



PSMA
AUSTRALIA
LIMITED

2011/12

PSMA AUSTRALIA LIMITED
ANNUAL REPORT



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INTRODUCTION

CHAIRMAN'S STATEMENT

Over the past three years, PSMA Australia has sustained an active program focused on transforming the organisation and its offerings to better meet the changing needs of Australia's expanding geospatial data user community.

This program is delivering exciting results. At its heart lies a significant investment in the redevelopment of the spatial infrastructure LYNX. Now called PSMA Systems, the project has been recognised by major industry awards for excellence. This includes the Geospatial World Policy Award for Exemplary Implementation of Geospatial Policies and Programs at the Geospatial World Forum in Amsterdam in April 2012. This award is particularly pleasing as it recognises the technology's innovation and its role in improving and streamlining the mechanism for the collection, assembly and delivery of fundamental geospatial information for Australia.

PSMA Systems is a remarkable achievement. Services oriented architecture and web services have been applied to craft a world-leading technology for managing and accessing geospatial data. It provides a technology platform that makes it easier, faster and more cost effective for a wide range of organisations to extract the value inherent in these and other geospatial datasets, particularly in terms of the integration of geospatial information within standard enterprise systems. It is a capability that is being recognised and utilised by a number of governments of Australia as well as NBN Co as they progress through planning and design of the National Broadband Network.

As this is my last Annual Report as Chairman may I reflect upon the past 20 years. I was an inaugural member of the Public Sector Mapping Agencies, which in 1992 won the Australian Bureau of Statistics' contract to build the first digital mapping dataset for Australia. I must acknowledge the vision of the then Chairman, Professor Don Grant AM, who exhibited remarkable foresight and determination; and additionally the dedication of our first, and sole employee CEO, John Mobbs. In the following years as the organisation grew and ultimately became a company in 2001, I had the honour of being appointed as the first Independent Chairman, a position I have held until today. During these years as Chairman, I have endeavoured to uphold those original ideals.

Over the past 12 years, the Directors have worked enthusiastically and cooperatively to expand and improve the breadth and standard of the datasets we make available to Australia and the rest of the world. I compliment my fellow Board members, our Chief Executive Officer Dan Paull and his dedicated staff for their skill and commitment that has made PSMA Australia the thriving enterprise it is today.

I hand the incoming Chairman a dynamic company that will continue to grow and impact on geospatial data and developments around the world.



Ollie Hedberg AM
Chairman of the Board
PSMA Australia Limited

CHIEF EXECUTIVE OFFICER'S REPORT

During 2011-12, PSMA Australia entered into a landmark agreement under which NBN Co will use Australia's geocoded national address file (G-NAF). G-NAF will be used to support the planning, roll-out and operation of the national broadband network. PSMA Australia is proud to be supporting NBN Co in its delivery of this project of national significance.

The impending release of G-NAF Live will significantly enhance G-NAF itself. G-NAF was selected by a COAG Council in 2008 to support the implementation of the National Address Management Framework (NAMF) for location address operations and functions including address validation. G-NAF Live will comprise a web service made available through PSMA Systems that provides near real-time access to new addresses gazetted by state and territory governments. New addresses provided by contributors will be matched and corrected, then made available in NAMF format with updates able to be provided on a weekly basis initially and more frequently in the longer term.

This capability of delivering changes in the national reference dataset as they occur within the state and territory custodians represents a significant advancement for national address management and will be a world-first for spatial data infrastructure.

Key areas of focus for the coming year concern the provision of services, marketing and product and service development. The new data exchange deeds put in place with the jurisdictions are already presenting exciting new opportunities. The renewed strategic direction for PSMA Distribution and its relationship with PSMA Australia reflects the commitment to developing new market sectors and identifying new opportunities to ensure the product and service offerings are strongly aligned to market opportunities.

Our staff deserve great credit for their commitment to continuing to improve PSMA Australia's capabilities and delivery. I congratulate our value-added resellers for their efforts to ensure that we deliver the best possible location information to the Australian community.

Lastly, I wish to thank our retiring Chairman, Ollie Hedberg, for his vision, support and guidance not only to PSMA Australia but also to me as Chief Executive. Together over more than a decade we have worked to see PSMA Australia fulfil its vision. Ollie's knowledge, experience and enthusiasm in the geospatial arena are unparalleled and his contribution has largely shaped the successful organisation that exists today. It is with great warmth that I thank him for this contribution and wish him well in his retirement.



Dan Paull
Chief Executive Officer
PSMA Australia Limited

ABOUT PSMA

OUR PURPOSE

PSMA will be the national provider of authoritative location information and services for Australia.

STRATEGIC CONTEXT

The governments of Australia – the shareholders of PSMA Australia Limited – established the company so that Australia could more easily access the benefits of managing information by location.

Through PSMA Australia, the governments of Australia are seeking a single point of truth for fundamental national location datasets. These datasets are fundamental in that they comprise an ‘information infrastructure’ that supports the delivery of multiple economic, social and environmental benefits by governments.

Inefficiencies and risks develop where there are multiple sources and no single point of truth for such information. PSMA Australia provides the national infrastructure that delivers the single point of truth and reduces the inefficiencies.

AWARDS

PSMA Australia’s products and services have been recognised with the following awards for excellence:

PSMA SYSTEMS

2012 Geospatial World Policy Award for Exemplary Implementation of Geospatial Policies and Programs presented at the Geospatial World Forum Conference in Amsterdam.

2012 URISA Exemplary Systems in Government (ESIG) Award in the Enterprise Systems Category presented at the Urban and Regional Information Systems Association’s 50th Annual Conference for GIS Professionals in Portland, Oregon.

2012 GITA Excellence Award presented at the Geospatial Information & Technology Conference held in Melbourne.

PSMA WEB MAP TILES SERVICE

2012 Gold Award for Best Internet Website presented by the International Map Trade Association (Australia & New Zealand) in Brisbane.

CORPORATE PROFILE

ABOUT PSMA

PSMA Australia Limited is an unlisted public company limited by shares and owned by the governments of Australia. We provide a national asset of comprehensive, quality and accessible spatial knowledge, derived from authoritative government data sources.

Our datasets are used by government, businesses and the community, meeting a diverse set of needs that significantly contributes to economic, social and environmental outcomes for Australia.

We actively engage with industry and work towards ensuring the availability of critical and timely national datasets. Our principal objective is to facilitate broad, yet sustainable, access to our data. Data distribution is facilitated through a subsidiary entity, PSMA Distribution, which holds licence arrangements with value-added resellers.

The private and public sectors are incorporating our datasets into an ever-expanding range of solutions for government, business and the community. PSMA Australia is a vital component of the spatial information industry, in Australia and internationally.

DATA CONTRIBUTORS

The agencies and organisations that collect and control the data we use to build national digital mapping datasets are known as data contributors. PSMA Australia has established agreements in place with Commonwealth, state and territory governments to enable national datasets to be built from data by each jurisdiction. Separate arrangements are in place with Australia Post, the Australian Bureau of Statistics and the Australian Electoral Commission.

VALUE-ADDED RESELLERS

Data distribution is facilitated through PSMA Distribution, which holds licence arrangements with value-added resellers.

Our full access resellers are authorised to develop and license full and embedded access products and services containing PSMA Data. These organisations are able to distribute raw PSMA Data as well as providing flexible spatial or address-cleansing products for use within diverse environments to meet a range of solutions.

Embedded access resellers are authorised to develop and license embedded access products and services containing PSMA Australia's datasets. They provide services designed to meet a specific need that is enabled or enhanced by the use of spatial or address data.

NAMF 'ONE ADDRESS = ONE LOCATION'

The National Address Management Framework (NAMF) is a major driver of many of PSMA Australia's activities. NAMF is a national coordinated approach to address management, governed by the Australian and New Zealand Spatial Information Council (ANZLIC).

