The Administrative Boundaries dataset is comprised of five themes:

- Australian Bureau of Statistics (ABS) Boundaries
- Electoral Boundaries
- Local Government Areas
- Suburbs/Localities
- State Boundaries.

The Postcode Boundaries dataset will be comprised of one theme—Spatial Postcodes. This theme includes two layers—Postcode Boundaries (polygons) and Postcode Centroids (points).

The objective of this contract is to build and maintain PSMA Australia's Administrative Boundaries and Postcode Boundaries datasets, to specifications, using data sourced by PSMA Australia from its data custodians; and to provide enhancements to these datasets as directed by PSMA Australia from time to time.

At 30 June 2006, negotiations with a preferred organisation were underway.

Postcodes

At the November 2004 Board Meeting the Board approved the Postcode Boundaries Business Case. It endorsed the preferred option of developing, maintaining and distributing Australia's authoritative spatial Postcode Boundaries as a part of the PSMA Australia Administrative Boundaries theme, in partnership with Australia Post.

After consultation with Australia Post, it was initially suggested that Postcode Boundaries could be released to the market in November 2005. However, due to delays within Australia Post the development process has taken longer than expected.

PSMA Australia proposed an interim approach to building the Postcode Boundaries dataset, which would see a limited release of a BETA version of the dataset in August 2006, and the first formal release of the dataset in November 2006. Australia Post has agreed with this approach, and from November 2006 PSMA Australia will incrementally update and release the dataset semi-annually.

Land Use

While PSMA Australia recognises the importance of the concept of a national Land Use dataset, progress during 2005–06 was limited for several reasons. It has been difficult to identify user requirements, which are very broad. In addition, the many fields of practice have different terms to describe classifications, making comparison difficult. There are also differences within the various jurisdictions' data sources. These factors combine to make the development of a nationally consistent Land Use dataset problematic. However, PSMA Australia intends to pursue this initiative in 2006–07 by investigating more flexible criteria and focusing on a national planning zone dataset as a first step.

Property Cadastre

The PSMA Australia Property Cadastre is a national dataset that identifies the three relationships between a property and a cadastral parcel:

1. where one cadastral parcel is equal to one property
2. where many cadastral parcels make up one property
3. where one cadastral parcel contains many properties (strata).

The Property Cadastre business case was presented to the PSMA Australia Board at the March 2005 meeting. The Board approved the development of a Property Cadastre through attribution within the PSMA Australia CadLite dataset. In December 2005, PSMA Australia engaged MapInfo to build a Property Theme of CadLite.

The aim was to produce a BETA version that could be used by LogicaCMG to improve G-NAF, and be distributed to selected clients for review and comment.

This BETA version was completed and distributed to selected Clients in PSMA Australia's May 2006 data release, to considerable positive feedback.

PSMA Australia will release a new and enhanced CadLite incorporating a complete Property Theme in August 2006 with updates provided thereafter.

Technical workshops

PSMA Australia ran one VAR workshop in the 2005–06 financial year. The underlying theme for this workshop was the new LYNX online system for VARs.

The primary objective for the workshop was to provide VARs with advance notification about how the LYNX system will change the way PSMA Australia supplies data to VARs. This workshop encouraged VARs to voice any concerns about such a system, and enabled PSMA Australia time to factor in the issues raised when developing the system.

PSMA Australia is planning a LYNX Training Workshop for Data Contributors in July 2006. This information session will be an opportunity for technical specialists from each Contributor to be educated in the use of LYNX.

Commonwealth Grants Commission

The Commonwealth Grants Commission (CGC) is primarily responsible for the distribution of the GST revenue to the states and territories. There are approximately 30 criteria used to determine the distribution. One criterion is based on kilometres of arterial roads within each jurisdiction. A major difficulty faced by the CGC is defining a nationally consistent road hierarchy with the detail necessary to achieve the desired outcome. Previously, non-spatial techniques have been used but these are increasingly considered inappropriate, particularly by the ABS.

PSMA Australia was invited to attend a workshop on 29 August 2005 to assist in improving the methodology for this criterion. PSMA Australia suggested the use of the Transport & Topography dataset in combination with spatial analysis.

A further meeting was held with representatives of the CGC on 30 September 2005. At this meeting, PSMA Australia explained in more detail how the spatial analysis might be performed to achieve the outcomes being sought by the CGC. PSMA Australia offered to assist CGC with defining and implementing a solution.

The CGC accepted PSMA Australia's offer and PSMA Australia analysed the Transport & Topography dataset roads layer to produce statistics relating to road kilometreage under a variety of classifications. This information was then used to produce the CGC's Local Roads Inquiry Draft Report in May 2006.

Mesh Blocks

The first cut of Mesh Blocks was released at a special function held at the Spatial Sciences Conference in Melbourne in September 2005. The launch, by the Australian Statistician, Dennis Trewin, was jointly sponsored by ABS, PSMA Australia and ANZLIC.

Mesh Blocks are the ABS's new micro level breakdown of geographic boundaries. They are small areas of about 30–60 dwellings, designed specifically for statistical data dissemination. Mesh Blocks will enable accurate time series analysis of the statistical data.

Mesh Blocks are formed by intersecting linear features in PSMA Australia's datasets. The intention is that the Mesh Blocks remain linked to these objects for their life, enabling accurate time-series analysis of the statistical information within each Mesh Block. The need to maintain a vertical relationship with all other PSMA Australia datasets is a significant challenge and one that the ABS and ANZLIC are keen for PSMA Australia to take up.

Initial investigations suggest that this is not a trivial task as there would need to be a Mesh Block realignment after every update to any PSMA Australia dataset. Currently there is no vertical topology stored within the PSMA Australia datasets, however the implementation of the IDM (Integrated Data Model) and LYNX present the ideal opportunity to investigate and possibly incorporate this topology.

