

ANNUAL REPORT 2006–2007



PSMA Australia LIMITED



PSMA Australia LIMITED

ABN 23 089 912 710

Corporate directory

Chairman	Olaf Hedberg
Chief Executive Officer	Daniel 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 Hedberg <i>Chairman</i> Peter Holland <i>Deputy Chairman</i> Stephen Godfrey Martin Holmes William Hirst Desmond Mooney Kym Nicolson Graeme Rush Victor Stephens Bruce Thompson
Secretary	Daniel Paull
Executive Committee	Olaf Hedberg <i>Chairman</i> Peter Holland Martin Holmes Daniel Paull
Board Audit Committee	Graeme Rush <i>Chairman</i> Stephen Godfrey Kym Nicolson



PSMA Australia LIMITED

Vision

To be recognised nationally and internationally as providing the authoritative foundations for enabling and shaping location based business solutions.

Mission

The return of social, environmental and economic benefits to Australia through the provision of authoritative national location information, knowledge and services.

Objects of the company

- To coordinate, assemble and deliver national products from jurisdictional and other selected 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 the Australian and New Zealand Land Information Council (ANZLIC).
- To promote Australian land information knowledge, expertise and technology that 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 organisations.
- To undertake any further 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 objects of the company.

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Chairman's foreword

This financial year has been both successful and challenging. The implementation of the LYNX infrastructure has been highly successful and has gained international recognition. Among the challenges was the loss of several staff, and recruiting in a very competitive market impacted on some aspects of the Annual Program. But overall, it was a fruitful and rewarding 12 months including the celebration of the company's sixth anniversary.

Here are the year's highlights from my perspective:

- Revenue grew by 11 per cent to \$4.8 million with royalties up by 13 per cent to \$3.1 million, enabling PSMA Australia to return approximately \$1.25 million in royalties to the jurisdictions.
- PSMA Australia established stronger working relationships with the Australian Government most notably with:
 - the Australian Government Information Management Office (AGIMO)—in relation to its pursuit of spatially enabled government
 - Centrelink—assisting with a project to implement a software solution for online address validation and geocoding
 - the Office of Access Card within the Department of Human Services—in relation to the efficient management of addresses across the department and across government more generally.
- The establishment of LYNX to assist in the streamlining of data logistics and management, by providing a platform for increased efficiency and flexible delivery. The system represents a significant investment by PSMA Australia that involved some risk. However, the vision and hard work that went into creating LYNX was recognised internationally recently, when it received the Urban and Regional Information Systems Association (URISA) 'Exemplary Systems in Government' Award for Enterprise Systems in Washington DC.



Finally, a comment on the future: accessibility at the right price is foremost in the minds of the Board and hence the need for the LYNX infrastructure. This system has been a success and will continue to provide a vital platform to PSMA Australia into the future with further investment expected in the coming years.

I'd like to take this opportunity to thank fellow Board members for their support and contribution to yet another successful year. Furthermore, to the dedicated team of professionals at PSMA Australia, my thanks for your enthusiasm, talent, perseverance and commitment—even through difficult times this team continued to deliver high quality results for the company.

I commend this financial year 2006–07 Annual Report to you.

Handwritten signature of Olaf Hedberg.

Olaf Hedberg
CHAIRMAN OF THE BOARD
PSMA Australia Limited

Review of operations



Overview of objectives and deliverables

The business of PSMA Australia

The jigsaw structure below clearly defines the major elements of PSMA Australia's business as well as assisting in task planning and the development of the annual budget and annual resource plan.



Note: The review of operations has been divided into these key areas.



Objectives

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

To enhance PSMA Australia's business processes through the adoption of an integrated quality management and continuous improvement framework.

Stakeholders

PSMA Australia shareholders, PSMA Australia Board, PSMA Australia staff.

ONGOING ACTIVITY

CORPORATE MANAGEMENT

Objectives

PSMA Australia has best practice governance and corporate systems, policies and processes that meet the growing and changing needs of the organisation.

Deliverables

- Sound financial systems, policies and processes that support the needs and growth of the organisation
- High quality and timely financial and operational reports delivered to the Board and Audit Committee
- Unqualified audit
- Cycle of bi-annual VAR audits
- Delivery of Board papers in hard copy and electronically
- Maintenance of Annual Program implementation and tracking program
- Efficient and cost effective travel and accommodation bookings system

Status at 30 June 2007

Complete

Complete

Complete

Complete

Complete

Complete

Complete

ONGOING ACTIVITY

MANAGEMENT SYSTEM FOR QUALITY (MSQ)

Objectives

Deliverables

Status at 30 June 2007

Enhancement of business process through the adoption of an integrated quality management and continuous improvement framework overarching all PSMA Australia business processes.

Compliance with ISO9001 standards.

Ability of PSMA Australia to leverage organisational learning.

Enhanced customer value through product and process improvements.

A business focus on quality – producing the right product, on time, as planned.

■ A framework, supported by PSMA Australia staff, which includes documentation relating to:

- business mission and objectives
- business process and process linkages
- documented business policy
- operational best practice model
- competency requirements.

■ Continuous Improvement Framework (CIF)

- organisational CIF
- operational CIF
- performance CIF

■ ISO Certification Feasibility Report

Substantial work has been completed, project rescheduled to include the strategy plan.

New completion date:
Dec 07

Rescheduled completion date:
Dec 07

Rescheduled completion date:
Nov 07

ONGOING ACTIVITY

DIRECTOR AND EMPLOYEE DEVELOPMENT PROGRAM

Objectives

Deliverables

Status at 30 June 2007

To provide opportunities for personal and professional development for directors and employees of PSMA Australia.

To provide for ongoing management of PSMA Australia's performance management program.

■ At least one director professional development activity combined with a Board meeting during the year

■ Fully maintained domestic and overseas opportunities calendar

■ Performance Management Program 2006–07 implemented for all staff of the PSMA Australia national office

Complete



Objectives

To research new opportunities and initiatives related to achieving PSMA Australia's strategic outcomes, determine suitability and feasibility and implement those approved by the Board.

Stakeholders

PSMA Australia shareholders, jurisdictions, data managers, VARs and clients.

NEW ACTIVITY

IMAGERY COORDINATION

Objectives

Examine the establishment of a national imagery capture/distribution coordination project.

Deliverables

- Initial investigation
- Business case development

Status at 30 June 2007

Renewed interest in this initiative from the private sector has prompted further changes in project scope and definition.
Rescheduled completion date:
Business case Oct 2007
Project implementation Jan 2008

NEW ACTIVITY

SERVICE ACCESSIBILITY AND REMOTENESS MODEL

Objectives

In collaboration with stakeholders, investigate the development of a seamless accessibility/remoteness index for Australia.

Deliverables

- Initial investigation
- Business case development

Status at 30 June 2007

Will proceed in 2007–08.
An expert consultant has been identified to assist with the development of this initiative and will commence activity in Sep 07. This timeframe enables the inclusion of the Australian Bureau of Statistics review of the Australian Standard Geographic Classification (ASGC).

NEW ACTIVITY

NAVIGABLE ROADS DATASET

Objectives

Examine the feasibility of enhancing the existing roads data to support full navigation capabilities.

Deliverables

- Initial investigation
- Business case development

Status at 30 June 2007

A business case was developed and it was agreed that PSMA Australia would not proceed with this project at this time; but would focus on additional attributes and enhancements that would support existing Value Added Resellers build navigation datasets.
Identification of new attributes and enhancements has been included in the 2007–08 Annual Program.

NEW ACTIVITY

NATIONAL PLANNING ZONES

Objectives

Examine the feasibility of compiling a national planning zones dataset and the links with a tenure/land use dataset.

Deliverables

- Initial investigation
- Business case development

Status at 30 June 2007

Initial investigation completed
Business case development underway. On track for beta supply in the Nov 07 data release.

NEW ACTIVITY

LYNX FUTURE PROGRAM

Objectives

Topology

To implement a vertical topology solution that provides:

- ability to maintain the spatial component of the Australian Bureau of Statistics (ABS) Mesh Blocks
- improved product quality
- improved supply chain efficiencies.

Deliverables

Topology

- Investigation of data suitability and data cleansing
- Single table horizontal topology
- Two table vertical topology
- Multi table vertical topology

Status at 30 June 2007

Several software solutions were investigated for their ability to introduce and store topology relationships, and one was selected for further testing.

Two pilots conclusively confirmed that the selected software could be integrated into the LYNX environment for the management of topology and the automation of the update of derived layers such as Mesh Blocks.