NAMF's goal of 'one address = one location' is supported by all the governments of Australia with joint approval through the Online and Communications Council (a COAG Ministerial Council) in December 2008. The Council agreed that a consistent approach to address validation and geocoding was essential for government business efficiency and this included establishing the PSMA Australia dataset G-NAF as the authoritative reference address database for physical addresses and geocoding.

Through NAMF, a practical, consistent, standards-based framework guides the process for verifying and exchanging address information. Most importantly, NAMF is also strongly focused on improving the quality of reference datasets through the notifications of new or changed addresses.

PSMA AUSTRALIA'S DATASETS

Administrative Boundaries: Boundaries in themes ranging from electoral and statistical to suburbs and localities

CadLite: Australia's 12.1 million land titles, representing parcels and properties

Features of Interest: More than 2.4 million features of interest

G-NAF: More than 13.3 million geocoded Australian addresses

Land Tenure: More than 8.0 million classified land parcels from across Australia

Points of Interest: Cultural points of interest

Postcode Boundaries: Postcode polygon and point data provided by Australia Post

Transport & Topography: Road centrelines, rail and aviation infrastructure, parks and water bodies

PSMA AUSTRALIA'S SERVICES

The following services are being implemented.

PSMA SYSTEMS

PSMA Australia has developed PSMA Systems to provide a powerful and flexible automated information management environment. The PSMA Systems project delivers:

- Strengthened capacity to meet the Australian market's ever-growing appetite for more frequent and on-demand data updates through:
 - seamless integration with data custodians (such as state and territory governments), data storage and maintenance environments
 - expansion of a fully integrated and seamless data storage environment, and
 - introduction of automated updates and continuous processing of complex interrelated spatial databases.

- Customised user profiles to enable users to more easily extract data to meet their requirements.
- Creation of an environment that facilitates access to web services that enhance capability, efficiency and productivity.
- Creation of a marketplace or platform for spatial services provided by third parties.

This spatial infrastructure technology project combines service-orientated architecture (SOA) and world-leading technologies to significantly improve and streamline the mechanism for collection, assembly and delivery of fundamental geospatial information for Australia.

The PSMA Systems project has been effective in reducing delivery times, improving data quality, providing greater flexibility in access to Australia's authoritative datasets and providing a framework that promotes the extraction of the value inherent in these datasets.

The development of PSMA Systems embodies PSMA Australia's commitment to the spatial enablement of Australia's information economy. The first step to 'spatial enablement' is recognising that thinking about location can improve decision-making and business outcomes. The second step is to be able to introduce location into the process itself, simply, quickly and cost effectively. Traditional business processes are not inherently spatial. This is not surprising as the technology and data necessary to support such a process have been expensive and difficult to master and information has been hard to source.

PSMA Systems provides an easy and reliable way to incorporate location into existing processes, workflows and enterprise systems. This is achieved through PSMA Systems' central focus on address, the key to extracting value from location. Address is the one attribute that is virtually universal across business and government. It provides the link between complex spatial information and business

applications. The governments of Australia have recognised the important role of address by establishing, across all governments, a framework for its management.

The second element is the application of web services to allow the seamless shift from ‘thinking location’ to business processes ‘using location’. Through the use of web services, location is applied to existing processes, workflows and applications in an easy and reliable way. By using address as the key entry point, it is possible to easily integrate existing business systems with a wide range of address management, validation, spatial directories look-up and geocoding services.

PSMA Systems has been recognised by the following awards for excellence:

- 2012 Geospatial World Policy Award for Exemplary Implementation of Geospatial Policies and Programs
- 2012 GITA Excellence Award
- 2012 URISA Exemplary Systems in Government (ESIG) Award in the Enterprise Systems Category.

G-NAF LIVE

Designed to support the National Address Management Framework, G-NAF Live and supporting services will generate substantial improvements to address currency and accuracy in Australia as well as representing a world first.

G-NAF Live is a near live database of the most recent authoritative addresses provided to PSMA Australia by the state and territory address custodians. The address data is converted into a single data model (using the National Address Management Framework and AS4590 compliant model), loaded into the live database and exposed to address verification through PSMA Systems, PSMA Australia’s award-winning technology platform.

G-NAF Live will be a key component in the feedback loop for investigating and correcting addresses.

WEB MAP TILES

PSMA Australia is developing web map tiles to support access to spatial information held by the governments of Australia. PSMA Australia’s incremental updates program will support accurate, current and authoritative web map tiles for the nation.

The PSMA web map tiles have been developed for the Australian Electoral Commission’s RollMap solution as well as for Geoscience Australia for the Gazetteer of Australia and Australian Spatial Data Directory. They are designed to support applications where an authoritative map assists the user to understand the geographic context and location of information generated by an enterprise application.

The web map tiles are based on the OGC Web Map Tile Implementation Standard covering 17 levels on the WGS 84/Pseudo-Mercator projection. Levels 16 and above are the most feature rich and include walking tracks, cadastral parcels and address points. The tiles are designed to be accessed via Open Geospatial Consortium Web Map Service (OGC WMS) Interface Standards. PSMA Australia has also developed an API to further simplify access. The standards ensure it is easy to incorporate the tiles into existing systems and reduce the need for extensive spatial data loading, management and styling as well as providing fast access through a web tile cache.

The PSMA Web Map Tiles service was awarded the Gold Award for Best Internet Website presented by the International Map Trade Association (Australia & New Zealand) in July 2012.

TECHNOLOGY INFRASTRUCTURE

PSMA Australia's development and provision of datasets is undertaken within a supply chain context. Four steps accompany the successful delivery of each spatial dataset – all of which require sophisticated technology to enable this process.

The technology stack that enables the standardisation, aggregation and quality assurance of the spatial data is achieved through the use of a diverse range of specialised enterprise technologies. These include Radius Studio, FME Server, ActiveVOS, Oracle, PostGIS, in-house applications through PSMA Systems, and BIRT, an open source reporting tool.

The technology is hosted in a multi-tenanted 'cloud' environment that allows the infrastructure to scale quickly and easily to meet the dynamic demands of the business. The environment also offers the protection of multiple geographic sites for sophisticated disaster recovery, data protection and load balancing.

Data custodians provide data to our cloud environment, where the initial data analysis is undertaken. This includes a comparison with previous contributions to ensure that the data provided is consistent in structure and quality. This environment also facilitates the final quality assurance checks once the data has been processed through Radius Studio and allows end users to download or request data to their desired location.

FME is widely used to perform spatial extract, transform and load (ETL) tasks. The introduction of both FME and FME Server into the supply chain provides PSMA Australia more flexibility in terms of data preparation and a capability to accept a wider variety of data inputs and ultimately offer a wider variety of outputs to the data consumer.

PSMA Australia's award-winning early adoption of the leading-edge spatial technology, Radius Studio, continues to be one of the most

sophisticated applications of the software globally. Radius Studio operates within a service-oriented architecture (SOA) that underpins validation and integration systems. PSMA Australia has embedded this software within the data processing cycle, to perform standardisation and quality assurance of the data.

PSMA Australia uses Radius Studio to ensure outputs conform to a standard schema and business rules outlined within the specific product descriptions. This approach is reducing some of the challenges within the supply chain and provides the capacity to accept a wider range of data inputs and ultimately reduce the time to market.

ActiveVOS allows individual discrete services, database scripts, manual and other tasks within a process to be orchestrated into a single reusable workflow.

This re-engineering delivers a significant shift in the role performed by PSMA Australia's technical experts and may signal a broader shift in the industry. Now our technical experts must not only understand the individual data management tasks but also comprehend how they should be coupled together to produce the required outputs. Significant skill, including an understanding of Business Process Execution Language (BPEL) and other standards for the implementation of orchestrated services, is now critical to the successful development of PSMA Australia's datasets.