Business development and management



VAR Feedback and Satisfaction Survey

During the first quarter of 2006, PSMA Australia undertook a comprehensive survey of VARs and Clients. Telephone interviews related to service levels, datasets and data delivery, and dataset pricing. Responses provided insights into VARs' opinions and perceptions about PSMA Australia and its datasets, identified strengths and weaknesses in PSMA Australia's service delivery, and raised several issues for consideration.

The survey attracted a high response rate, with VARs showing a willingness to provide open and valuable feedback about issues and concerns.

Responses confirmed the close and important relationship between VARs and PSMA Australia, and the high levels of service and support provided by PSMA Australia staff.

Responses however, also indicated a significant level of concern about the complexity of PSMA Australia's Pricing and Access Policy.

PSMA Australia is using these survey results to undertake a more focused, and strategic approach to supporting VAR business activities and business development.

Websites

In October 2005, PSMA Australia launched the new PSMA Australia and G-NAF websites. Both websites underwent significant modifications including updating the content, improving the design and navigation, and changing the underlying technical platform to enable PSMA Australia staff to update and edit content as required.

These changes have enabled PSMA Australia to maintain the two redeveloped websites in compliance with web standards, and have improved the effectiveness of communication with Clients, stakeholders and the public. Since the new websites have been launched, feedback has been extremely positive.

Asia Pacific Spatial Excellence Awards

For the second consecutive year, PSMA Australia has proudly held the title as the major sponsor for the Asia Pacific Spatial Excellence Awards (APSEA). APSEA is the spatial industry's annual gala event to celebrate and recognise the achievements of

all industry participants. The awards were held in Melbourne in September 2005 and coincided with the Spatial Sciences 2005 conference.

PSMA Australia received a Research and Innovation award for its participation in the Spatial Interoperability Demonstration Project (SIDP). The SIDP comprised some 30 private and government organisations that shared a common goal: to agree on and employ a common standard for spatial interoperability.

Spatial Sciences Conference 2005

The Spatial Sciences Conference (SSC) 2005 was held at the Melbourne Convention Centre in September. The conference theme was *Spatial Intelligence, Innovation and Praxis*. The aim was to demonstrate initiatives in the spatial industry and provide a forum for ongoing discussions about how such initiatives may be applied in the community. The conference was a major success with delegates from all areas of the spatial industry attending over the three days. As a major sponsor of the event, PSMA Australia received significant publicity and further increased its profile within the industry.

PSMA Australia submitted and presented two papers at the conference. The first, co-written by PSMA Australia Chief Executive Office (CEO), Dan Paull and PSMA Australia Project Manager, Lauren Mills was about the development and implementation of the Spatial Data Warehouse (LYNX).

The second, co-written by Dan Paull and Logica CMG's Manager, Spatial Information Services, Brian Marwick, provided an overview of G-NAF dataset, the updating process and the important role of Reference datasets (source data) in address validation. It also discussed insights into the content and structure of G-NAF and aimed to deepen understanding and enhance effective use of the G-NAF dataset.

Spatial Technologies in Schools competition

PSMA Australia accepted a proposal from the Spatial Sciences Institute (SSI) to be the major sponsor for the 2005 Spatial Technologies in Schools Competition. MapInfo Australia and the Australian Bureau of Statistics (ABS) were invited

to support PSMA Australia in this initiative by donating prizes built on spatial technology foundations including MapInfo Pro, Street Pro Display and CData2001 software applications.

This national competition is open to all primary and secondary schools across Australia and is aimed at encouraging and rewarding the innovative use of spatial information technologies.

CRC-SI (Cooperative Research Centre for Spatial Information)

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

PSMA Australia is participating in three CRC-SI projects:

■ **Project 3.2—Intelligent geocoding**

The overall aim of this project is to achieve automated integration of addresses and spatial location by intelligent geocoding processes and algorithms. During the year, research focused on investigating and implementing a Java Software Agent known as JACK and a Java knowledge management interface called JESS. The two combine to create the beginnings of a sophisticated application that could offer address matching and geocoding advances and possibly provide PSMA Australia with a more flexible, robust and accurate mechanism for maintaining G-NAF.

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

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

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

It has been recognised that the new and lucrative wireless Location Based Services (LBS) will need continuous and consistent positioning to meet user expectations. This project will demonstrate the practical integration of GPS, Cell ID, Inertial positioning and map referencing technologies through the development of a portable location device called the LPOD to meet the emerging LBS requirements. The project has delivered a working prototype and has received separate government funding via an AusIndustry grant to develop the business plan (roadmap) for LPOD. This work is underway.

PSMA Australia continues to participate in and support both the CRC-SI and 43 Pty Ltd as an important opportunity to contribute to the development of the spatial information industry in Australia.

International liaisons

PSMA Australia's CEO, Dan Paull, visited the UK and USA during November 2005. This provided an excellent opportunity to build international relationships, several of which blossomed and led to very successful outcomes later in the year.

Mr Paull met with:

- Laser Scan (UK) to discuss Radius topology
- MapInfo (UK) to discuss growing the existing PSMA Australia relationship internationally
- Ordnance Survey (UK)
- NAVTEQ (USA)
- Google (USA) to discuss the use of PSMA Australia data
- Oracle (USA) to discuss topology and the Oracle 10g Release
- Windspring (USA) for a demonstration of 'miniaturisation' technology.

Intelligent Transport Systems world congress

PSMA Australia's Chairman, Ollie Hedberg and CEO, Dan Paull attended the Intelligent Transport Systems world congress in San Francisco, USA on 7 and 8 November 2005. This congress detailed developments in an industry sector that PSMA Australia has not previously worked closely with. The industry is particularly significant in North America, Japan and Europe.