LYNX enhancements

To enhance the LYNX system environment to include a flexible data distribution tool.

LYNX enhancements

- Advanced interface and client profiling
- Web services extension
- Client feedback mechanism
- eCommerce module
- visualisation and simple online query tool

An investigation of a Service Oriented Architecture (SOA) based solution for LYNX is progressing well and has been included in the 2007–08 Annual Program.

Customised data delivery

To implement a data delivery mechanism for the ABS which allows full implementation of incremental updates in an automated (or near automated) fashion.

Customised data delivery

- ABS data delivery system
- Delivery of data for other major initiatives

A number of projects have commenced for LYNX enhancements including the development of a custom profile data extraction tool that will enable more flexible data extraction for clients.

LYNX FUTURE PROGRAM *(continued)*

Objectives

Jurisdictional data distribution

To further investigate the implementation of business process and system enhancements to enable PSMA Australia to distribute jurisdictional data on behalf of the jurisdictions, using the LYNX infrastructure.

Deliverables

Jurisdictional data distribution

- Ongoing investigation of the issues associated with extraction, storage and distribution on behalf of jurisdictions
- Trialling delivery and integration of data with jurisdictional systems
- Knowledge transfer initiative involving nominees from some jurisdictions working in the PSMA Australia office

Status at 30 June 2007

Other LYNX enhancements are under investigation and will be continued under the new LYNX v2.0 program to commence in early Sep 07.

ONGOING ACTIVITY

CRC-SI

Objectives

Participate in identified projects to achieve improved product or delivery methods.

Activities/deliverables

- Intelligent geocoding
- Access to spatial data
- I-Loka (location and positioning device)

Status at 30 June 2007

The Intelligent Geocoding project was due in Jul 07. At that time testing was still underway to check its effectiveness compared to G-NAF. The remaining two projects had limited participation from PSMA Australia during the year.

ONGOING ACTIVITY

LAND USAGE

Objectives

Develop a national dataset based on broad user requirements and a blend of available data.

Activities/deliverables

- Initial investigation
- Business case development

Status at 30 June 2007

This initiative was linked to the National Planning Zones dataset as a first phase in delivering this dataset. The Planning Zone dataset is on track for beta release by Nov 07.

ONGOING ACTIVITY

POSTCODE BOUNDARIES

Objectives

In collaboration with Australia Post, deliver a jointly branded authoritative spatial Postcode Boundaries dataset to market with quarterly maintenance.

Activities/deliverables

- Review of existing data
- Preparation of market campaign
- Finalisation of data
- Delivery to market in Nov 06

Status at 30 June 2007

Completed
Beta version was released in the Feb 07 data release and the final version will be released in Aug 07.



Objectives

To refine and improve existing datasets to reflect evolving market demands, build market confidence and broaden the dataset usage.

Stakeholders

Shareholders, jurisdictions, data managers, VARs and clients.

ONGOING ACTIVITY

TRANSPORT THEME ENHANCEMENTS

Objectives

Improve quality, accuracy, coverage and attribution content in the existing Transport theme.

Deliverables

- Sourcing and inclusion of new attributes from roads and traffic authorities
- Attribution enhancements
- Removal of unnamed and phantom roads
- Hierarchy enhancements
- Inclusion of alternate road names

Status at 30 June 2007

This ongoing initiative driven by the Continuous Improvement Framework has been continued in the 2007–08 Annual Program. The Navigable Roads Dataset Business Case confirmed the importance of enhanced attributes. The relationship with Transport Certification Australia has been broadened with the intention of including attributes from the transport authorities.

ONGOING ACTIVITY

G-NAF DATASET ENHANCEMENTS

Objectives

Improve quality, accuracy, coverage and attribution content in the existing G-NAF dataset.
Improve efficiency of end-to-end address maintenance processing through integration.

Deliverables

- Incorporation of property layer in address validation
- Removal/reduction of locality/street level geocodes

Status at 30 June 2007

Property layer has been completed and investigation has commenced. Considerable benefit from this analysis is expected over the coming year. Substantial work has been completed, with locality level geocodes now less than one per cent and nearly a three per cent drop in street level geocodes. Completion is planned during 2007–08.

G-NAF DATASET ENHANCEMENTS (*continued*)

Objectives	Deliverables	Status at 30 June 2007
	<ul style="list-style-type: none"> ■ Introduction of more efficient address rules management 	Ongoing. Investigation and testing of 'off the shelf' products has commenced with a view to implementing more efficient rules management, transferred to the 2007–08 Annual Program.
	<ul style="list-style-type: none"> ■ Removal of overlapping street ranges 	Ongoing, transferred to the 2007–08 Annual Program.

NEW ACTIVITY

POINTS OF INTEREST DATASET ENHANCEMENTS

Objectives	Deliverables	Status at 30 June 2007
Improve quality, accuracy, coverage and attribution content in existing Points of Interest dataset.	<ul style="list-style-type: none"> ■ Identify and establish new data sources ■ Establish new maintenance procedures 	A pilot project commenced in Jun 07 and will be carried out in Aug 07 to look at the re-development of the PSMA Australia Points of Interest dataset.

NEW ACTIVITY

ADMINISTRATIVE BOUNDARIES DATASET ENHANCEMENTS

Objectives	Deliverables	Status at 30 June 2007
Following appointment of new data manager, improve quality, accuracy, coverage and attribution content in existing Administrative Boundaries dataset.	Quantitative and qualitative improvements to dataset based on quality assurance reporting outcomes	Ongoing project. A new data manager has been appointed. There has also been some preliminary work in automating the maintenance of this dataset to improve the efficiency of the process and reduce time required to update the dataset.



Objectives

To manage the end-to-end product maintenance cycle to ensure the timely delivery of updated datasets and metadata to PSMA Australia clients.

Stakeholders

Jurisdictions, VARs, data managers, Board.

ONGOING ACTIVITY

QUARTERLY DATASET MAINTENANCE PROGRAM

Objectives

Timely, quality assured datasets and associated documentation delivered to all licensed clients.

Deliverables

- Quarterly updates to G-NAF, Transport theme, CadLite and Localities theme delivered to clients
- Quarterly production reports and updates to metadata delivered to clients

Status at 30 June 2007

The Aug 06 release was delivered in early Sep 06 due to difficulties with the transition to LYNX.
Nov 06 release—delivered on time.
Feb 07 release—delivered on time.
May 07 release—delivered on time.

ONGOING ACTIVITY

ANNUAL DATASET MAINTENANCE PROGRAM

Objectives

Timely, quality assured datasets and associated documentation delivered to all licensed clients.

Deliverables

- Annual updates to remainder of themes within Transport and Topography and Administrative Boundaries
- Annual production reports and updates of metadata delivered to clients

Status at 30 June 2007

Completed—minor updates made to railways and airports.
All documentation and metadata are up-to-date.

NEW ACTIVITY

LYNX SYSTEM MAINTENANCE

Objectives

Utilising the contracted LYNX manager, efficient management and enhancement of the LYNX system environment to ensure the operation of LYNX continues to meet the requirements of PSMA Australia, jurisdictions, data managers and clients

Deliverables

- LYNX manager undertaking day-to-day management of LYNX, including:
 - general system maintenance and support
 - management of data supply, update and delivery
 - maintenance and enhancement of online interface, as required
 - provision and enhancement of detailed QA reports to PSMA Australia.

Status at 30 June 2007

The LYNX system became fully operational in Sep 06.
LYNX is delivering the expected outcomes and further enhancements are included in the 2007–08 Annual Program.

LYNX SYSTEM MANAGEMENT (*continued*)

Objectives

Deliverables

Status at 30 June 2007

- Management reports provided by the LYNX manager to PSMA Australia on a monthly basis
- Face-to-face meetings between the LYNX manager and PSMA Australia on a quarterly basis

NEW ACTIVITY

APPOINTMENT OF DATA MANAGER FOR THE ADMINISTRATIVE BOUNDARIES DATASET

Objectives

Deliverables

Status at 30 June 2007

To establish a three-year contract with a data manager to maintain the Administrative Boundaries dataset.

- Tender released to market
- Tender evaluation
- Contract negotiation and signing of Administrative Boundaries data manager
- Delivery of dataset updates by data manager

Completed

NEW ACTIVITY

REVIEW OF OUTSOURCING ARRANGEMENTS AND CORE BUSINESS REQUIREMENTS

Objectives

Deliverables

Status at 30 June 2007

To ensure PSMA Australia has appropriate business continuity and contract management processes in place to maximise the knowledge management and knowledge transfer associated with the outsourcing of core activities.