CORPORATE DIRECTORY

PSMA Australia Limited
ABN 23 089 912 710

Chairman:

Olaf Hedberg AM

Chief Executive Officer:

Daniel Paull

Registered Office:

Unit 6, 113 Canberra Avenue
Griffith ACT 2603

Principal Place of Business:

Unit 6, 113 Canberra Avenue
Griffith ACT 2603

Share Register:

Unit 6, 113 Canberra Avenue
Griffith ACT 2603

Auditors:

Maxim Chartered Accountants
Level 2, 59 Wentworth Avenue
Kingston ACT 2604

Solicitors:

Norton Rose
Level 5, 1 Hobart Place
Canberra ACT 2601

Bankers:

National Australia Bank Limited
39 Wollongong Street
Fyshwick ACT 2609

Directors:

Glenn Appleyard
Jodi Cant
William Hirst
Steven Jacoby
Kate Kent
Desmond Mooney
Mary O'Kane
John O'Malley
Victor Stephens
Bruce Thompson

Company Secretary:

Daniel Paull
Olaf Hedberg AM (Chairman)

Executive Committee:

Martin Holmes
Desmond Mooney
Daniel Paull
Bruce Thompson

Board Audit Committee:

John O'Malley (Chairman)
Jodi Cant
Lynne Robinson

OPERATIONAL REVIEW

DATA

PSMA Australia produces datasets based on authoritative government data. It is delivered to PSMA Australia by the organisations that create and manage location information within Australia's three tiers of government.

During 2011-12, the new data exchange agreements negotiated with jurisdictions achieved the goal of broadening the range of data available to PSMA Australia. This is supporting various initiatives to develop enhancements as well as new datasets. PSMA Australia continued to focus on leveraging the efficiency and effectiveness of automated data processing within the new hosted environment.

WHAT THE DATASETS PROVIDE

PSMA Australia's datasets provide authoritative location information which encompasses:

- 15,295 gazetted suburb boundaries
 - 2.7 million kilometres of road
 - 12.1 million cadastre titles / land parcels
 - 13.3 million addresses
 - 2.4 million features of interest.
- PSMA Australia releases updated datasets every quarter. On average over the last two years, each release has included:
- more than 45,000 new addresses
 - over 5,000 km of new road
 - in excess of 25,000 new cadastral parcels.

ADMINISTRATIVE BOUNDARIES

In May 2012, a new theme was added to the Administrative Boundaries dataset for wards. These are the gazetted boundaries used in most local government areas for the purpose of electing representatives to council. The Administrative Boundaries dataset now comprises seven themes:

- Australian Bureau of Statistics (ABS) boundaries
- electoral boundaries
- local government areas
- state/territory boundaries

- suburbs/localities
- town points
- wards.

New layers were also added within the ABS Theme for Indigenous Localities, Indigenous Areas and Indigenous Regions. The ABS boundaries data theme remains a combination of Australian Standard Geographical Classification (ASGC) and Australian Statistical Geography Standard (ASGS) boundaries. The ASGS brings all the regions for which the ABS publishes statistics within the one framework and has been used by the ABS for the collection and dissemination of geographically classified statistics since 1 July 2011. The ASGS will be progressively introduced through the various ABS collections and replaced the ASGC as the main geographical framework for the 2011 Census of Population and Housing. All ABS collections should be reporting on ASGS units by 2013.

The current ASGC layers in the Administrative Boundaries product are Collector Districts, Statistical Local Areas, Urban Centre Localities and Mesh Blocks. The Collector Districts layer was last updated for the 2006 Census and will no longer be maintained. The Statistical Local Areas had a final release in July 2011 and are no longer maintained. The Urban Centre Localities and Mesh Blocks will continue as part of the new ASGS ABS Structures.

CADLITE

The CadLite dataset includes definitions and spatial representations for more than 12.1 million land titles across Australia. The dataset represents each land title as a parcel or as a point for higher density sites and includes definitions of properties as an aggregate of one or more land titles.

A common source of confusion for CadLite users is the difference between the property boundaries used by local government for rating purposes and the parcel boundaries used for the transfer of land. This is a particular issue for users seeking to align addresses, parcels and

properties. This is most evident in rural areas where multiple cadastral parcels are combined to create a single property which may only have one address. In this scenario, the property address relationship generally better represents the real-world situation.

With four jurisdictions (New South Wales, Northern Territory, South Australia and Victoria) already defining their own spatial representation of property, PSMA Australia has now included this within CadLite's property theme. For the remaining jurisdictions (Australian Capital Territory, Queensland, Tasmania and Western Australia), the geometry is able to be created during the production process. This enhancement was prepared for the August 2012 release.

PSMA Australia is also investigating how to include other land parcels defining, for example, road reserves/intersections, easements and water within this theme. This may be achieved through the addition of a 'type' field within the data model, with further research to confirm that this is the optimal approach.

FEATURES OF INTEREST

Features of Interest is a dataset in early development that provides authoritative government feature data as well as additional data from selected organisations. The dataset aims to provide as much information as possible about features that represent community related locations such as urban centres, government services, public administration offices, cultural centres, emergency facilities, medical centres and public transport locations.

The dataset now includes more than 2.4 million features of interest, with substantial additional information being provided by New South Wales, Queensland and Tasmania during the year. Western Australian information will be included during the coming year. A key focus for the coming year is improving the linkage with the most recent release of G-NAF without significantly delaying the dataset's release.

G-NAF

The Geocoded National Address File (G-NAF) is Australia's authoritative geocoded address index, listing all physical addresses in Australia. It contains approximately 13.3 million addresses. Each address is linked to a specific geocode or coordinate. Data used to build G-NAF comes from contributors including the state and territory mapping agencies and land registries as well as the Australian Electoral Commission and Australia Post.

During 2011-12, the level of geocoded addresses continued to improve, with 94.1% of all addresses geocoded at the property level.

Ranged addresses have been identified as a significant source of duplications in G-NAF. That is, an address such as 2-8 Smith Street may be recorded within different data sources as 2 Smith Street, 2-6 Smith Street or 2-10 Smith Street. Ranged addresses have resulted in an estimated 300,000 duplications within G-NAF.

G-NAF's founding principle involves respecting the integrity of the addresses supplied by the authoritative contributors. However, investigations by PSMA Australia established that the preferential use of the address supplied by jurisdictions as the principal address and the creation of aliases for alternatives will resolve 90% of these duplications. This approach was prepared for the August 2012 release.

Other significant changes over the year included:

- To better support G-NAF users within the Australian Government, PSMA Australia added a mesh block code to all addresses in G-NAF. While this applies even where the best geocode for an address is at the centre of the street or locality, associated feature level metadata will enable users to filter records.
- PSMA Australia is also adopting geocode types prescribed in the recently amended national addressing standard AS/NZS 4819:2011.

The selection of G-NAF by NBN Co, together with the ongoing implementation of the National Address Management Framework has highlighted G-NAF's significance as fundamental national infrastructure. This will be more evident when development of G-NAF Live – a near real-time service that complements the quarterly G-NAF data releases – is completed.

LAND TENURE

The Land Tenure dataset was released in November 2010 to support information land management decisions such as enhancing property development planning. It can be integrated with CadLite to provide a comprehensive classification of land tenure across Australia.

In May 2012, the dataset achieved coverage in all jurisdictions, with coverage growing from 1.1 million to 8 million classified land parcels. Further data is still required to achieve full national coverage. A key focus for the development of the product is on investigating the best means for standardising the representation of parcels where no tenure information is supplied.

POINTS OF INTEREST

The Points of Interest dataset contains more than 212,000 points of interest with feature code and name attribution. As the Features of Interest dataset develops, this product is expected to be discontinued.

POSTCODE BOUNDARIES

Postcodes are integral to mailing addresses as well as being widely used for spatial aggregation and analysis. The Postcode Boundaries dataset provides definitive information under a collaborative arrangement between Australia Post and PSMA Australia. Australia Post added seven new postcodes during the year and there were more than 530 changes to the localities falling within existing postcodes.