Key take-homes from this conference included the following insights:

- Real time traffic is an emerging growth area along with HD radio, which allows large amounts of data to be transferred to onboard navigation devices compared with conventional FM side band.
- Intelematics and Sensis are collaborating on a project to launch real time traffic on the AusStereo FM network as a side band. There are, however, still many sceptics including the NRMA which recently sold its half share in Intelematics to the RACV.
- Traffic information collection is another growth area. In Australia this data comes from an organisation called Traffic Spotters.
- While impressive technology exists, the technology alone will not solve San Francisco's (or the USA's) rapidly growing traffic congestion problem.
- NAVTEQ dominate the map supply segment of the market worldwide.
- PSMA Australia attended several associated functions including:
 - ITS World Congress Australia reception sponsored by NAVTEQ. Most Australian delegates, a number of NAVTEQ representatives and other guests attended. There were over 120 delegates from Australia (best representation per capita).
 - NAVTEQ reception where PSMA Australia's Chairman and CEO had the opportunity to meet with the CEO and President of NAVTEQ and a number of Vice Presidents. PSMA Australia was warmly welcomed by these senior figures, demonstrating that NAVTEQ are interested in establishing a long-term partner in Australia.

2005-06 Marketing and Communications Program

Key activities completed throughout the year, in accordance with PSMA Australia's 2005-06 Marketing and Communications Plan, included:

- platinum sponsorship of the Asia Pacific Spatial Excellence Awards (APSEA) 2005
- redevelopment of the PSMA Australia and G-NAF websites including amendments to the content and user interface
- annual VAR Feedback and Satisfaction Survey and a comprehensive report on the findings
- development of a suite of PSMA Australia dataset fact sheets for distribution at conferences and in response to enquiries
- market research with VARs to identify vertical industries for targeting and identifying key contacts within these industries
- development and quarterly circulation of tailored e-newsletters for clients and data custodians, as well as development of a more 'general issues' e-newsletter for a range of subscribers
- development of a core speakers kit for PSMA Australia and G-NAF presentations
- development and circulation of media releases to media contacts
- placement of ads in industry and non-industry trade publications.

Various ongoing activities will be continued and will form the basis of the 2006-07 Marketing and Communications Plan.

Media coverage

During the year, PSMA Australia media releases and related issues generated national media coverage as outlined in the table below.

Table 1: Media coverage during 2005-06

August 2005	Publication Article	Australian Financial Review Addressing a big problem
	Circulation	85,537
	Readership	269,000
September 2005	Publication Article	Australian Financial Review ABS uses home data
	Circulation	85,537
	Readership	269,000
October 2005	Publication Article	Australian Financial Review Spatial data bank refines mapping
	Circulation	85,537
	Readership	269,000
February 2006	Publication Article	Australian Financial Review Data warehouse puts Tasmania on map
	Circulation	85,537
	Readership	269,000
March 2006	Publication Article	The Melbourne Age Rebates boost smart transport plan
	Circulation	197,600
	Readership	721,000
	Publication Article	The Canberra Times Nairn's e-Government world
April 2006	Publication Article	Australian Financial Review We've got you on file
	Circulation	85,537
	Readership	269,000
May 2006	Publication Article	Australian Financial Review Technology maps out a more efficient future
	Circulation	85,537
	Readership	269,000
	Publication Article	Australian Financial Review Google begins to map its way around Australia
	Circulation	85,537
	Readership	269,000

Licensing activities

PSMA Australia signed up four new VARs during 2005–06 financial year. Three VARs ended their licensing arrangements with PSMA Australia; however now hold Secondary VAR relationships with Full Access PSMA Australia VARs. A total of 25 active VAR licenses were held by PSMA Australia at the end of the financial period.

Table key:

- * New VARs
- Changed status
- ◆ Former VARs

Table 2: Licensing arrangements in 2005–06

VAR	Datasets licensed	Access level
Australian Corporate Content	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full
Amristar	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
Boyce Industries	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
* Estate Agents Cooperative	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Embedded
Explore Australia	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
➤ FCS Online	<ul style="list-style-type: none"> ■ G-NAF 	Embedded Changed VAR status from Full Access to Embedded in June 2006
Findmap	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries 	Embedded
Geomatic Technologies	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full
* Intech	<ul style="list-style-type: none"> ■ G-NAF 	Full
Magenta Technologies	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
Manly Multimedia	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries 	Embedded
MapData Sciences	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full
MapInfo	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full

VAR	Datasets licensed	Access level
Multimap	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries 	Embedded
Navigate	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full
* Navteq	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Embedded
Next Destination (formally Magellan GPS Systems)	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
Omnilink	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Full
Pacific Micromarketing	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries 	Full
Pathfinder Solutions	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries 	Embedded
◆ PMP Software	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
RP Data	<ul style="list-style-type: none"> ■ Transport & Topography ■ CadLite ■ Administrative Boundaries ■ G-NAF 	Embedded
Terrapages	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ CadLite ■ Administrative Boundaries 	Embedded
* Tracksgear	<ul style="list-style-type: none"> ■ Transport & Topography ■ Administrative Boundaries 	Embedded
Transtech Consulting	<ul style="list-style-type: none"> ■ Transport & Topography 	Embedded
Virtual Map (Australia)	<ul style="list-style-type: none"> ■ Transport & Topography ■ G-NAF ■ Administrative Boundaries ■ Cadlite 	Embedded
◆ Webmap	<ul style="list-style-type: none"> ■ CadLite 	Embedded

VAR Qualification and Management Framework

As the number of resellers in the PSMA Australia VAR network continued to grow throughout the financial year, so to did the need to implement a corporate-wide, VAR qualification process that comprised a strict set of prerequisites or criteria to be fulfilled for future appointments of potential VARs.

With the continuous growth of PSMA Australia, managing the VARs (including potential VARs) far exceeds one full-time position at PSMA Australia. For this reason, this role is shared by several staff members. With the company's relationship management shared amongst staff, it became essential to implement an internal framework that delivers consistency and ensures that the VARs are able to maximise PSMA Australia's goal of achieving ubiquitous use of the data.