Report to PSMA Australia Board presenting recommendations on the future management of outsourcing

This project was largely completed prior to the departure of the project manager.

A number of the conclusions were used to form the strategy developed during the later part of the year and will be directly addressed in projects planned for the coming financial year.



Objectives

To establish and maintain healthy and productive relationships with all stakeholders who contribute to PSMA Australia delivering its strategic outcomes.

Stakeholders

Shareholders, jurisdictions, data managers, VARs and clients.

NEW ACTIVITY

IMPLEMENTATION OF AN ENTERPRISE CLIENT RELATIONSHIP MANAGEMENT SYSTEM

Objectives

Integrate and strengthen the business processes associated with managing and caring for client relationships. Support these business processes through the implementation of a central information management system to improve efficiency and effectiveness of PSMA Australia's relationship management activities.

Deliverables

- Clarify and document strategy and business processes for client management
- Investigate available systems and compatibility with existing infrastructure and processes
- Purchase and install system
- Train and implement usage

Status at 30 June 2007

Completed. The next phase is training and process re-engineering to take full advantage of the system. This is scheduled for Aug 07.

Completed

Completed

Underway, rescheduled completion date: Sep 07.

NEW ACTIVITY

STRATEGIC CONSULTING IN SUPPORT OF PRE AND POST SALES

Objectives

Improved understanding of business benefits associated with the use of spatial data particularly in non-traditional markets.

Deliverables

Respond to requests for assistance in the form of structured consultancies as required

Status at 30 June 2007

Ongoing. A continuous project with a focus on high profile organisations. During the year PSMA Australia spent considerable time with Centrelink, the Office of Access Card, and the National Address Management Framework project under the COAG Online and Communication Ministerial Council.

ONGOING ACTIVITY**COLLABORATING ON NATIONAL INITIATIVES****Objectives**

Assist organisations to achieve national outcomes through the provision of advice and data to support their activities.

Deliverables

Respond to requests for assistance in the form of structured consultancies as required

Status at 30 June 2007

Ongoing. As above plus Australian Federal Police, National Counter Terrorism initiatives, Australian Transport Commission, and the Bureau of Meteorology.

ONGOING ACTIVITY**VAR QUALIFICATIONS AND MANAGEMENT FRAMEWORK****Objectives**

Finalised implementation, and ongoing maintenance of policies and practices to support the new framework.

Deliverables

- Recruitment of an additional account manager to support framework implementation
- Quarterly reports to Board on status of framework

Status at 30 June 2007

Completed



Objectives

To implement a comprehensive program of marketing and communication activities that raise the profile of PSMA Australia and its suite of datasets

Stakeholders

Jurisdictions, VARs, data managers, Board.

ONGOING ACTIVITY

ANNUAL MARKETING AND COMMUNICATIONS PROGRAM

Objectives

To utilise a broad range of relevant marketing and communication tools to increase the profile of PSMA Australia and its products and to support the business of PSMA Australia's VARs.

Deliverables

- Communications: internal
 - VAR newsletters
 - pre-release reports
 - custodian newsletters
 - workshops
 - websites
 - stakeholder events
- Communication: external
 - general newsletter
 - attendance and presentations at conferences targeting new segments
 - sponsorships
 - vertical industry strategy
 - media releases
 - advertising
 - marketing information/materials
- Brand management activities

Status at 30 June 2007

Completed

Completed

Completed

LYNX workshops for VARs and data custodians performed during the year.

Completed – maintained and updated regularly.

Completed according to plan. LYNX demonstrations and workshops have been held with the jurisdictions.

Completed

Completed. Several conferences have been attended and presentations made during the year.

A total of seven conferences have been sponsored during the year. PSMA Australia has also sponsored an SSI project which promotes spatial technology in primary and secondary schools. On hold due to the development of the strategic plan.

Completed

Completed. Advertisement has been placed in several industry magazines during the year.

Completed. Updated according to plan and due to enhancements in datasets.

Mostly completed according to marketing plan. In the later part of the year, the activities were put on hold due to the development of the strategic plan.

ONGOING ACTIVITY**DATA ACCESS AND PRICING POLICY REVIEW****Objectives**

To formulate a revised, simplified data access and pricing policy that meets existing and future market needs.

Deliverables

- Project plan for review accepted by Board
- Review undertaken
- Final report presented to Board
- Recommendations implemented

Status at 30 June 2007

Project underway, progress slowed down due to resourcing constraints. Rescheduled completion date: Oct 2007.

NEW ACTIVITY**G-NAF GEOCODER ACCREDITATION PROGRAM (GAP)****Objectives**

To implement a valued, market accepted accreditation program for VARs offering a geocoding service that uses G-NAF.

Deliverables

- Project plan for GAP presented to Board
- Project implemented

Status at 30 June 2007

Project superseded by the National Address Management Framework (NAMF) project under the auspices of the COAG Ministerial Council for Online and Communications.

Details of objectives and deliverables

Organisational Management and Improvement

The PSMA Australia Model

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

Partner **S**cope **M**anage **A**chieve

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.

PSMA Australia Human Resource Review (as at 30 June 2007)

PSMA Australia has had an eventful year with a high staff turn over, including the resignation of the Chief Operating Officer (COO), Marni Bower in December. PSMA Australia also farewelled Robin Hilder (Business Development Manager), Lisa Kress (Business Development Officer) and Lauren Mills (Project Manager) during the year.

At the June 2006 Board meeting, the Board approved a revised organisational structure (see diagram on the next page) and the recruitment process continues, in a very tight and competitive market. The new output-based structure is mirrored in financial and operational planning and reporting frameworks. The new structure reflects a heightened focus on relationship management and research and development.

CEO: Daniel Paull



COO: Vacant

Organisational Management and Improvement

Finance Manager:
Helen Johnston

Office Administrator:
Carol Pedersen

Capability Development
Manager: John Saldin

Relationship Management and Marketing

Business Development
Manager: Vacant

Account Manager: Vacant

Marketing Coordinator:
Dora Koripas

Research and Development

Project Manager: Siva Chinniah

Project Manager: Vacant

Supply Chain Management and Product Improvement

Senior Project Manager:
Peter Richards

Project Manager: Kurt Scott

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 PSMA Australia finance staff. 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 Resellers Audit Program. The Audit Program focus this year included the interpretation of licence agreements and 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 maintaining 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.



PSMA Australia Strategic Plan 2007–2010

PSMA Australia is experiencing a rapidly changing environment that is bringing new challenges and new opportunities. This was the starting point for strategic discussions at the February Board meeting. The result was the development of a new strategic direction presented at the June Board meeting.

The major components of this strategic plan can be summarised into three broad areas:

- The growth and development of broader and better spatial-related datasets through the improvement of existing data content and establishment of new datasets via strategic partnering with new data providers with recognised content expertise
- The evolution of the LYNX infrastructure to support user-defined data extraction, highly flexible delivery, web-services and increased automation of the data integration and data management processes so as to increase the frequency of update.
- The establishment of more effective distribution, pricing and licensing arrangements that support a web-services value network that PSMA Australia believes can be the foundation of an ASDI implementation.

Further, the Board has decided on a new vision and mission:

PSMA Australia's Vision

To be recognised nationally and internationally as providing the authoritative foundations for enabling and shaping location based solutions.

PSMA Australia's Mission

The return of social, environmental and economic benefits to Australia through the provision of authoritative national location information, knowledge and services.

The Strategic Plan 2007–2010 forms the basis for the development of the Annual Program and will position PSMA Australia well for the changes and challenges in the future market.



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 provides a structured and quality approved process for achieving better business outputs.

Due to the lack of resources the MSQ has not yet been fully implemented. Business process mapping is underway and due for completion early in the new financial year.

KPMG Benchmark Report

During the year KPMG was engaged by the Co-operative Research Centre for Spatial Information (CRC-SI) to conduct a longitudinal benchmark study of the financial performance of its 43 shareholders (including PSMA Australia).

The report indicates that the spatial industry has displayed significant growth during the period from 2003 to 2005 with a 38.9 per cent average revenue growth for digital data suppliers. This report shows that PSMA Australia's performance is strong compared to the industry.



Research and development

Mesh Blocks

Mesh Blocks are the Australian Bureau of Statistics' new micro level breakdown of geographic boundaries. They are small areas of about 30–60 dwellings, designed specifically for statistical data dissemination. The Mesh Blocks are designed to 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 Australian Bureau of Statistics and the Australian and New Zealand Land Information Council (ANZLIC) are keen for PSMA Australia to take up.