TRANSPORT & TOPOGRAPHY

The Transport & Topography dataset is underpinned by a road centreline layer representing over 2.7 million kilometres of road network, together with more than 30 feature types across transport, hydrology and greenspace.

The roads theme was updated in the August 2011 release to meet the data model developed by the Intergovernmental Committee on Survey and Mapping (ICSM) Roads Working Group. When combined with the topographical improvements, the Transport & Topography dataset is now considered 'navigation ready'. Key improvements included the inclusion of a second geometry type representing crossing points and traffic control devices, the expansion of the model to cater for limits on height, speed, weight, trafficability and seasonality, as well as improved feature level metadata. During the year, pathways, ferry routes, crossing points and traffic control devices have been added to the dataset. In the May 2012 release, the identification of tollways as well as roads on public land was improved.

PSMA Australia conducted a review of the current data models associated with the greenspace and hydrology themes. These models will be more closely aligned with the Features of Interest schema, with the August and November 2012 releases providing updated greenspace and hydrology information in a number of jurisdictions.

SERVICES

PSMA SYSTEMS

The project has involved every stakeholder associated with PSMA Australia and the re-engineering of the entire data management and delivery processes within the organisation. As the complex, ground-breaking and novel project has proceeded, it has often triggered stakeholders' awareness of latent and previously unarticulated needs, many of which represented significant enhancements to the project. For this reason, an iterative design and

implementation process has been employed so that the valuable improvements and add-ons were able to be factored into the development. This has delayed the delivery of the full functionality of some system components but will result in more complete capture of client requirements in the final product.

The funding of PSMA Systems represents the largest investment ever made by PSMA Australia. The scope of the project includes:

- redevelopment of the services framework, administration site and batch services
- NAMF compliant address verification service management
- integration of WFS, WMS and some WPS services
- integrated BIRT reporting.

A key modification has involved the adaption of the initial system design to support the governments of Australia in achieving implementation of the National Address Management Framework (NAMF). The NAMF provides a practical, consistent, standards-based framework to guide the process for verifying and exchanging address information, and the concept of 'notification' lies at the heart of NAMF. If a consumer of a NAMF compliant address validation service encounters an address that cannot be validated, it must be notified back to the data custodian for review. This provides user generated content that is both focused and verified by virtue of the framework's operation.

The requirement to manage addressing for a whole continent using the data from eight governments is a significant departure from the address verification requirements of most organisations as well as the global market. An in-depth review was undertaken of PSMA Systems' address verification requirements against products available in the market. The review identified the benefits arising from the development of a bespoke engine which meets the standards expected of PSMA Systems. This resulted in PSMA Australia developing its own address verification engine for use within

PSMA Systems to achieve the key goal of providing feedback based on the near real-time processing of the geocoded national address database.

During 2012-13, PSMA Systems will be rolled out to the jurisdictions and the value-added resellers network, with the implementations in Victoria and Tasmania to be completed.

G-NAF LIVE

G-NAF Live is being developed to provide access to authoritative jurisdictional addresses as soon as they become available to PSMA Australia. The development of G-NAF Live is focused on fully integrating with the G-NAF database to promptly deliver high-quality addressing across the country. PSMA Systems has been designed to facilitate access to G-NAF Live data. PSMA Australia has been testing the service with data provided through incremental feeds from the Australian Capital Territory, New South Wales, Victoria and Western Australia.

WEB MAP TILES

PSMA Australia is developing web map tiles to support access to spatial information held by the governments of Australia. PSMA Australia's incremental updates program will support accurate, current and authoritative web map tiles for the nation.

The web map tiles are based on the OGC Web Map Tile Implementation Standard covering 17 levels on the WGS 84/Pseudo-Mercator projection. Levels 16 and above are the most feature rich and include walking tracks, cadastral parcels and address points. The tiles are designed to be accessed via Open Geospatial Consortium Web Map Service (OGC WMS) Interface Standards. PSMA Australia has also developed an API to further simplify access. The standards ensure it is easy to incorporate the tiles into existing systems and reduce the need for extensive spatial data loading, management and theming as well as providing fast access through a web tile cache.

NAMF NOTIFICATIONS & CERTIFICATIONS SERVICE

The NAMF Notifications & Certifications Service (NCS) is administered and managed by ANZLIC and was developed with assistance from PSMA Australia. PSMA Australia is responsible for managing the operation of the service on behalf of ANZLIC. NCS ensures that an address validation and geocoding solution provides the combination of compliance testing and notification processes that is required for NAMF implementation. Adopters of the NAMF framework will be given much greater confidence in the accuracy of a geocoded or validated address when using NAMF certified solutions.

In September 2011, Pitney Bowes Software became the first service provider in Australia to provide an address validation and geocoding solution with verified NAMF Certification.

RELATIONSHIPS

PSMA DISTRIBUTION

PSMA Distribution Pty Ltd was established in 2008 with responsibility for working closely with value-added resellers (VARs) to provide strategic support to innovate and grow individual businesses. In October 2011, PSMA Australia's CEO, Dan Paull, was appointed as PSMA Distribution's CEO to ensure alignment between the organisations' strategies and approaches. A major review of the role and function of PSMA Distribution was undertaken which has provided the subsidiary company with a broader focus that encompasses product portfolio management in addition to business development and channel management.

JURISDICTION DATA SHARING DEEDS

New data exchange deeds with all jurisdictions were finalised by October 2011. These new deeds affirm the relationship between the jurisdictions and PSMA Australia in relation to the ownership and management of data from the jurisdictions. The deeds significantly

enhance PSMA Australia's ability to respond more effectively to emerging market demands. They provide PSMA Australia with the flexibility and capability to consider a wider range of business models and to offer innovative licensing approaches. The improved data access regime resulted in a number of enhancements to the datasets during the year.

DATA MANAGER WORKSHOP

PSMA Australia hosted a workshop focused on points of interest data in February 2012. The workshop was attended by representatives from all jurisdictions and was coordinated with the Intergovernmental Committee on Survey and Mapping (ICSM) Points of Interest Working Group. This group is responsible for looking at national standards for the capture and management of points of interest data. The workshop reinforced the importance of this information for the public safety sector.

NBN CO

NBN Co entered into an agreement with PSMA Australia under which NBN Co will use Australia's geocoded national address file, G-NAF, for address information to support the planning, roll-out and operation of the national broadband network. The address information provided by G-NAF will be used to support NBN Co's business. With every aspect of NBN Co's activities being subject to extraordinary public scrutiny, this has resulted in considerable attention on G-NAF and PSMA Australia's other datasets, highlighting their role as fundamental national infrastructure.

PSMA Australia's focus since the agreement was reached in March 2012 has been on forging an effective relationship across the organisation's business units to ensure that NBN Co has access to the range of geospatial data it needs to plan the network.

AUSTRALIAN GOVERNMENT

The Office of Spatial Policy (OSP) was established within the Australian Government Department of Resources, Energy and Tourism on 1 July 2011. OSP is a central policy unit,

responsible for facilitating and coordinating spatial data management across Australian Government agencies.

OSP was established to strengthen whole-of-Australian-Government spatial data policy leadership, and came in response to outcomes of various reviews. This included the Strategic Review of Geoscience Australia and the APS 200 Location Project Report as well as the Investigation into the Spatial Capability of Australia undertaken by Dr Vanessa Lawrence CB, Director General and Chief Executive, Ordnance Survey, which was publicly released in April 2012.

The work undertaken by OSP is closely aligned with national spatial policies and strategies. OSP will work with the jurisdictions through ANZLIC, which is the peak intergovernmental organisation providing leadership in the collection, management and use of spatial information in Australia and New Zealand.

PSMA Australia has been working closely with the OSP to identify how to better assist the Australian Government in achieving the desired outcome of managing information spatially.

VICTORIAN GOVERNMENT

Since the introduction of the Victorian Mapping and Address Service (VMAS) in 2006, the Victorian Government's award-winning centralised service has clearly demonstrated the benefit of making it possible for a broad range of public officers to use spatial data to simplify and improve government services. The critical role played by VMAS has been reflected in the significant growth in terms of clients, service usage and transactional throughput.