The VAR Qualification and Management Framework has been implemented because PSMA Australia endeavours to improve the quality of services provided to all VARs whilst also improving the efficiency of PSMA Australia's use of physical, financial and human resources.

The implementation of the VAR Qualification and Management Framework has enabled:

- staff members of PSMA Australia directly concerned with managing VARs to provide better service to the resellers by adopting pro-active methods of management
- PSMA Australia to have certainty that each client can confidently meet their financial obligations as a VAR of PSMA Australia decreasing the likelihood of entering into licence agreements with bad debtors
- PSMA Australia to appropriately qualify organisations prior to sign-up as VARs
- PSMA Australia to have the capability to better manage issues as well as better identification and resolution of underlying problems
- Improved availability of human resources through better monitoring and management of physical resources.

PSMA Australia from collaboration to success

In 2005, PSMA Australia's Marketing Director, Martin Holmes, visited the PSMA Australia national office in Canberra to research the history of PSMA Australia. Following this, he documented a concise history of PSMA Australia which has since been published in hard-copy and online form (via the PSMA Australia website).

The story follows the establishment of the Public Sector Mapping Agencies consortium in 1992 to respond to a tender to supply the ABS with mapping support for the 1996 Census. The agreement for PSMA Australia to supply data to the ABS was signed in June 1993. Nine years later, in June 2001, PSMA Australia Limited was incorporated and today, in 2006, PSMA Australia has five national datasets on the market, and 25 VARs.

The PSMA model

PSMA Australia's successful business model is built around the following core elements:

- Partner
- Scope
- Manage
- Achieve.

PSMA Australia's success has generated significant interest, with numerous organisations in Australia and internationally expressing interest in the PSMA Australia business model. Lessons learned have been documented and analysed to provide a blueprint of the critical steps which may be applied to similar situations where several entities are collectively seeking common goals.

Intelligent Access Program

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

Transport Certification Australia (TCA) was formed as a public company (established under the Corporations Act and limited by guarantee) to implement this initiative on behalf of the governments of Australia.

To deliver the initiative, TCA identified the need for access to high quality GIS road centreline data for Australia.

As a result, TCA signed a five-year agreement with PSMA Australia for access to the Transport theme of Transport & Topography™, G-NAF® and Administrative Boundaries datasets on 8 February 2006.

PSMA Australia's Chairman, CEO and Director, Bruce Thompson, were invited to the official launch of TCA in Melbourne on 27 March 2006.

The relationship between PSMA Australia and TCA continues to strengthen, with considerable interest in how LYNX may enable TCA to automate the delivery of the spatial data to all participants in the IAP. This possibility will continue to be discussed as LYNX develops.

Audited financial report

PSMA Australia Limited

ABN 23 089 912 710

for the year ended 30 June 2006



Corporate Information

This Annual Report is for PSMA Australia Limited for the period 1 July 2005 to 30 June 2006. The Company's functional and presentation currency is AUD (\$).

A description of the Company's operations and of its principal activities is included in the review of operations and activities in the directors' report on pages 3 to 8. The directors' report is not part of the financial report.

Directors

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

Company Secretary

Dan Paull

Registered Office

Level 1, 115 Canberra Avenue
Griffith ACT 2603
Phone 02 6295 7033

Principal place of business

Level 1, 115 Canberra Avenue
Griffith ACT 2603
Phone 02 6295 7033

Share Register

Level 1, 115 Canberra Avenue
Griffith ACT 2603
Phone 02 6295 7033

Solicitors

Deacons
AMP Tower
1 Hobart Place
Canberra ACT 2601
Phone 02 6272 0402

Bankers

National Australia Bank Limited
39 Wollongong Street
Fyshwick ACT 2609
Phone 02 6206 7750

Auditors

Maxim Chartered Accountants
6 Oxley Street
Griffith ACT 2603
Phone 02 6295 8744

Directors' Report

The directors submit their report for the year ended 30 June 2006.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Stephen Godfrey
Age	52
Qualifications	Bachelor of Arts
Experience	2002–present: General Manager, Information & Land Services Division, Department of Primary Industries and Water, Tasmania
Special responsibilities	Audit Committee member

Name	Olaf Hedberg
Age	68
Experience	2002–present: Information Management and Land Administration Consultant 1991–2002 General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania
Special responsibilities	Chairman & member of the Executive Committee

Name	Peter Holland
Age	53
Qualifications	Bachelor of Surveying, Graduate Diploma in Computing Studies
Experience	2005–2006: General Manager, Spatial Information Advice & Facilitation Branch, Geoscience Australia 2001–2005: General Manager, National Mapping Division, Geoscience Australia 1996–2001: General Manager, AUSLIG
Special responsibilities	Deputy Chairman & member of the Executive Committee

Name	Martin Holmes
Age	60
Qualifications	Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management
Experience	Current: Executive Director, Client Services, Department of State Development and Innovation, Queensland 1997–1998: Director, Marketing & Corporate Communications, Department of Public Works & Housing, Queensland 1994–1997: Marketing Director, Department of Natural Resources, Queensland
Special responsibilities	Marketing Director & member of the Executive Committee

Name	Desmond Mooney
Age	55
Qualifications	MBA, B Surv (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer
Experience	2003–present: Deputy Director General, Department of Lands, and General Manager, Land & Property Information, New South Wales 2001–2002: General Manager, Land & Property Information, New South Wales 1999–2000: Executive Director Management Services, New South Wales Police Services 1990–1998: General Manager, Land Information Centre, New South Wales

Name:	Kym Nicolson
Age	49
Qualifications	B.Sc.(Hons), Ph.D., University of Adelaide
Experience	2005–present: Director, Environmental Information Directorate, Department for Environment and Heritage, South Australia

2002–2005: Manager, Environmental Information Analysis Branch, Department for Environment and Heritage, South Australia