During the year, PSMA Australia conducted a feasibility study to align Mesh Blocks with PSMA Australia's underlying datasets. Several vendors have been evaluated to undertake the project. While all vendors demonstrated possible solutions, PSMA Australia selected one vendor to pursue a thorough study, in which the Australian Bureau of Statistics and Geometry also participated. PSMA Australia deemed the study successful and is currently working with the Australian Bureau of Statistics to determine how to best implement the proven solution.

Meanwhile, PSMA Australia has continued to investigate the viability of using the chosen technology to automate other processes including QA, CAD and Administrative Boundary maintenance. The documentation of the software indicates that the technical architecture of the product will fit well within both the present and the future LYNX environment. This software has web-services functions exposed which augur well with the future intention to transform LYNX into a Service Oriented Architecture (SOA) where these functions will then be ready for use.



Postcodes

The November 2004 Board meeting approved a collaboration between PSMA Australia and Australia Post to jointly develop and distribute an authoritative spatial Postcode Boundaries dataset that aligns with PSMA Australia's Localities Layer.

In late August 2006, PSMA Australia received a beta version of the spatial Postcode Boundaries dataset from Australia Post.

After delivery of the final spatial Postcode Boundaries, a high level topology and attribute QA was conducted, and the data was loaded to LYNX ready for the first formal release of the dataset in February 2007.

Business arrangements have been finalised between Australia Post and PSMA Australia enabling the release of Postcode Boundaries. By 30 June 2007, 14 PSMA Australia Value Added Resellers had added Postcode Boundaries to their list of licensed datasets.

While the details are being finalised, the intention is to release updates to this dataset every three months.

National Planning Zones and Land Use

PSMA Australia recognises the importance of a National Land Use dataset and a National Planning Zones Index. During the year these projects were merged, due to the close relationship between the two. Development of National Planning Zones was identified as the pragmatic first stage in the development of a more comprehensive Land Use dataset.

As per the first stage, project definition and data capture have commenced. PSMA Australia is sourcing and finalising a data model definition within the Integrated Data Model (IDM) due in late 2007.



Property Cadastre layer in CadLite

The PSMA Australia Property Cadastre is a national dataset layer 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).

PSMA Australia released CadLite incorporating the new property cadastre layer in August 2006, with updates provided thereafter.

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. This could provide PSMA Australia with a more flexible, robust and accurate mechanism for maintaining G-NAF.

At the end of 2006–07 financial year software testing had commenced using G-NAF, and the results will be analysed and presented when they become available.

■ **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 navigation. 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 agreement 6.2—Demonstrator project: Location Position Device (I-Loka)**

It has been recognised that 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 I-Loka to meet the emerging requirements.

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



Product Improvement

Points of Interest (POI) redevelopment

Early in the financial year it was decided that PSMA Australia's POI dataset needed to be redeveloped. A more detailed dataset will assist in meeting the growing demand for location-based services and also assist with adding richer detail to G-NAF and a future Land Usage dataset. During the year a number of options were considered including:

- collaborating with organisations that already have significant but possibly un-geocoded POI files
- reviewing and where possible using the information held by each jurisdiction's mapping agency.

The project requirements are that the collection, maintenance and geocoding of data is very efficient and cost effective and comes from a large number of disparate sources in order for it to be considered valuable by the market. PSMA Australia is now investigating various methods of collecting the information.

Towns Data

In 2006 the PSMA Australia office completed work on the Towns database (Towns Data). Towns Data aids in the distinction between locality polygons and any township with the same name contained within that locality. The availability of the Towns Data brings clarity to a number of uses of locality, especially navigation systems. The Towns Data integration has now been completed for all states and territories, and is now a part of the Administrative Boundaries dataset.

Quarterly dataset maintenance program

During the 2006–07 financial year the quarterly maintenance schedule continued with no changes. The program is based on four pre-determined release dates throughout the year to provide data contributors and clients with greater certainty for business planning processes. This maintenance schedule will continue through the coming year. While the introduction of LYNX initially impacted on the ability to deliver updates on time, it now enables higher quality data to be delivered quarterly with greater certainty.



G-NAF

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

- Nationally, G-NAF continued with the trend of past updates, with a further incremental improvement in the match rates¹ between contributors, notwithstanding the small reduction in matching in Queensland.
- Data contributors increased their collective contribution to G-NAF by some 342,000 addresses; however, 88 per cent of these came from Australia Post. In earlier updates Australia Post had removed 'parent' addresses from unit developments in all states (i.e. where addresses for units 1, 2 and 3 etc. were provided, no address was being provided for the 'parent' parcel). This situation has been reversed in the last two updates in the financial year, resulting in the large number of additional addresses from Australia Post across all states. Of particular note is that collectively the jurisdictions only provided 6000 additional addresses each update. This is significantly less than has been the case in previous years.
- From a matching perspective, an additional 27,000 addresses now match with a confidence of 2² (53.7 per cent) and an increase of four per cent, primarily as a result of the additional Australia Post addresses. Most of these merges resulted in addresses with a confidence of 1 increasing.
- As a result of the creation of additional rules in Queensland and New South Wales, the locality-only geocoded addresses fell nationally by 32,000 and now represent 1.05 per cent of the total principal addresses in G-NAF, down from 2.5 per cent 12 months earlier. There was an increase of 76,000 addresses at street locality level and these now represent 9.9 per cent of all principal addresses.

1 Match rate refers to the successful matching of addresses between the three contributors, Australia Post, AEC and the jurisdictions.

2 The confidence of an address has three levels, 0, 1 and 2. If the address only exists in one of the three contributor's data it has a confidence of 0. The same applies if all three sources have the address but the sources do not match. A confidence of 1 is reached when two sources match and confidence 2 is when all three sources match.



Supply Chain Management

LYNX

LYNX is PSMA Australia's new cutting-edge online data management system. LYNX was officially launched by Special Minister of State, Gary Nairn, in Canberra on 26 September 2006.

Data managers were introduced to LYNX for their supply of data for the August 2006 dataset update release. After some initial problems, data managers are now comfortable and confident with using LYNX as a part of the data release cycle.

In October 2006, PSMA Australia and Geometry worked together to resolve outstanding issues relating to LYNX, and to ensure clarity around all aspects of the management of LYNX for both parties.

In November 2006, LYNX was opened to data contributors, for their supply of data for the February 2007 dataset update release. This was very successful, with no users encountering any significant issues.

Value Added Resellers were also given access to LYNX in November, with the publication of the November 2006 Pre-Release Report. This provided the opportunity for Value Added Resellers to explore the LYNX interface before the November 2006 dataset update release.

A LYNX Business Process Map has been developed, to provide a complete overview of the system for key stakeholders.

The implementation of LYNX is now complete, with the official handover from project to operational phase taking place in November 2006.



Operations

Over the past 12 months a number of minor change requests have been carried out within LYNX to increase the functionality of the system for users. These change requests have been implemented based on client feedback and the technical need for certain changes. These change requests are consistent with the future strategy of LYNX and will ensure that all future enhancements are carried out successfully. LYNX is now firmly entrenched within PSMA Australia's business and will continue to grow and refine the company's data delivery process.

Awards

In May 2007 PSMA Australia entered the 2007 Urban and Regional Information Systems Association (URISA) Exemplary Systems in Government (ESIG) Awards in the category of Enterprise Systems. PSMA Australia's submission was a detailed analysis of the LYNX system, its development and use of technology. This prestigious international award is open to all agencies that have excelled in the use of technology to improve business within government.

PSMA Australia's LYNX system was recognised with an Enterprise Systems award in Washington DC on 22 August 2007. PSMA Australia Director, Martin Holmes, was in Washington to receive the award on behalf of PSMA Australia.





Relationship Management

National Address Management Framework (NAMF)

On 8 September 2006, the Australian Government's Online and Communications Council agreed to the development of a National Address Management Framework. The proposal was made by Victoria's Minister for Information and Communications Technology, the Hon Marsha Thomson. The agreed proposal was for a National Address Management Framework comprised of:

- a single authoritative address dataset
- a national standard for address data storage and interchange
- national standards for web-services that support common address-related functions (such as address parsing and validation).

PSMA Australia accepted the Online and Communication Ministerial Council's invitation to participate in the National Address Management Framework and has agreed to commit with funding.

The National Address Management Framework Steering Committee comprises Warwick Watkins, Neil Williams, Bruce Thompson (ANZLIC), Jane Tredwell (Cross-Jurisdictional Chief Information Officers' Committee) and Liz Marchant (Australian Government Information Management Office). The project is owned by ANZLIC, with Bruce Thompson nominated as Project Director.