PSMA Australia has worked closely with the Department of Sustainability and Environment (DSE) to use the capabilities and learnings of VMAS 1.0 to enable greater service sharing between PSMA Australia stakeholders. In particular, PSMA Systems is providing the engine for VMAS 2.0. The improved framework

supporting VMAS 2.0 will provide greater flexibility and control to DSE and VMAS users.

The key enhancements include:

- increased flexibility to integrate additional services, particularly attribute and feature searching and web mapping
- adherence to the National Address Management Framework (NAMF)
- capability to use jurisdictional data holdings, without the need to replicate data holdings externally
- improved user management functionality to provide greater control to users, and the management of reseller/service provider access to jurisdictional data and services
- improved reporting capabilities
- capacity to limit access to services based on transactional use.

TASMANIAN GOVERNMENT

PSMA Systems is being implemented within the Tasmanian Government to support centralised address verification for all Tasmanian Government agencies. This project involves the transition of existing services and an expanded roll-out of PSMA Systems.

WESTERN AUSTRALIAN GOVERNMENT

Western Australian Land Information Authority trading as Landgate (Landgate) is responsible for implementing the Western Australian Government's Address Management Policy, which embodies the NAMF framework. Landgate is considering using PSMA Systems to support the implementation to ensure NAMF compliance; management of ADR, G-NAF and PAF engines; integration of multiple services to support many of the current services being used across the government; additional user administration and reporting functionalities; and future integration capabilities with WMS and WFS services.

AUSTRALIAN BUREAU OF STATISTICS

A strategic workshop was held with senior management from the Australian Bureau of Statistics (ABS) in September 2011. This was followed by a range of activities designed to ensure that PSMA Australia continues to provide effective support to the ABS in its preparation for the 2016 Census as well as the management of its wide range of statistical surveying activities.

AUSTRALIA POST

Regular discussions are held with Australia Post, with a key focus being the implementation of NAMF and the potential adoption of NCS within Australia Post's systems to provide address and geocode feedback to PSMA Australia. Investigations are also under way around increasing the range of Australia Post data used by PSMA Australia.

AUSTRALIAN ELECTORAL COMMISSION

PSMA Australia is working with the Australian Electoral Commission (AEC) to implement RollMap, a web-based mapping service that will allow AEC staff to better identify and locate Australians on the electoral role.

The RollMap solution will enable the AEC's 150 electoral offices to easily identify individual addresses and determine any potential anomalies without requiring internal geospatial expertise. The project now incorporates an expanded range of imagery services and additional functionality around AEC attributions when adding and modifying an address.

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

PSMA Australia was engaged by the Department of Broadband, Communications and the Digital Economy to provide an assessment of the spatial mapping and address recognition processes it had adopted. This included processing mapping and addressing data to support the delivery of the satellite subsidy scheme administered by the department.

BUSINESS OPERATIONS

VALUATION STUDY

Acil Tasman was engaged to provide PSMA Australia with advice regarding the valuation of assets and the pricing of products and services. The project is being undertaken to provide a best practice framework for valuation and pricing that reflects PSMA Australia's ownership by the governments of Australia. These shareholders measure their return on investment in PSMA Australia by the value received by all Australians through access to and application of these national datasets.

PROJECT MANAGEMENT OFFICE

PSMA Australia has established a Project Management Office (PMO) with the main function of overseeing the coordination of projects being undertaken and planned across the group into the future. The role of the PMO is:

- oversee the progress of all PSMA Australia projects
- coordinate the productivity of resources allocated to projects to ensure PSMA Australia meets its strategic objectives and contractual obligations
- coordinate scheduling of new projects and ensure relevant information is being shared across teams
- provide recommendations as to the prioritisation of resource allocation in situations where conflicting timeframes around deliverables are evident
- enable a clear and regular channel of communication relating to project activity.

BUSINESS PROCESS

AUTOMATION

PSMA Australia's business process automation project is enhancing the organisation's control over data management processes. By enabling the reuse of existing processes, this project will assist in improving the quality of output and lowering the cost of production for new datasets.

The Radius Studio component has been successfully completed, with all datasets except G-NAF now automated and managed by PSMA.

The integration of FME into the business process for data management has further intensified the speed and quality of data management. This project addresses:

- ACTIVEVOS implementation
- integrated BIRT reporting
- Product Management Interface (PMI) source control
- Redmine implementation for project management.

CONSOLIDATED HOSTING

Interactive Pty Ltd provides an integrated robust hosting environment for PSMA Australia. This allows for the operation and continued development of the PSMA Systems platform and business process automation activity. The hosting arrangement ensures increased efficiencies in response times for read and write transactions for the hosted business applications as well as rigorous and comprehensive disaster recovery systems.

INDUSTRY ENGAGEMENT

AUSTRALIAN AND NEW ZEALAND SPATIAL MARKETPLACE

The development of an Australian and New Zealand Spatial Marketplace has been identified as critical to supporting the discovery, access and utilisation of spatial resources. By 'mainstreaming' spatial resources and allowing them to be more easily applied in all industry sectors, the spatial marketplace is expected to be a valuable driver of innovation across the public and private sectors.

The first step towards this goal has been the development of a Spatial Marketplace Demonstrator. The steering committee for the project consists of representatives from ANZLIC, the Cooperative Research Centre for Spatial Information (CRCSI), Land Information New Zealand, Department of Sustainability and Environment, Landgate, Spatial Industries Business Association (SIBA) and PSMA Australia.

COOPERATIVE RESEARCH CENTRE FOR SPATIAL INFORMATION

The Cooperative Research Centre for Spatial Information (CRCSI) is a research and development centre established under the national Australian CRC Program. PSMA Australia supports the CRCSI through our membership of 43PL.

PSMA Australia's CEO, Dan Paull, is a member of the Governing Board of the CRCSI's Program 3 – Spatial Infrastructure. This program will deliver projects to support existing and emerging spatial information infrastructure environments through the development of research, standards and software tools to manage digital rights, governance, federated data integration and distributed processing capabilities. The program's focus includes a number of initiatives related to the development of a Spatial Marketplace for Australia.

AUSTRALIAN URBAN RESEARCH INFRASTRUCTURE NETWORK

PSMA Australia is also engaging with the Australian Urban Research Infrastructure Network (AURIN), a \$20 million initiative funded by the Australian Government's Super Science scheme. AURIN will provide built environment and urban researchers, designers and planners with infrastructure to facilitate access to a distributed network of aggregated datasets and information services. These datasets and services are essential to understanding patterns of urban development, and to model urban growth for a sustainable future.

PSMA Australia has provided AURIN with access to PSMA Systems and datasets to assist with the development of tools for the urban research community.

AUSTRALIAN RESEARCH COUNCIL LINKAGE PROJECTS

PSMA Australia is contributing to three research and development projects funded by the Australian Research Council (ARC).

National Infrastructure for Managing Land Information: This project aims to design, build and manage a new infrastructure to integrate disparate state-based land information and administration processes to meet national needs. The project is being undertaken through a collaboration involving the University of Melbourne and the land agencies representing Victoria, New South Wales and Western Australia. PSMA Australia is supporting this project through the provision of data and the involvement of senior staff.

Talking About Place: Tapping Human Knowledge to Enrich National Spatial Data Sets: This project aims to develop a novel, interdisciplinary approach to automatically interpret human place descriptions. It will develop methods to capture place names with their meaning and their true location to support the development of smarter databases and automatic interpretation procedures. The project partners include the Emergency Services Telecommunications Authority (ESTA),

NSW Land and Property Information and the Surveyor General of Victoria. PSMA Australia is providing a financial contribution as well as data and technical staff over the course of the project.