Name Graeme Rush

Age 56

Qualifications Bachelor of Surveying

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

Special responsibilities Audit Committee Chairman

Name Benjamin Searle

Age 51

Qualifications Bachelor of Science (Geography)

Experience 2002–present: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory

Name Victor Stephens

Age 59

Qualifications BA Hons (Geography), MSc Econ (Urban & Regional Planning), Grad Dip Management

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

Special responsibilities Audit Committee Member

Name Bruce Thompson
Age 48
Qualifications Bachelor of Design Studies
Experience Current: Director, Spatial Information Infrastructure,
Department of Sustainability and Environment
2003: Director, Land Information Group, Department of
Sustainability & Environment, Victoria

Company Secretary

Name Dan Paull
Age 35
Qualifications B Surv (Hons), Certificate of Competency: Board of Surveyors
NSW, Company Directors Diploma
Experience 1999–current: Chief Executive Officer, PSMA Australia.
Appointed Company Secretary 20 June 2001
Special responsibilities Public Officer

Principal activities

The principal objectives of the Company during the year were to coordinate, assemble and deliver national datasets from data held by the federal, state and territory governments and to achieve the widest possible use of the PSMA Australia datasets.

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

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 2005–06.

Performance management

Management and the Board monitor the Company's overall performance from its implementation of the mission statement and strategic plan through to the performance of the company against its annual program and financial budgets.

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

Operating results

The Company earned an operating profit of \$890,589 for the financial year 1 July 2005 to 30 June 2006.

Dividends

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2005 to 30 June 2006.

Risk management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the company'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 and monitoring of shareholder approved annual program and budget and Board monitoring of progress against the same.
- Establishment of a Risk Register which is subject to regular maintenance and review by the Board.

Significant changes in the state of affairs

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

After balance date events

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

Future developments

Future developments which may affect the operations of the Company in subsequent financial years are in the PSMA Australia Limited Annual Program 2006–07 and in the Review of Operations section of the PSMA Australia Limited Annual Report 2005–06.

Options

No options were granted over unissued shares or interest during the period 1 July 2005 to 30 June 2006.

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.

Indemnifying officers or auditor

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

During the year, the Company paid a premium of \$4,864.20 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 Company has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the Company:

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

Proceeding on behalf of the Company

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

Remuneration report

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

Meetings of directors

The number of directors' meetings (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 at the date of this report, are as follows:

Name	Directors Meetings	Audit Committee
Number of meetings held	4	5
Stephen Godfrey	3	4
Olaf Hedberg (c)	4	–
Peter Holland	3	–
Martin Holmes	4	–
Des Mooney	4	1
Kym Nicolson	3	–
Graeme Rush	4	5
Ben Searle	3	–
Vic Stephens	4	5
Bruce Thompson	3	–

Committee membership

At the date of this report, the company had an Audit Committee and an Executive Committee. Members acting on the committees of the Board during the year were:

Note:
(c) designates
the chairman
of the committee

Audit Committee	Executive Committee
Graeme Rush (c)	Olaf Hedberg (c)
Vic Stephens	Peter Holland
Stephen Godfrey	Martin Holmes

Signed in accordance with a resolution of the directors:



Olaf Hedberg
Chairman
Dated this 21st day of August 2006

Auditor's declaration



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

I declare that to the best of my knowledge and belief, during the year ended
30 June 2006 there have been:

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

A handwritten signature in black ink, appearing to be "M. S.", with a long horizontal line extending to the right.

Maxim Chartered Accountants
23 August 2006
6 Oxley Street Griffith ACT 2602

PO BOX 4270 MANUKA ACT 2603
6 OXLEY ST GRIFFITH ACT 2602
P 02 6295 8748 F 02 6295 8844 E info@maximca.com.au
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Financial reports and notes

PSMA Australia
ABN 23 089 912 710

for the year ended
30 June 2006

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

Income statement for the year ended 30 June 2006

	Note	2006 \$	2005 \$
REVENUE FROM ORDINARY ACTIVITIES			
Data supply and access fees		1,118,702	892,655
Royalties		2,781,044	2,374,779
Interest		235,252	171,347
Net gain on disposal of plant and equipment		–	38,250
Other		76,328	53,485
Total Revenues from ordinary activities	3	4,211,326	3,530,516
Employee benefits expense		(761,852)	(584,377)
Depreciation and amortisation expenses	8a	(43,096)	(31,886)
Other expenses from ordinary activities		(2,515,789)	(2,254,903)
Profit from ordinary activities	4	890,589	659,350
Total changes in equity other than those resulting from transactions with equity holders acting in their capacity as equity holders		890,589	659,350

Balance sheet as at 30 June 2006

	Note	2006 \$	2005 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,883,423	3,660,989
Receivables	6	1,260,562	1,274,681
Prepayments	7	5,871	24,379
Total current assets		6,149,856	4,960,049
Non-current assets			
Property, plant and equipment	8	111,871	74,954
Intangible assets	9	1,328,817	1,026,904
Total non-current assets		1,440,688	1,101,858
Total assets		7,590,544	6,061,907
LIABILITIES			
Current liabilities			
Payables	10	1,678,578	1,099,119
Provisions	11	31,603	13,870
Income in advance		204,947	218,168
Other		–	–
Total current liabilities		1,915,128	1,331,157
Non-current liabilities			
Provision for long service leave	11	18,666	–
Total non-current liabilities		18,666	–
Total liabilities		1,933,794	1,331,157
Net assets		5,656,749	4,730,750
EQUITY			
Contributed equity	12	8	8
Retained earnings	13	5,656,741	4,730,742
Total equity		5,656,749	4,730,750

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

Statement of cash flows for the year ended 30 June 2006

	Note	2006 \$	2005 \$
CASH FLOWS			
Cash flows from operating activities			
Receipts from customers		3,995,876	2,831,415
Payments to suppliers and employees		(2,662,179)	(2,091,935)
Interest received		235,252	171,347
Net cash flows from operating activities	16(b)	1,568,949	910,827
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	38,250
Payment for property, plant and equipment		(80,012)	(39,736)
Purchase of intangible assets		(266,503)	–
Net cash flows used in investing activities		(346,515)	(1,486)
Net increase in cash and cash equivalents		1,222,434	909,341
Cash and cash equivalents at beginning of period		3,660,989	2,751,648
Cash and cash equivalents at end of period	16(a)	4,883,423	3,660,989

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

Notes to and forming part of the financial statements

for the year ended
30 June 2006

1 Corporate Information

The financial report of PSMA Australia Limited for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on 21 August 2006.