This initiative is important to PSMA Australia, as G-NAF has been identified as a key reference dataset to underpin the framework. With the completion of the framework due towards the end of 2007 and its rollout in 2008, demand for G-NAF is expected to surge. Increased use will also increase demand for content quality and frequency of updates.



LYNX workshops

PSMA Australia introduced its Value Added Resellers and data custodians to LYNX with workshops in Melbourne, Canberra and Sydney during August and September 2006. The workshops introduced attendees to LYNX with demonstrations and user manuals.

Discussion included LYNX's efficient data delivery mechanism and ability to provide secure access to data. Attendance was high, with very positive responses.

LYNX survey

During the August and November dataset update releases, a small satisfaction survey was conducted by telephone with PSMA Australia Value Added Resellers to gain feedback on LYNX processes, documentation and the use of the LYNX environment.

Respondents reported that the LYNX system is well-designed and easy to use and navigate. They also reported that the information received in the workshops and training material was very useful, as was ongoing support and assistance by PSMA Australia staff members.

The survey highlighted that LYNX is an effective data management system, which has been well received by PSMA Australia Value Added Resellers.

Licensing activities

PSMA Australia signed up two new Value Added Resellers during this financial year. One existing Value Added Reseller ended their direct licensing arrangements with PSMA Australia, and has a secondary reseller relationship with a PSMA Australia Value Added Reseller. A total of 28 active Value Added Reseller licenses were held by PSMA Australia at the end of the financial period. There are also three license agreements with universities and further agreements with CRC-SI, the Australian Electoral Commission and a few other government agencies. These agreements are solely for research and internal use.

Licensing arrangements in 2006–07

Value Added Reseller name	Access level	G-NAF	T&T	CadLite	Admin B	POI	Postcodes
Australian Bureau of Statistics	Full	●	●	●	●	●	●
AMRISTAR	Embedded		●		●	●	●
Australian Corporate Content	Full	●	●	●	●	●	●
Boyce Industries	Embedded		●		●		
★ Datalink Technologies	Embedded		●		●		●
Estate Agents Co-operative	Embedded	●	●	●	●	●	
Explore Australia	Embedded		●		●		
FCS Online	Embedded	●					
Findmap	Embedded	●	●		●		●
Geomatic Technologies	Full	●	●	●	●		●
Intech Solutions	Full	●			●		
Magenta Technologies	Embedded		●		●		●
Manly Multimedia	Embedded	●	●	●	●		●
MapData Sciences	Full	●	●	●	●		
MapInfo	Full	●	●	●	●	●	



Value Added Reseller name	Access level	G-NAF	T&T	CadLite	Admin B	POI	Postcodes
MultiMap	Embedded	●	●		●		●
Navigate	Full	●	●	●	●		●
▶ NAVTEQ	Full	●	●	●	●	●	
Next Destination	Embedded		●		●		●
Omnilink	Full	●	●	●	●		
Pacific Micromarketing	Full	●	●		●		●
▶ Pathfinder	Full	●	●	●	●		
★ QAS	Full	●					
◆ RP Data	Embedded	●	●	●	●		
▶ Terrapages	Full	●	●	●	●		●
Tracks Gear	Embedded		●		●	●	
Transport Certification Australia	Full	●	●		●		
Transtech Consulting	Embedded		●		●		
Virtual Map	Embedded	●	●	●	●		●

Table key: ★ New Value Added Resellers ▶ Changed status ◆ Former Value Added Resellers



Value Added Reseller Qualification and Management Framework

As the number of resellers in the PSMA Australia network continued to grow throughout the financial year, so too did the need to implement a corporate-wide, Value Added Reseller qualification. This process comprises a strict set of prerequisites or criteria to be fulfilled for future appointments of potential Value Added Resellers.

With the continuous growth of PSMA Australia, managing relationships with all the company's Value Added Resellers (including potential resellers) far exceeds one full-time position. As a result, several staff members share this responsibility. Given this arrangement, an internal framework has been implemented to deliver consistency and ensure that the Value Added Resellers can maximise PSMA Australia's goal of achieving ubiquitous use of the data.

The Value Added Reseller Qualification and Management Framework provides an effective mechanism to improve the quality of services provided to all Value Added Resellers, while also improving the efficiency of PSMA Australia's use of physical, financial and human resources.

Implementing the framework has enabled PSMA Australia to:

- provide better service to resellers by adopting pro-active methods of management
- have certainty that resellers can meet their financial obligations as a PSMA Australia Value Added Reseller, decreasing the likelihood of entering into licence agreements with bad debtors
- appropriately qualify organisations prior to sign-up as Value Added Reseller
- better manage issues and identify and resolve underlying problems
- improve the availability of human resources through better monitoring and management of physical resources.



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.

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.

New Australian Bureau of Statistics Data Supply Agreement

A new data supply agreement has been signed for a further five years with PSMA Australia's longest-standing client, the Australian Bureau of Statistics. There is a clear and strong support for the relationship from both PSMA Australia and the Australian Bureau of Statistics' Executive Management. The agreement cements a strategic alliance with PSMA Australia servicing the Australian Bureau of Statistics by monitoring and maintaining the Bureau's Mesh Blocks and investigating vertical topology.



Marketing

Conferences and sponsorships

Government Technology Evolution Conference

Canberra
29–30 August
2006

PSMA Australia co-exhibited with Intech Solutions at the Government Technology Evolution Conference, held at Canberra's National Convention Centre in August 2006. The conference attracted attendance from both state and Commonwealth government departments. The aim was to build on strategic relationships, expose G-NAF capabilities, identify potential government users of G-NAF data and establish key contacts.

Combined 5th Trans Tasman Survey Conference and 2nd Queensland Spatial Industry Conference

Cairns
19–23 September
2006

PSMA Australia sponsored the combined conference which was of interest to all practitioners in the spatial industry. The theme of the conference was 'Land and Sea Spatially Connected—In a Tropical Hub'. It aimed to demonstrate initiatives across the spatial industry, providing a forum for ongoing discussions and interaction relating to their applicability to the community.

XXIII FIG Congress

Munich, Germany
8–13 October
2006

PSMA Australia Director Graeme Rush represented the company at the XXIII FIG Congress which was organised in Munich, Germany. The congress was attended by 1300 delegates from about 100 countries. Together with the INTERGEO conference and other simultaneous events the congress was attended by 3000 participants—the largest numbers to any FIG event in its history. PSMA Australia also sponsored Project Manager Lauren Mills as a Young Ambassador to attend INTERGEO.

14th International Conference on Geoinformatics

Wuhan, China
28–29 October
2006

PSMA Australia Chairman Ollie Hedberg had a successful trip to China where he attended the Geoinformatics conference. The theme of this conference was 'The 21st Century's Geoinformatics'. The aim was to encourage discussion on diverse topics related to new philosophy, technology and solutions to enrich the future development of Geoinformatics. The Chairman also attended business meetings with:

- Mr Fan Jingsheng, Deputy Director of Foreign Affairs of the State Bureau of Surveying and Mapping (SBSM)
- Mr Frank Yang and President Dr Zhong Ershun from of SuperMap.



Global Spatial Data Infrastructure Association – 9th conference

Santiago, Chile
6–10 November
2006

PSMA Australia Director Peter Holland attended the 9th International Conference of the Global Spatial Data Infrastructure Association that was conducted in Santiago, Chile. The conference focused on the use of spatial data and affiliated information technologies and infrastructure for addressing poverty issues. The conference attracted more than 400 registrants, representing 62 nations. The conference was very successful and Mr Holland presented a paper on behalf of PSMA Australia.

Asia Pacific Spatial Excellence Awards (APSEA)

Brisbane,
9 November 2006

For the third consecutive year, PSMA Australia has sponsored the Asia Pacific Spatial Excellence Awards. APSEA holds the spatial industry's annual gala event which celebrates and recognises the achievements of all industry participants. PSMA Australia Chairman Olaf Hedberg and CEO Daniel Paull judged the categories of Spatially Enabling Government. PSMA Australia was very pleased to see Director Bruce Thompson honoured as Spatial Professional of the Year.

The 13th ARSPC Conference

Canberra
20–24 November
2006

PSMA Australia was a Sapphire sponsor of the 13th Australasian Remote Sensing and Photogrammetry Conference (ARSPC). The conference provided opportunities to discuss the latest tools, technologies and applications of remote sensing and photogrammetry.