3D Cadastres: The University of Melbourne's Centre for Spatial Data Infrastructures and Land Administration received funding to investigate the development of three-dimensional (3D) cadastres to improve land and property management. Management of 3D land rights, restrictions and responsibilities is a major challenge for current land administration systems, particularly in urban areas. The project's outputs will include the development of a 3D cadastral data model and database management system as well as a 3D cadastral representation and registration model. PSMA Australia is supporting the project through the provision of relevant datasets and senior technical staff input to assist in enhancing processes related to the development and visualisation of complex multi-level developments.

EUROGEOGRAPHICS

EuroGeographics is the membership association and representative body of the European national mapping, land registry and cadastral agencies. PSMA Australia and EuroGeographics entered into a memorandum of understanding (MOU) in September 2009. The MOU aims to support a framework for further geospatial research, technology and innovation that can inform the future development of a Global Spatial Data Infrastructure.

EuroGeographics and PSMA Australia completed a data trial to process European cadastral data using PSMA Systems in 2010-11. The pilot was successful in demonstrating the capabilities of PSMA Australia's automated data management infrastructure to handle a diverse range of geospatial data while providing EuroGeographics members with an awareness of a process that can quality assure and harmonise geospatial data to achieve a European cadastral index.

EuroGeographics's Business Manager, Sallie White, travelled to Australia to deliver a joint presentation with PSMA Australia's CEO, Dan Paull at ISDE7 in Perth in August 2012. Sallie was provided with briefings on PSMA Australia's role and interactions within Australia's spatial data supply chain, including visits to Landgate, Land and Property Information NSW and a number of value-added resellers.

EuroGeographics President and Chair of the Dutch Cadastre Executive Board, Dorine Burmanje, also met with PSMA Australia Chairman Ollie Hedberg and CEO Dan Paull while attending the 4th Land Administration Forum for the Asia and Pacific Region in Melbourne in October 2011.

INDUSTRY ORGANISATIONS

PSMA Australia formalised its relationship with major international industry organisations during this year.

The Open Geospatial Consortium (OGC) is an international industry consortium of 467 companies, government agencies and universities participating in a consensus process to develop publicly available interface standards. OGC® Standards support interoperable solutions that 'geo-enable' the web, wireless and location-based services and mainstream IT. The standards empower technology developers to make complex spatial information and services accessible and useful with all kinds of applications. PSMA Australia was accepted as an associate member in January 2012.

The Global Spatial Data Infrastructure (GSDI) Association is an inclusive organisation of agencies, firms, and individuals from around the world. The purpose of the organisation is to promote international cooperation and collaboration in support of local, national and international spatial data infrastructure developments that will allow nations to better address social, economic, and environmental issues of pressing importance. PSMA Australia was accepted as a full member in February 2012.

CEO Dan Paull is a member of the board of the Geospatial Information & Technology Association Australia and New Zealand (GITA ANZ), a not-for-profit organisation that is focused on excellence in education and information exchange on the use and benefits of geospatial information and location-aware technologies for asset and infrastructure management.

PSMA Australia also held memberships of the International Map Traders Association (Asia Pacific) and the Spatial Industries Business Association (SIBA) during the year.

GEOSPATIAL WORLD FORUM 2012

PSMA Systems was selected as the winner of the Geospatial World Policy Award for Exemplary Implementation of Geospatial Policies and Programs which was presented at the 2012 Geospatial World Excellence Awards. Director Bruce Thompson accepted the award on behalf of PSMA Australia at a presentation ceremony held during the Geospatial World Forum in Amsterdam in April 2012. More than 150 international projects were nominated for the award program, which aims to encourage development and research in geospatial sciences and technologies.

GSDI13 CONFERENCE

CEO Dan Paull attended the Global Spatial Data Infrastructure Association (GSDI) Conference, held in Quebec City, Canada in May 2012. The GSDI 13 World Conference was held in conjunction with the GEOIDE Annual Scientific Conference and Canadian Geomatics Conference. With the theme of *Spatially Enabling Government, Industry and Citizens*, this conference explored the complementary roles of government, private industry and the academic community in realising better means for sharing geographic data and technologies and developing improved location-based services for meeting real-world needs. The conference provided an opportunity to promote the features and benefits of PSMA Systems and its application in supporting governments within

a federation to cooperate on national geospatial issues. Dan presented a paper titled *Spatial enablement: including 'location' in your thinking, problem solving and decision making*.

7TH INTERNATIONAL SYMPOSIUM ON DIGITAL EARTH

PSMA Australia presented a joint paper with EuroGeographics at the ISDE7 conference held in Perth in August 2011. The conference was attended by more than 800 delegates from 21 countries and was held in conjunction with the 2011 West Australian Land Information System (WALIS) Forum and State Natural Resource Management Conference.

EuroGeographics' Business Manager, Sallie White, and PSMA Australia's CEO, Dan Paull, delivered a paper titled *The pioneering relationship between PSMA Australia and EuroGeographics: How these continental mapping agencies are enabling the spatial community*.

4TH LAND ADMINISTRATION FORUM FOR THE ASIA AND PACIFIC REGION – BEYOND SPATIAL ENABLEMENT

CEO Dan Paull was a speaker at the 4th Land Administration Forum for the Asia and Pacific Region held in Melbourne in October 2011. The event was hosted by the University of Melbourne's Centre for Spatial Data Infrastructures and Land Administration and was held in conjunction with the 4th UN sponsored Permanent Committee on GIS Infrastructure for Asia and the Pacific Land Administration Forum. Dan's presentation was on the topic of the role of private sector in spatial enablement.

1SPATIAL USER CONFERENCE

CEO Dan Paull and Product and Services Manager, Michael Dixon attended the 1Spatial User Conference, held in Canberra in November 2011 in conjunction with the *spatial@gov* conference. Dan and Michael delivered the opening presentation on PSMA

Australia's use of the 1Spatial product: *Radius Studio and its business rules engine to support the creation of national datasets.*

SPATIAL@GOV® CONFERENCE

PSMA Australia was the diamond sponsor of the spatial@gov® conference held in Canberra in November 2011. In its third year, the conference provides a forum to promote and discuss the value of location in assisting governments to develop place-based policy, deliver programs, enhance service delivery and streamline business practices. The 2011 conference themes included water security, defence, government spatial activities in other countries, access to government spatial information, emergency response, and the spatial framework for virtual Australia.

PSMA Australia's Chairman Ollie Hedberg was the chair for the conference's plenary session on the first day. A prominent trade stand within the conference exhibition provided the opportunity to communicate the features and benefits of PSMA Systems. This included a demonstration tool designed to allow conference delegates to explore PSMA Systems' address validation capabilities. A breakfast seminar on the first morning of the conference was attended by more than 50 representatives of 18 government agencies, providing PSMA Australia with the opportunity to inform a key stakeholder group about the development and capabilities of PSMA System. National Client Manager Gerry Stanley also delivered a presentation on the value and application of geospatial data at the conference's open day, when the general public is able to access the exhibition.

ADDITIONAL CONFERENCES

PSMA Australia has been strongly committed to engaging with a broad range of audience groups to raise awareness and improve understanding of PSMA Australia's range of datasets and services.

- Group Manager Products and Services, Michael Dixon, attended the Data for Effective Decision Making Conference, addressing data collection, analysis and use in government. The conference was held at Canberra's National Convention Centre in November 2011.

- GeoNext is a new event, aimed at practitioners across location-based technologies drawn from the fields of GIS, mapping, mobility, software development and business. PSMA Australia was a sponsor and hosted a trade stand at the inaugural event held at the Australian Technology Park, Sydney, in February 2012.

- PSMA Australia also had a trade stand at the Outlook 2012 conference presented by the Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) at the National Convention Centre, Canberra, in March 2012.

- The Association of Public Communication Officials (APCO) Australasia Conference and Exhibition held at Broadbeach, Queensland in March 2012 was attended by CEO Dan Paull. Key speakers at the conference included PSMA Australia's Chairman Ollie Hedberg and Director Steven Jacoby.