PSMA Australia Limited is a company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of the company are described in the Directors' Report.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards.

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

(b) Statement of compliance

The financial report complies with the Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards (IFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

(c) Revenue recognition

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

Royalties from the sale of spatial data are recognised upon receipt of a royalty report from Value Added Resellers (VARs) detailing the number and value of sales for the period.

Interest revenue is 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 customer.

Notes to and forming part of the financial statements

for the year ended
30 June 2006

(d) Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at bank and on hand, and short term deposits with an original maturity date of three months or less.

For the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(e) Trade and other receivables

Trade receivables, which generally have 30 day terms, are carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

In the year ending 30 June 2006, the company has reported no bad debts during the year, and no doubtful debtors at the reporting date. Accordingly, no provision has been made for doubtful debtors in the financial reports.

(f) Income Tax

The Company is 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.

(g) Other Taxes

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 stated with the amount of GST included.

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 Cash Flow Statement 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.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation. Items of plant and equipment purchased since incorporation in 2001, have been capitalised where their cost exceeded \$300 in the financial year ended June 2006.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Notes to and forming part of the financial statements

for the year ended
30 June 2006

Class of asset	Depreciation rate
IT Equipment	33.3%
Furniture and Equipment	20%

The assets' residual value, useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each financial year.

An item of plant and equipment is derecognised upon disposal, or when no further future economic benefits are expected from its use or disposal. Assets with a cost price of less than \$5,000 and which have been depreciated to the full extent of their cost price, are derecognised in the year in which they have been fully depreciated. Any gain or loss arising from the disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit statement in the year in which the asset is disposed.

(i) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired, and if such an indication exists, the company makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of its fair value less cost to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(j) 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 at 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.

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

Notes to and forming part of the financial statements

for the year ended
30 June 2006

(k) Significant accounting estimates and assumptions

Impairment of intangibles with indefinite useful lives: Under AASB 136 (Impairment of Assets), the 'recoverable amount of an asset is determined for the cash-generating unit to which the asset belongs, unless either

- (a) the asset's fair value less costs to sell is higher than its carrying amount, or
- (b) the asset's value in use can be estimated to be close to its fair value less costs to sell and fair value less costs to sell can be determined' (para 22). In determining value in use, projected future cash flows are discounted using a risk adjusted discount rate, and impairment is assessed for the individual asset or at the 'cash-generating unit' level. 'An asset's cash generating unit is determined as the smallest group of assets that includes the asset and generates cash flows that are largely independent of the cash inflows from other assets or groups of assets' (para 68).

The current policy is to determine the recoverable amount of an asset on the basis of the undiscounted net cash flows that will be received from the asset's use. It is unlikely that impairments will be recognised in the short term.

Impairment testing as at July 2006 confirmed no impairment of the \$1,062,314 less accumulated amortisation of \$35,410 for G-NAF as disclosed in the entity's financial statements as at 30 June 2006. The previously amortised asset of \$35,410 will therefore be reversed, resulting in a corresponding increase of \$35,410 in retained earnings at 1 July 2005 and an increase in profit amounting to \$35,410 for the year ending 30 June 2006.

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.

(l) Research and Development

Research costs are expensed as incurred.

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, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Notes to and forming part of the financial statements

for the year ended
30 June 2006

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.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

In the financial year ended 30 June 2006, \$211,150.37 of development expenditure for the data logistics facility called LYNX was recognised by the company as an intangible asset with an indefinite useful life.

The existing G-NAF intangible asset was revalued by the addition of \$55,353 being for enhancements to the database other than the maintenance costs during the reporting period.

(m) Trade and other payables

Trade payables and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

(n) Provisions

Provisions are recognised when:

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

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the risks specific to the liability.

(o) Employee leave benefits

Liabilities for wages and salaries, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised as a current liability in 'provisions for employee benefits' in respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to and forming part of the financial statements

for the year ended
30 June 2006

The liability for long service leave is recognised as a non-current liability in 'provision for long service leave' and measured at the present value of the 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 national government bonds with terms to maturity and currencies that match as closely as possible the estimated future cash outflows.

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

3 Revenue

	2006 \$	2005 \$
Operating activities		
Interest received	235,252	171,347
Royalties	2,781,044	2,374,779
VAR Access fees	424,302	392,655
Corporate Access Fees	634,400	500,000
G-NAF Data Exchange	60,000	–
Other Income	65,198	51,424
Miscellaneous	11,130	2,061
	<u>4,211,326</u>	<u>3,492,266</u>
Non-operating activities		
Net gain on disposal of plant and equipment	–	38,250
	<u>4,211,326</u>	<u>3,530,516</u>

Notes to and forming part of the financial statements

for the year ended
30 June 2006

4 Profit from ordinary activities

Profit from ordinary activities before income tax has been determined.