Location Intelligence 2007 Conference

San Francisco, USA
16–18 April 2007

PSMA Director Bruce Thompson represented PSMA Australia at the Location Intelligence 2007 Conference that was held in San Francisco on 16 to 18 April 2007. The conference provided very useful information on current industry trends and valuable networking opportunities.

Spatial Sciences Conference

Hobart
14–18 May 2007

PSMA Australia sponsored a conference dinner, providing CEO Daniel Paull with an opportunity to address delegates. PSMA Australia also provided information for conference delegates and contributed to conference marketing and web material. The conference was held in Hobart and attended by Daniel Paull and Project Manager Kurt Scott.



2006–07 Marketing and Communications Program

During the year, PSMA Australia continued to review and refine its marketing and communications materials and activities. Highlights include:

- Consolidating several existing newsletters into one, quarterly electronic newsletter which focuses on high level, short news items.
- Introducing a quarterly website maintenance schedule to coincide with the newsletter releases, to ensure information is reviewed and updated.
- Completing a website update, as part of which 13 value added resellers took the opportunity to update information on the PSMA Australia website.
- Developing a 12-month advertising schedule to include some generic advertising in spatial industry magazines and specific advertising for priority vertical industries identified during the PSMA Australia/Value Added Reseller business planning sessions.
- Updating and improving marketing and information material including fact sheets on Postcode Boundaries and LYNX.
- Holding workshops, sponsoring conferences and co-exhibiting at conferences with Value Added Resellers.
- Producing media releases and editorials as opportunities arise to promote specific products and developments.
- Making a financial contribution to, and providing input into the development of a multi-agency article in the etn publication, released in May 2006.

Audited financial report



PSMA Australia Limited

ABN 23 089 912 710

for the year ended 30 June 2007

Corporate Information

This Annual Report is for PSMA Australia Limited for the period 1 July 2006 to 30 June 2007. 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 41 to 48. The directors' report is not part of the financial report.

Directors

Stephen Godfrey

Olaf Hedberg
(Chairman)

William Hirst

Peter Holland

Martin Holmes

Desmond Mooney

Kym Nicolson

Graeme Rush

Benjamin Searle

Victor Stephens

Bruce Thompson

Company Secretary

Daniel 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 2007.

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	53
Qualifications and experience	Bachelor of Arts 2002–present: General Manager, Information & Land Services Division, Department of Primary Industries and Water, Tasmania
Special responsibilities	Company Director, Audit Committee member

Name	Olaf Hedberg
Age	69
Qualifications and experience	Chairman of Victorian Spatial Council, Member of the Department of Lands Advisory Board 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	Company Director, Chairman of the Board, member of the Executive Committee

Name	William Hirst
Age	55
Qualifications and experience	Bachelor of Surveying, Master Surveying Science, Grad. Dip. Management Current: Chief Surveyor of ACT 1997–2007 Manager, Maritime Boundaries and Advice, Geoscience Australia 1994–1997 IT/R&D Manager, Australian Surveying and Land Information Group (AUSLIG)
Special responsibilities	Company Director, elected to the Board of PSMA Australia on 20 June 2007

Name Peter Holland

Age 53

Qualifications and experience Bachelor of Surveying, Graduate Diploma in Computing Studies
2005–present: 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 Company Director, Deputy Chairman of the Board, member of the Executive Committee

Name Martin Holmes

Age 61

Qualifications and experience 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
Current: Assistant Director-General, Corporate Services, Department of State Development, Queensland
1997–1998: Director, Marketing & Corporate Communications, Department of Public Works & Housing, Queensland
1994–1997: Marketing Director, Department of Natural Resources, Queensland

Special responsibilities Company Director, Marketing Director, member of the Executive Committee

Name Desmond Mooney

Age 57

Qualifications and experience MBA, B Surv (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer
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

Special responsibilities Company Director

Name: Kym Nicolson
Age 50
Qualifications B.Sc.(Hons), Ph.D., University of Adelaide
and 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
Special responsibilities Company Director, member of the Audit Committee

Name Graeme Rush
Age 57
Qualifications Bachelor of Surveying
and experience 2002–present: General Manager, Land Management & Use, Department of Natural Resources and Water, Queensland
2000–2001: General Manager, Land Management & Use, Queensland
1996–2000: General Manager, Land Information Management, Queensland
Special responsibilities Company Director, Audit Committee Chairman

Name Benjamin Searle
Age 52
Qualifications Bachelor of Science (Geography)
and experience 2002–present: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory
Special responsibilities Company Director, resigned from the Board of PSMA Australia on 8 May 2007

Name Victor Stephens

Age 60

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

Experience 2001–present: Senior Director, Land Information, Department of Planning & Infrastructure, Northern Territory

1995–2001: Assistant Secretary Land Information, Department of Lands, Planning & Environment, Northern Territory

Special responsibilities Company Director

Name Bruce Thompson

Age 49

Qualifications Bachelor of Design Studies, Master of Business Information Management

Experience Current: Director, Spatial Information Infrastructure, Department of Sustainability and Environment, Victoria

2003: Director, Land Information Group, Department of Sustainability & Environment, Victoria

Special responsibilities Company Director

Company Secretary

Name Daniel Paull

Age 36

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 CEO of PSMA Australia Ltd, Company Secretary, 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 states, territories and Commonwealth 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 on pages 3-38 of the PSMA Australia Limited Annual Report 2006-2007.

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 \$748,903 for the financial year 1 July 2006 to 30 June 2007.

Dividends

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2006 to 30 June 2007.

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 as summarised in the Strategic Plan section in the Review of Operations on pages 3-38 of the PSMA Australia Limited Annual Report 2006-07.

Options

No options were granted over uninsured shares or interest during the period 1 July 2006 to 30 June 2007.

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 paid or agreed to pay insurance premiums as follows:

During the year, the company paid a premium of \$8,771.61 to Vero Professional Risk Insurance in respect of an Associations Liability Insurance Policy that specifically covers directors' and officers liability, professional indemnity and employment practices.

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. Transactions with related parties have been disclosed in Note 19.

Meetings of directors

	Name	Directors Meetings	Audit Committee	Executive committee
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:	Number of meetings held	4	4	4
	Stephen Godfrey	3	3	–
	Olaf Hedberg (Chairman)	4	–	4
	William Hirst	1	–	–
	Peter Holland	4	–	4
	Martin Holmes	4	–	4
	Desmond Mooney	4	–	–
	Kym Nicolson	4	2	–
	Graeme Rush	3	3	–
	Benjamin Searle	3	–	–
	Victor Stephens	4	2	–
Bruce Thompson	4	–	–	

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:

Audit Committee

Graeme Rush (Chairman)
 Stephen Godfrey
 Kym Nicolson
 Victor Stephens (resigned)

Executive Committee

Olaf Hedberg (Chairman)
 Peter Holland
 Martin Holmes
 Daniel Paull

Signed in accordance with a resolution of the directors:



Olaf Hedberg
 Chairman, PSMA Australia Limited
 Dated this 15th day of September 2007

Director's declaration

DIRECTOR'S 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 2007 and of its performance for the year ended on that date;
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
- (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



Olaf Hedberg
Chairman, PSMA Australia Limited
Dated this 15th day of August 2007



Director, PSMA Australia Limited
Dated this 15th day of August 2007

Financial reports and notes

Income statement for the year ended 30 June 2007

	Note	2007 \$	2006 \$
REVENUE			
Services revenue		1,133,014	1,118,702
Royalties		3,146,004	2,781,044
Interest		324,430	235,252
Other income	3	74,209	76,328
Total revenues from ordinary activities	3	4,677,657	4,211,326
Employee benefits expense		(964,664)	(761,852)
Depreciation and amortisation expenses	8a	(55,679)	(43,096)
Other expenses		(2,908,411)	(2,515,789)
Profit attributable to members	4	748,903	890,589
Dividends per share (cents)		0.0	0.0

PSMA Australia
ABN 23 089 912 710
for the year ended
30 June 2007

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

Balance sheet as at 30 June 2007

	Note	2007 \$	2006 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,707,550	4,883,423
Trade and other receivables	6	1,301,601	1,266,433
Total current assets		6,009,151	6,149,856
Non-current assets			
Financial assets	7	1,000,000	–
Property, plant and equipment	8	75,921	111,871
Intangible assets	9	1,468,217	1,328,817
Total non-current assets		2,544,138	1,440,688
Total assets		8,553,289	7,590,544
LIABILITIES			
Current liabilities			
Trade and other payables	10	2,124,051	1,915,128
Total current liabilities		2,124,051	1,915,128
Non-current liabilities			
Provisions	11	23,586	18,666
Total non-current liabilities		23,586	18,666
Total liabilities		2,147,637	1,933,794
Net assets		6,405,652	5,656,749
EQUITY			
Issued capital	12	8	8
Retained earnings and reserves		6,405,644	5,656,741
Total equity	13	6,405,652	5,656,749