- CEO Dan Paull is a member of the Advisory Board, School of Surveying and Spatial Information Systems, University of New South Wales. In April 2012, he delivered a presentation at the school's Research Workshop on geospatial technologies and geo-intelligence applications.

- A presentation on real-time address management and the benefits for disaster and emergency management services at the Australian & New Zealand Disaster and Emergency Management (ANZDEM) Conference, Brisbane, May 2012. This conference is a joint initiative of the Australian Institute of Emergency Services, the Australian & New Zealand Mental Health Organisation and the Association for Sustainability in Business.

- National Client Manager Gerry Stanley provided demonstrations of a range of new products and services including PSMA Systems, PSMA's Web Map Tile service and the Features of Interest dataset at the International Geospatial Forum organised by the International Map Traders Association (Asia Pacific) and held in Brisbane in early July.

CHARITABLE ACTIVITIES

PSMA Australia also provides financial support for a number of charitable activities. During the year, this included support for the Make a Wish Foundation and Mix 106.3 Special Children's Christmas Party.

In June 2012, CEO Dan Paul participated in the St Vincent de Paul Society's CEO Sleepout. Dan joined 150 government and business leaders in braving Canberra's winter and sleeping overnight outside the National Gallery of Australia to raise more than \$2,400 in support of homeless Australians.

2012 is the National Year of Reading and CEO Dan Paul was an ACT Reading Hour Champion, supporting Libraries ACT in promoting the benefits of reading for pleasure.

LOOKING AHEAD

OUR STRATEGY

PSMA Australia, through the activities of the Board, delivers a strategic plan with a three-year horizon. This plan is regularly reviewed and fully revised when deemed necessary. The Annual Program is based on the strategic plan and details the deliverables and outcomes that the company intends to achieve in the financial year. Together, these documents guide the development of detailed operational plans to ensure delivery aligns with the expectations of the Board and shareholders.

The following activities have been identified as areas of strategic significance for the company:

- Delivery of the fully operational PSMA Systems environment including business process automation
- Identification and development of additional datasets aimed at supporting emerging requirements in a changing and maturing market, especially those identified by ANZLIC as framework datasets
- Furthering collaborative partnerships with Australian and international organisations that share common challenges and outcomes
- Engaging with key influencers to extend the awareness and value of managing information spatially
- Supporting business partners to deliver solutions with increased functionality.

These activities entail a greater focus on technology and infrastructure and its important role in assisting in the task of managing information spatially. More than ever before, PSMA Australia is developing capabilities that enable it to not only develop and maintain data products more efficiently but also assist with delivering and extracting value from these products through the use and availability of enabling services.

Furthermore, PSMA Australia recognises that as it grows and matures, it can offer these capabilities and infrastructure to its government shareholders to aid in their own data management and boost efficiency and effectiveness. Such collaboration and connectivity will move Australia towards a national spatial data infrastructure that supports Australia's competitiveness and innovation aptitude, assist in the protection and sustainable utilisation of our environmental resources and contribute to a society where Australians feel valued and have the opportunity to participate fully.

FUTURE DEVELOPMENTS

PSMA Australia has identified the following future developments which may affect the operations of the Group in subsequent financial years:

- Changes to the Australian Government's approach to spatial data and their desire to licence data from PSMA Australia
- Further refinement of the supply chain to increase the frequency of updates and improve the quality of data
- Enhancements in PSMA Systems to support its increased utilisation by the governments of Australia.

DIRECTOR'S REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report together with the financial report of PSMA Australia Limited and of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2012 and the auditor's report thereon.

DIRECTORS

Name	Glenn Appleyard
Age	59
Qualifications and Affiliations	Bachelor of Economics, GAICD
Experience	Member, Commonwealth Grants Commission, since 2004 Chairman, Tasmanian Economic Regulator, since 2008 Member, Australian Accounting Standards Board, 2002-2011 Member, Audit and Risk Committee, University of Tasmania, since 2008 Chairman, Audit and Risk Committee, Australian Energy Market Commission, since 2007 Chairman, General Practice Tasmania, 2009-2011 Member, Independent Hospital Pricing Authority, since 2012
Special Responsibilities	Independent Company Director

Name	Michael Bradford
Age	47
Qualifications	Bachelor of Surveying, Master of Management Studies (Project Management)
Experience	Chief Executive, Landgate, Western Australia, since 2009 Executive Director, Information Access, Landgate, Western Australia, 2007-2009
Special Responsibilities	Company Director, Audit Committee Chairman (ceased directorship in October 2011)

Name	Jodi Cant
Age	45
Qualifications and Affiliations	Bachelor of Economics, GAICD, Fellow of Leadership WA
Experience	Chairperson, Earthmine Australia, since February 2012 General Manager, Business Development, Landgate WA, since October 2009 Executive Director / Innovation Manager / Corporate Communications Manager, Landgate WA, 2004-2009
Special Responsibilities	Company Director, Member of Audit Committee (joined in October 2011)

Name	Olaf Hedberg AM
Age	74
Experience	Awarded Member of the Order of Australia for service to the spatial information industry within Tasmania and nationally, particularly through contributions to a range of public sector agencies, 2008. Principal Dakel Nominees, Information Management and Land Administration Consultants, since 2002 Chairman of PSMA Distribution Pty Ltd, since 2008 Chairman of Victorian Spatial Council, since 2008 Member of NSW Land and Property Advisory Committee, since 2008 General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania, 1991-2002
Special Responsibilities	Independent Company Director, Chairman of the Board, Chairman of the Executive Committee.

Name	William Hirst
Age	60
Qualifications	Bachelor of Surveying, Master of Surveying Science, Graduate Diploma of Management
Experience	Surveyor-General of the ACT, since 2007 Manager, Maritime Boundaries and Advice, Geoscience Australia, 1997-2007 IT / R&D Manager, Australian Surveying and Land Information Group (AUSLIG), 1994-1997
Special Responsibilities	Company Director, Member of Executive Committee

Name	Martin Holmes
Age	59
Qualifications	Fellow of Australian Institute of Company Director, Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management
Experience	Retired in 2009 as Assistant Director General, Department of Employment, Economic Development and Innovation, Queensland Director, PSMA Distribution Pty Ltd, 2008-2011
Special Responsibilities	Independent Company Director, Marketing Director, member of the Executive Committee. Resignation from PSMA Distribution Board and Audit Committee effective from October 2011

Name	Steven Jacoby
Age	50
Qualifications	Master of Surveying Science, Bachelor of Applied Science
Experience	General Manager, Spatial Information, Department of Natural Resources and Mines, Queensland, since 2009 Chair, Queensland Spatial Information Council, since 2003 Chief Information Officer, Department of Natural Resources and Water, Queensland, 2003-2008 Director, Land Information Group, Victoria, 1996-2003
Special Responsibilities	Company Director

Name	Kate Kent
Age	49
Qualifications and Affiliations	Master of Economics, Diploma in Education, GAICD
Experience	General Manager, Information and Land Services, Department of Primary Industries, Parks, Water and Environment, Tasmania, since 2009 Honorary Lecturer, School of Government, University of Tasmania, since 2003 General Manager, Strategic Policy Department of Primary Industries, Parks, Water and Environment, Tasmania, 2005-2009 Board member, Theatre Royal Management Board, since 2012 Board member, Lady Gowrie Tasmania, 2005-2009
Special Responsibilities	Company Director

Name	Mary O’Kane
Age	57
Qualifications and Affiliations	Bachelor of Science, Ph.D, FTSE, Hon FIEAust, CPEng
Experience	Executive Chair, Mary O’Kane & Associates Pty Ltd, since 2001 NSW Chief Scientist and Engineer, since 2008 Director, Australian Academy of Technological Sciences and Engineering Limited & Vice-President, Australian Academy of Technological Sciences and Engineering Chair, Development Gateway Board Chair, Development Gateway International Board Chair, Spatial Information Systems Research Limited Board (Board of CRC for Spatial Information) Member, Defence Science and Technology Advisory Board Director, Business Events Sydney Ltd Director, National ICT Australia Ltd Director, Capital Markets CRC Ltd Director, ITC Ltd Member, Charles Darwin University Council Member, Board of NZ Antarctic Research Institute Vice-Chancellor, President, Rector, The University of Adelaide, 1996-2001
Special Responsibilities	Independent Company Director