	2006 \$	2005 \$
Expenses		
Depreciation of property, plant and equipment	43,096	31,886
Amortisation of Intangibles	–	35,410
Total	43,096	67,296
Remuneration of auditor		
Auditing or reviewing the financial report	13,969	10,460
Other services	2,564	697
Total remuneration of auditor	16,533	11,157
Loss on disposal of plant & equipment	–	10,888
Bad and doubtful debts	–	–
	–	10,888
Rental expense on operating leases		
Office space (including Unit 3 sub-lease)	143,743	132,696
Company car	–	2,519
Total rental expense on operating leases	143,743	135,215

5 Cash and cash equivalents

Cash at bank	894,456	346,661
Deposits at call	3,988,967	3,314,328
	4,883,423	3,660,989

Short term deposits are made for varying periods of between one and three months, and earn interest at the respective short term deposit rates.

Notes to and forming part of the financial statements

for the year ended
30 June 2006

6 Trade and other receivables

	2006	2005
	\$	\$
Interest receivable	5,683	–
Trade debtors	1,254,879	1,274,681
Less provision for doubtful debts	–	–
	<u>1,260,562</u>	<u>1,274,681</u>

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. In the financial year ended 30 June 2006, there was no impairment of trade receivables and no provision for doubtful debts has been allocated.

7 Other assets

	2006	2005
	\$	\$
Prepayments	<u>5,871</u>	<u>24,379</u>

8 Property, plant and equipment

IT Equipment – at cost	135,751	116,305
less accumulated depreciation	(55,492)	(78,971)
	<u>80,259</u>	<u>37,334</u>
Furniture and Equipment	67,809	60,742
less accumulated depreciation	(36,197)	(23,122)
	<u>31,612</u>	<u>37,620</u>
Total property, plant and equipment	<u>111,871</u>	<u>74,954</u>

Notes to and forming part of the financial statements

for the year ended
30 June 2006

a) Movements in carrying amounts

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

	IT Equipment	Furniture & equipment	Total
Balance at beginning of year	37,334	37,620	74,954
Additions	72,946	7,066	80,012
Depreciation expense	(30,021)	(13,074)	(43,095)
Carrying amount at end of year	80,259	31,612	111,871

9 Intangible assets

	2006 \$	2005 \$
G-NAF (Geocoded National Address File)	1,117,667	1,062,314
less accumulated amortisation	–	(35,410)
LYNX (data logistics facility)	211,150	–
	1,328,817	1,026,904

Development costs for the LYNX data logistics facility have been capitalised at cost. This intangible asset has been assessed as having an indefinite useful life, and no amortisation applies.

Notes to
and forming
part of the
financial
statements
for the year ended
30 June 2006

	2006 \$	2005 \$
10 Payables		
Trade Creditors	176,299	72,986
Accruals	13,614	12,653
Jurisdictional Royalties for Transport & Topography dataset	887,588	788,645
Jurisdictional Royalties for CadLite dataset	71,036	56,768
Jurisdictional Royalties for G-NAF dataset	153,794	74,136
Accrued Jurisdictional Royalties for 04/05	280,212	–
GST Liability	96,035	93,931
	1,678,578	1,099,119

11 Provisions

Current liabilities: employee benefits	31,603	13,870
Non-current liabilities: long service leave entitlement	18,666	–
	50,269	13,870

Number of employees at year end	9	9
---------------------------------	---	---

12 Contributed equity

8 (2003: 8) fully paid ordinary shares	8	8
Fully Paid Ordinary Shares		
At the beginning of the reporting period	8	8
Shares issued during the year	–	–
At reporting date	8	8

Notes to and forming part of the financial statements

for the year ended
30 June 2006

2006
\$

2005
\$

13 Retained profits

Retained profits at the beginning of financial year	4,766,152	4,071,392
Net profit attributable to members of the company	890,589	659,350
Retained profits at the end of the financial year	5,656,741	4,730,742

14 Leasing commitments

Operating Lease Commitments

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

● not later than 1 year	148,774	145,400
● later than 1 year but no later than 5 years	313,350	446,371
● later than 5 years	–	–
Total operating lease commitments	462,124	591,771

15 Segment reporting

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

16 Statement of cash flows

(a) Reconciliation of cash

For the purposes of the Cash Flow Statement, cash and cash equivalents at 30 June 2006 comprise the following.

Cash on hand	894,456	346,661
At call deposits with financial institutions	3,988,967	3,314,328
	4,883,423	3,660,989

Notes to and forming part of the financial statements

for the year ended
30 June 2006

(b) Reconciliation of cash flows from operations with profit from ordinary activities

	2006	2005
	\$	\$
Profit from ordinary activities	890,589	659,350
Non-cash flows in profit from ordinary activities		
Depreciation/Amortisation	43,096	31,886
Loss on disposal of assets	–	10,888
Change in assets and liabilities		
(Increase)/decrease in receivables	14,119	(507,598)
(Increase)/decrease in prepayments	18,507	(21,153)
Increase/(decrease) in payables	579,439	612,776
Increase/(decrease) in income in advance	(13,200)	157,216
Increase/(decrease) in provisions	36,399	(247)
Increase/(decrease) in other liabilities	–	(32,291)
Cash flows from operations	1,568,949	910,827

(c) The Company has no credit stand-by or financing facilities in place.

(d) There were no non-cash financing or investing activities during the period.

17 Financial risk management

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to raise interest for the Company's operations. The Company's principal exposure to risk is in 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 credit risk.

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.

Notes to and forming part of the financial statements

for the year ended
30 June 2006

18 Financial instruments

(a) 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.

(b) Interest rate risk

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

	Weighted average effective interest rate		Floating interest rate		Non interest bearing		Total	
	% 2006	% 2005	\$ 2006	\$ 2005	\$ 2006	\$ 2005	\$ 2006	\$ 2005
Financial assets								
Cash	5.55%	5.21%	4,883,423	3,660,989	–	–	4,883,423	3,660,989
Receivables	–	–	–	–	1,033,463	1,274,681	1,033,463	1,274,648
Total			4,883,423	3,660,989	1,033,463	1,274,681	5,916,886	4,935,637
Financial liabilities								
Payables	–	–	–	–	1,568,929	992,535	1,568,929	992,535
Total			–	–	1,568,929	992,535	1,568,929	992,535

Notes to and forming part of the financial statements

for the year ended
30 June 2006

19 Related party disclosure

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

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

During the year ended 30 June 2006, the following payments were made:

- Remuneration of \$48,000 was paid to Olaf Hedberg in his capacity as Chairman of PSMA Australia Limited
- Fees of \$14,000 were paid to Director Martin Holmes for independent consultancies.