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

Cash flow statement as at 30 June 2007

	Note	2007 \$	2006 \$
CASH FLOWS			
Receipts from customers		4,363,355	3,995,876
Payments to suppliers and employees		(3,704,528)	(2,662,179)
Interest received		324,430	235,252
Net cash flows provided by operating activities	16(a)	983,257	1,568,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		–	–
Purchase of property, plant and equipment	8	(19,729)	(80,012)
Net cash provided by investing activities		(19,729)	(80,012)
Net increase in cash held		824,127	1,222,434
Cash at beginning of year		4,883,423	3,660,989
Cash at end of year	5,7	5,707,550	4,883,423

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

Statement in changes in equity for the year ended 30 June 2007

	Note	Share capital ordinary \$	Retained earnings \$	R&D reserve \$
Balance at 1 July 2005		8	4,766,152	–
Profit attributable to members		–	890,589	
Transfers to and from reserves				
R&D reserve				500,000
Transfers from retained profits			(500,000)	
Balance at 30 June 2006		<u>8</u>	<u>5,156,741</u>	<u>500,000</u>
Profit attributable to members			<u>748,903</u>	
Balance at 30 June 2007	12,13	<u>8</u>	<u>5,905,644</u>	<u>500,000</u>

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

Notes to and forming part of the financial statements

1 Corporate information

The financial report of PSMA Australia Limited (the company) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 15 August 2007.

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

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Statement of compliance

The financial report of PSMA Australia Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

(a) Cash and cash equivalents

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

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

for the year ended
30 June 2007

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

(b) Financial instruments

Recognition

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

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held to maturity investments

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB139: Financial Instruments: Recognition and Measurement*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Financial Liabilities

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(c) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

Depreciation

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

The depreciation rates in each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	20% to 33.3%

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

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

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

(d) 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.

(e) Impairment of assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(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) Goods and Services Tax (GST)

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

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

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

Cash flows are included in the 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) 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 risk specific to the liability.

(i) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Leases

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

(k) Revenue recognition

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

Royalties are recognised on an accruals basis in accordance with the relevant agreement. 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 on the delivery of the service to the customers.

(l) Research and development

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

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

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

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

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 2007, an additional \$127,060 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 \$12,340 being for enhancements to the database other than the maintenance costs during the reporting period.

(m) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates – impairment

The current policy is to determine the recoverable amount of an asset on the basis of the discounted 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 2007 confirmed no impairment of the G-NAF Geocoded National Address File, or the LYNX Data Logistics Facility as disclosed in the entity's financial statements.

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

Key judgement – provision for impairment of receivables

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

The financial report was authorised for issue on 15 August 2007 by the Board of Directors.

**Notes to and forming
part of the financial
statements**

**for the year ended
30 June 2007**

3 Revenue

	2007	2006
	\$	\$
Services revenue		
VAR access fees	417,979	424,302
Corporate access fees	662,025	634,400
G-NAF data exchange	53,010	60,000
Total services revenue	<u>1,133,014</u>	<u>1,118,702</u>
Royalties	3,146,004	2,781,044
Interest	324,430	235,252
Other income		
Rental sublease and reimbursables	62,204	65,198
Miscellaneous	12,005	11,130
Total other income	<u>74,209</u>	<u>76,328</u>
Total revenue	<u>4,677,657</u>	<u>4,211,326</u>

4 Profit attributable to members

	2007	2006
	\$	\$
Profit from ordinary activities before income tax has been determined after:		
Expenses		
Depreciation of property, plant and equipment	55,679	43,096
Total	<u>55,679</u>	<u>43,096</u>
Remuneration of auditor		
Auditing or reviewing the financial report	14,318	13,969
Taxation services	2,061	2,564
Total remuneration of auditor	<u>16,379</u>	<u>16,533</u>
Rental expense on operating leases		
Office space (including Unit 3 sub-lease)	161,457	143,743
Total rental expense on operating leases	<u>161,457</u>	<u>143,743</u>

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

5 Cash and cash equivalents

	2007	2006
	\$	\$
Cash at bank and in hand	810,212	894,456
Short term bank deposits	3,897,338	3,988,967
	<u>4,707,550</u>	<u>4,883,423</u>

The effective interest rate on short term bank deposits was 6.4%.
These deposits have an average maturity of 180 days.

6 Trade and other receivables

	2007	2006
	\$	\$
Current		
Trade receivables	1,184,467	1,254,879
Less provision for impairment of receivables	–	–
	<u>1,184,467</u>	<u>1,254,879</u>
Other receivables		
Interest receivable	98,255	5,683
Prepayments	18,879	5,871
	<u>117,134</u>	<u>11,554</u>
Total trade and other receivables	<u>1,301,601</u>	<u>1,266,433</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 2007, there was no impairment of trade receivables and no provision for doubtful debts has been allocated.

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

7 Financial assets

	2007 \$	2006 \$
Held to maturity financial assets		–
Held to maturity financial assets comprise:		
Government and fixed interest securities	<u>1,000,000</u>	<u>–</u>
Fair value through profit or loss financial assets		
Units in associates	20,000	20,000
Fair value adjustment	(20,000)	(20,000)
Total fair value through profit or loss financial assets	<u>–</u>	<u>–</u>
Total financial assets	<u>1,000,000</u>	<u>0</u>

8 Plant and equipment

	2007 \$	2006 \$
IT equipment – at cost	137,008	135,751
Accumulated depreciation	(85,842)	(55,492)
	<u>51,166</u>	<u>80,259</u>
Furniture and equipment	75,651	67,809
Accumulated depreciation	(50,896)	(36,197)
	<u>24,755</u>	<u>31,612</u>
Total plant and equipment	<u>75,921</u>	<u>111,871</u>

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.

	Plant and equipment
Balance at beginning of year	111,871
Additions	19,729
Depreciation expense	(55,679)
Carrying amount at end of year	<u>75,921</u>

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

9 Intangible assets

	2007	2006
	\$	\$
Development of datasets and logistics facilities		
G-NAF (Geocoded National Address File)	1,130,007	1,117,667
LYNX (data logistics facility)	338,210	211,150
Accumulated impairment losses	–	–
Net carrying value	1,468,217	1,328,817
Reconciliation		
Balance at beginning of year	1,328,817	1,026,904
Additions	139,400	301,913
Closing carrying value at 30 June	1,468,217	1,328,817

The recoverable amount of each intangible above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five-year period with the period extending beyond five years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of five-year government bonds at the beginning of the budget period. The following assumptions were used in the value-in-use calculations:

	Growth rate	Discount rate
G-NAF	15%	6.12%
LYNX	10%	6.12%

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

10 Payables	2007	2006
	\$	\$
Trade payables		
Trade payables	142,838	176,299
Employee benefits	17,556	13,614
	160,394	189,913
Sundry payables and accrued expenses		
Accrued jurisdictional royalties for 06/07	1,258,401	–
Accrued jurisdictional royalties for 05/06	154,499	1,112,418
Accrued jurisdictional royalties for 04/05	186,559	280,212
GST liability	105,200	96,035
Income in advance for 07/08	190,600	204,947
	1,895,259	1,693,612
Other payables		
Income in advance for 08/09	33,600	–
	33,600	–
Total payables	2,089,253	1,883,525

11 Provisions	2007	2006
	\$	\$
Opening balance at July 1	50,269	13,870
Additional provision raised during the year	8,115	36,399
Amounts used	–	–
	58,384	50,269
Balance at 30 June		
Analysis of provisions		
Current	34,798	31,603
Non-current	23,586	18,666
	58,384	50,269

11 Provisions *continued*

2007 2006

Number of employees at year end 10 9

Provision for long term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 2(i).

12 Issued capital

2007 2006

\$ \$

8 (2006: 8) fully paid ordinary shares 8 8

Fully paid ordinary shares **8** **8**

The company has authorised share capital amounting to 8 ordinary shares of \$1 par value.

13 Retained earnings and reserves

2007 2006

\$ \$

Retained earnings 5,905,644 5,156,741

Reserves

Research and development 500,000 500,000

Retained profits at the end of the financial year **6,405,644** **5,656,741**

The research and development reserve records funds set aside for future research and development projects of the company.

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

14 Leasing commitments

Operating Lease Commitments	2007	2006
Non-cancellable operating leases contracted for, but not capitalised in the financial statements:	\$	\$
● not later than 1 year	142,136	148,774
● later than 1 year but no later than 5 years	195,582	313,350
● later than 5 years	–	–
Total operating lease commitments	337,718	462,124

The property lease is a non-cancellable lease with a six-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.5% per annum. An option exists to renew the lease at the end of the six-year term for an additional term of five years. The lease allows for subletting of all leased areas.

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 flows from operations with profit attributable to members	2007	2006
	\$	\$
Profit attributable to members	748,903	890,589
Non-cash flows in profit		
Depreciation	55,679	43,096
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(22,160)	14,119
(Increase)/decrease in other assets	(13,008)	18,507
Increase/(decrease) in trade and other payables	186,475	579,439
Increase/(decrease) in provisions	8,115	36,399
Increase/(decrease) in income in advance	19,253	(13,200)
Cash flows from operations	983,257	1,568,949

Notes to and forming part of the financial statements

for the year ended 30 June 2007

- (b) The company has no credit standby-by or financing facilities in place.
- (c) 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.

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.

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

		Weighted average effective Interest rate %		Fixed interest rate			
				Maturing within 1 year		Maturing in 1–5 years	
		2007	2006	2007	2006	2007	2006
Financial assets	Cash						
	Receivables	-	-				
	Investments			3,897,338	-	1,000,000	-
		n/a	n/a	3,897,338	-	1,000,000	-
Financial liabilities	Payables	-	-	-	-		
	Total	n/a	n/a	n/a	n/a	n/a	n/a
		Floating Interest Rate %		Non Interest Bearing		Total	
		2007	2006	2007	2006	2007	2006
Financial assets	Cash	810,212	4,883,423	-	-	810,212	4,883,423
	Receivables	-	-	1,301,601	1,266,433	1,301,601	1,266,433
	Investments					4,897,338	
		810,212	4,883,423	1,301,601	1,266,433	7,009,151	6,149,856
Financial Liabilities	Payables	-	-	1,742,297	1,568,929	1,742,297	1,568,929
		n/a	n/a	1,742,297	1,568,929	1,742,297	1,568,929

Notes to and forming part of the financial statements

for the year ended
30 June 2007

19 Related party disclosure

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

Transactions with related parties

	2007	2006
	\$	\$
Key management personnel		
Reuneration to Chairman Olaf Hedberg	57,000	48,000
Independent consultancy fees to director Martin Holmes	2,000	14,000
	<u>59,000</u>	<u>62,000</u>

20 Changes in accounting policy

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Standards affected

AASB101: Presentation of Financial Statements –revised standard

AASB7: Financial Instruments –Disclosures and consequential amendments to other accounting standards resulting from its issue

Application date of standard

Effective for annual reporting periods beginning on or after 1 January 2007

Effective for annual reporting periods beginning on or after 1 January 2007

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the company.

The application of AASB101 (revised) and AASB7 will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the company's financial instruments and the objectives, policies and processes for managing capital.

These standards and Interpretations will be first applied in the financial report of the company that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be in the company's annual reporting period beginning 1 July 2007.

Notes to and forming
part of the financial
statements

for the year ended
30 June 2007

Auditor's independence 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 2007 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 read 'Mark Peatey', with a long horizontal line extending to the right.

Mark Peatey

13 August 2007

Maxim Chartered Accountants
6 Oxley Street
Griffith ACT 2603

PSMA AUSTRALIA LIMITED
6 OXLEY STREET
GRIFFITH ACT 2603
PH: 02 6271 5144 FAX: 02 6271 5145
WWW.PSMA.AU

for the year ended
30 June 2007



the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided by the directors of PSMA Australia Limited on 10 August 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of PSMA Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Mark Peatey

Registered Company Auditor

Maxim Chartered Accountants
6 Oxley Street
Griffith ACT 2603

31 August 2007

PSMA AUSTRALIA LIMITED
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WWW.PSMA.COM.AU

Auditor's disclaimer



**AUDITOR'S DISCLAIMER OF OPINION
TO THE MEMBERS OF
PSMA AUSTRALIA LIMITED**

The additional financial data presented on pages 74 to 77 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 2007.

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

31 August 2007

PSMA AUSTRALIA LIMITED
6 OXLEY STREET GRIFFITH ACT 2603
AUSTRALIA
ABN 52 629 038 000
MAXIM CHARTERED ACCOUNTANTS
6 OXLEY STREET GRIFFITH ACT 2603

**for the year ended
30 June 2007**

Detailed income and expenditure statement

Detailed income and expenditure statement for the year ended 30 June 2007

	2007	2006
	\$	\$
REVENUE		
Interest revenue	324,430	235,252
Rent revenue and reimbursable utilities	62,204	65,198
VAR access fees	417,979	424,302
VAR royalties	3,146,004	2,781,044
Direct client access fees	662,025	634,400
PSMA pre/post sales advice	–	6,400
G-NAF data exchange	53,010	60,000
Miscellaneous income	12,005	4,730
Total revenue	4,677,657	4,211,326
EXPENDITURE		
Human Resource Management		
Wages and salaries	714,380	565,112
Employer superannuation	100,774	78,339
Human resources—other	117,571	92,706
Staff training & professional development	31,939	25,695
	964,664	761,852
Professional Services		
Legal	19,072	23,855
Accounting and audit	17,579	13,921
Consultants	59,678	89,567
	96,329	127,343

for the year ended
30 June 2007

	2007	2006
	\$	\$
Equipment		
Minor equipment purchases	705	1,527
Minor hardware and software purchases	753	5,650
Depreciation	55,679	43,096
Equipment repair / maintenance/ hire	9,576	10,006
	66,713	60,279
Travel		
Travel (domestic)	158,658	119,245
Travel (international)	57,571	32,273
Meals and accommodation	83,032	78,949
Car hire / taxi / parking / other	16,255	14,386
	315,516	244,853
Telecommunications		
Telephones	7,065	9,233
Mobile phones	5,891	7,338
Fax / teleconferencing / internet access	4,698	2,371
	17,654	18,942
Overheads		
Rent (including sub leased areas)	161,457	143,743
Cleaning/waste removal (incl. sub leased areas)	16,540	17,658
Security and maintenance	2,755	803
Electricity (incl. sub leased areas)	18,806	16,950
Office refit	–	52,357
	199,558	231,511

**Detailed income
and expenditure
statement for
the year ended
30 June 2007**

	2007	2006
	\$	\$
Administration Costs		
Postage / freight / handling	2,018	1,967
Stationery	18,241	10,896
Motor vehicle expenses	28,988	14,874
Management System for Quality	4,755	–
	<u>54,002</u>	<u>27,737</u>
Insurance		
Business, directors and motor vehicle insurance	10,663	8,196
Other Expenses		
Fringe Benefits Tax	20,160	20,064
Bank charges / stamp duty	1,490	1,860
Other expenses	–	255
	<u>21,650</u>	<u>22,179</u>
Research & Development		
Research and development	42,900	–
CRC SI	18,182	20,000
	<u>61,082</u>	<u>20,000</u>
Supply Chain Management		
LYNX build	193,791	59,417
Spatial data management	62,355	–
G-NAF maintenance	243,359	267,506
CadLite maintenance	112,000	93,000
Transport & Topography maintenance	57,655	107,258
Administrative Boundaries maintenance	38,000	–
POI maintenance	2,233	–
G-NAF data exchange	53,010	60,000
	<u>762,403</u>	<u>587,181</u>

	2007	2006
	\$	\$
Jurisdictional Royalty Returns		
Royalty returns: G-NAF	359,968	153,794
Royalty returns: CadLite	118,908	71,036
Royalty returns: Transport & Topography	771,102	887,588
Royalty returns: Administrative Boundaries	5,931	–
Royalty returns: other datasets	2,492	–
	1,258,401	1,112,418
Marketing		
Graphic design and printing	12,342	13,482
Promotion and sponsorship	50,259	64,439
Web site maintenance	285	7,225
Other	5,567	7,779
	68,453	92,925
Relationship Management		
VAR audit fees	24,997	5,320
VAR Quality and Management Framework	6,669	–
	31,666	5,320
Total Expenses	3,928,754	3,320,737
OPERATING PROFIT	748,903	890,589

Detailed income
and expenditure
statement for
the year ended
30 June 2007



PSMA Australia LIMITED

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