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

20 Transition to AIFRS

For all periods up to and including the year ended 30 June 2005, the company prepared its financial statements in accordance with Australian Generally Accepted Accounting Practices (AGAAP). These financial statements for the year ended 30 June 2006 are the first that the company is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the company has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in Note 2. In preparing these financial statements, the company has started from an opening balance sheet as at 1 July 2004, the company's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB1 first-time adoption of AIFRS.

Directors' declaration

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of PSMA Australia Limited, I state that:

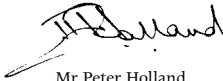
In the opinion of the directors,

- (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including
 - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date, and
 - (ii) complying with Accounting Standards and Corporations Regulations 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.

On behalf of the Board



Mr Olaf Hedberg
Chairman, PSMA Australia Limited
Dated this 21st day of August 2006



Mr Peter Holland
Deputy Chairman, PSMA Australia Limited
Dated this 21st day of August 2006

Auditor's report

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED



Scope

We have audited the financial report of PSMA Australia Limited for the financial year ended 30 June 2006 as set out on pages 45 to 61. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 44 of the financial report has not changed as at the date of providing our audit opinion.

Audit opinion

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

- a) the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- b) other mandatory professional reporting requirements in Australia.

A handwritten signature in black ink, appearing to read "M Peatey", with a long horizontal line extending to the right.

Mark Peatey
Maxim Chartered Accountants
23 August 2006
6 Oxley Street, Griffith ACT 2603

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Disclaimer of opinion



DISCLAIMER OF OPINION TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

The additional financial data presented on pages 64 to 67 is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2006.

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.

A handwritten signature in black ink, appearing to read "Mark Peatey", with a long horizontal line extending to the right.

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

Dated this 21th day of August 2006

Detailed income and expenditure statement for the year ended 30 June 2006

	2006	2005
	\$	\$
REVENUE		
Interest revenue	235,252	171,347
Rent revenue and reimbursable utilities	65,198	51,424
VAR access fees	424,302	272,655
VAR royalties	2,781,044	2,374,779
Direct client access fees	634,400	620,000
PSMA pre/post sales advice	6,400	–
G-NAF data exchange	60,000	–
Miscellaneous income	4,730	2,061
Total revenue	<u>4,211,326</u>	<u>3,492,266</u>
EXPENDITURE		
Human Resource Management		
Wages and salaries	565,112	430,466
Employer superannuation	78,339	60,039
Human resources—other	92,706	57,218
Staff training & professional development	25,695	36,654
	<u>761,852</u>	<u>584,377</u>
Professional Services		
Legal	23,855	19,976
Accounting and audit	13,921	8,962
Consultants	89,567	78,383
	<u>127,343</u>	<u>107,321</u>

**Detailed income
and expenditure
statement for
the year ended
30 June 2006**

Equipment

Minor equipment purchases	1,527	1,455
Minor hardware and software purchases	5,650	11,897
Depreciation	43,096	31,886
Equipment repair / maintenance/ hire	10,006	2,487
	60,279	47,725

Travel

Travel (domestic)	119,245	99,192
Travel (international)	32,273	22,845
Meals and accommodation	78,949	68,036
Car hire / taxi / parking / other	14,386	9,946
	244,853	200,019

Telecommunications

Telephones	9,233	8,348
Mobile phones	7,338	4,089
Fax / teleconferencing / internet access	2,371	4,811
	18,942	17,248

Overheads

Rent (including sub leased areas)	143,743	132,696
Cleaning / waste removal (incl. sub leased areas)	17,658	8,648
Security	803	520
Electricity (incl. sub leased areas)	16,950	11,737
Office refit	52,357	20,140
	231,511	173,741

Administration Costs

Postage / freight / handling	1,967	1,595
Stationery	10,896	4,615
Motor vehicle expenses	14,874	12,325
	27,737	18,535

**Detailed income
and expenditure
statement for
the year ended
30 June 2006**

	2006	2005
	\$	\$
Insurance		
Business, directors and motor vehicle insurance	8,196	10,209
Other Expenses		
Fringe Benefits Tax	20,064	18,375
Bank charges / stamp duty	1,860	1,804
Loss on disposal of an asset	–	10,888
Other expenses	255	945
	<u>22,179</u>	<u>32,012</u>
Research & Development		
CRC SI	20,000	20,000
Supply Chain Management		
LYNX build	59,417	93,258
Spatial data management and QA	–	52,306
G-NAF maintenance	267,506	233,426
CadLite maintenance	93,000	82,250
Transport & Topography maintenance	107,258	171,186
G-NAF data exchange	60,000	–
	<u>587,181</u>	<u>632,426</u>
Jurisdictional Royalty Returns		
Royalty returns: G-NAF	153,794	74,136
Royalty returns: CadLite	71,036	56,768
Royalty returns: Transport & Topography	887,588	778,876
	<u>1,112,418</u>	<u>909,780</u>

**Detailed income
and expenditure
statement for
the year ended
30 June 2006**

	2006	2005
	\$	\$
Marketing		
Graphic design and printing	13,482	4,716
Promotion and sponsorship	64,439	49,708
Web site maintenance	7,225	865
Other	7,779	8,784
	<u>92,925</u>	<u>64,073</u>
Relationship Management		
VAR audit fees	5,320	15,450
Total Expenses	<u>3,320,737</u>	<u>2,832,916</u>
OPERATING PROFIT	<u>890,589</u>	<u>659,350</u>



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