Name	Desmond Mooney
Age	62
Qualifications and Affiliations	Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer, FAIM, FAICD, JP
Experience	General Manager, Land and Property Information, Department of Finance and Services, New South Wales, since 2009 Deputy Director General, Department of Lands, and General Manager, Land and Property Information, New South Wales, 2003-2009 Director, PSMA Distribution Pty Ltd, since 2008 General Manager, Land and Property Information, New South Wales, 2001-2002 Executive Director, Management Services, New South Wales Police Services, 1999-2001 General Manager, Land Information Centre, New South Wales, 1990-1998
Special Responsibilities	Deputy Chairman, Company Director, Member of Executive Committee

Name	John O'Malley
Age	60
Qualifications	Graduate Diploma Public Sector Administration, Associate Diploma Accounting, Business Certificate Supply
Experience	Executive Director, Client Services, Department of Environment and Natural Resources, South Australia, since 2010 Executive Director, Information, Science and Technology, Department for Environment and Heritage, South Australia, 2007-2010 Director, Board for the Australian Centre for Evolutionary Biology and Biodiversity, since 2009 Member, Natural Resources Policies and Programs Committee, South Australia, since 2009 Chair, SA Spatial Information Committee, since 2008 Director, Business Operations, Department for Environment and Heritage, South Australia, 2002 – 2007
Special Responsibilities	Company Director, Chairman of Audit Committee (appointed in August 2011)

Name	Lynne Robinson
Age	46
Qualifications and Affiliations	Bachelor of Arts, Master of Agribusiness (completing)
Experience	Independent Company Director, PSMA Distribution Pty Ltd, since 2011 Managing Partner, Mercury Partners, since 2009 ANZ Technology Program Director / Executive Manager, Platforms / Senior Manager, Service Integration, ANZ Banking Group, 2003-2008 Senior Manager, ING Australia, 2001-2003
Special Responsibilities	Company Director of PSMA Distribution, Member of Audit Committee (joined in February 2012)

Name	Benjamin Searle
Age	56
Qualifications	Bachelor of Science (Geography)
Experience	General Manager, Australian Government Office of Spatial Data Management, since 2007 Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory, 2002-2007
Special Responsibilities	Company Director, Member of Executive Committee (resigned in October 2011)

Name	Victor Stephens
Age	65
Qualifications	Bachelor of Arts (Hons) (Geography), Master of Science Economics (Urban and Regional Planning), Graduate Diploma Management
Experience	Senior Director, Land Information, Department of Lands and Planning, Northern Territory, since 2001 Assistant Secretary, Land Information, Department of Lands, Planning and Environment, Northern Territory, 1995-2001
Special Responsibilities	Company Director

Name	Bruce Thompson
Age	54
Qualifications	Bachelor of Design Studies, Master Business Information Technology
Experience	Chief Information Officer, Corporate & Business Services, Department of Sustainability and Environment, Victoria, since 2003 Director, Land Information Group, Department of Sustainability and Environment, Victoria, 2003
Special Responsibilities	Company Director, Member of Executive Committee

COMPANY SECRETARY

Name	Daniel Paull
Age	41
Qualifications and Affiliations	Fellow of Australian Institute of Company Director, Master of Business Administration (Executive), Bachelor of Surveying (Hons), Company Directors Diploma, Certificate of Competency – Board of Surveyors NSW, Advanced Diploma in Project Management
Experience	1999-present: Chief Executive Officer, PSMA Australia. Appointed Company Secretary on 20 June 2001 2008-present: Director PSMA Distribution Pty Limited
Special Responsibilities	CEO of PSMA Australia Limited and PSMA Distribution Pty Limited, Company Secretary and Public Officer PSMA Australia and PSMA Distribution, Member of the Executive Committee (ex-officio)

DIRECTORS' MEETINGS

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

	Directors' Meetings	Audit Committee	Executive Committee	Extraordinary Directors' Meeting
Number of meetings held	4	4	3	1 (teleconference)
Glenn Appleyard (joined in February 2012)	2	-	-	-
Michael Bradford (ceased directorship in October 2011)	-	-	-	-
Jodi Cant (joined in October 2011)	4	2	-	-
Olaf Hedberg AM(c)	4	-	3	1
William Hirst	4	-	2	1
Martin Holmes (resigned in October 2011)	1	1	-	-
Steven Jacoby	3	-	-	1
Kate Kent	4	-	-	1
Desmond Mooney	4	-	3	1
Mary O'Kane	4	-	-	1
John O'Malley	4	3	-	1
Daniel Paull	4	3	3	1
Lynne Robinson (joined in February 2012)	-	-	-	-
Benjamin Searle (resigned in October 2011)	-	-	-	1
Victor Stephens	3	-	-	1
Bruce Thompson	4	-	3	1

CORPORATE GOVERNANCE STATEMENT

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

BOARD OF DIRECTORS

ROLE OF THE BOARD

The board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring budgets and capital expenditure, appointing and evaluating performance of the chief executive officer, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal controls and management information systems. It is also responsible for approving and monitoring financial processes and reporting.

The board has delegated responsibility for operation and administration of the Company to the chief executive officer and executive committee. Responsibilities are delineated by formal authority delegations.

BOARD PROCESSES

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

The board currently holds four scheduled meetings each year. The agenda for the meetings is prepared in conjunction with the chairman, chief executive officer and company secretary. Standing items include the financial reports, strategic matters, governance and compliance. Directors have opportunities during visits to business operations, for contact with a wide group of employees.

COMPOSITION OF THE BOARD

The names of the directors of the Company at any time during or since the end of the financial year, specifying which are independent, are set out in the directors' profile of the Directors' Report. The composition of the board is determined using the following principles:

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

REMUNERATION OF DIRECTORS

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 21.

COMMITTEES OF THE BOARD

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

Executive Committee:

Olaf Hedberg AM (Chairman)
William Hirst
Desmond Mooney
Daniel Paull
Bruce Thompson

Audit Committee:

John O'Malley (Chairman, appointed in August 2011)

Michael Bradford (resigned October 2011)
Jodi Cant (joined in October 2011)

PSMA Distribution Pty Ltd

Martin Holmes (ceased directorship in October 2011)

Lynne Robinson (joined in February 2012)

Executive committee

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

The Executive Committee comprises at least three directors and the chief executive officer. The chairperson of the board also chairs the Executive Committee.

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

Audit committee

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

The Audit Committee comprises three directors including one independent director from the PSMA Distribution Board. At the discretion of the committee, the Chief Executive Officer, Corporate Services Manager and the Finance Manager are invited to audit committee meetings.

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

CONFLICT OF INTERESTS

Directors must keep the board informed, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the board believes that a significant conflict exists for a director on a board matter, the director concerned will not receive the relevant board papers and will not be present at the meeting while the matter is considered. Directors are reminded to update the register of any interests and conflicts at the beginning of each board meeting.

RISK MANAGEMENT

The Group 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 Group's objectives and activities are aligned with the risks and opportunities identified by the board.

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

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

PRINCIPAL ACTIVITIES

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

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

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

REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Operational Review section

from page 12 of the PSMA Australia Limited Annual Report 2011-2012.

PERFORMANCE MANAGEMENT

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

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

OPERATING RESULTS

The Group earned an operating profit of \$114,551 for the financial year from 1 July 2011 to 30 June 2012. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2011 to 30 June 2012.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report an issue has arisen which in the opinion of the Directors of the Group has the potential to significantly affect the operations of the group in future financial years. This issue relates to the formal request from the Australian Government to pursue a whole of Government Licence and Pricing Agreement to access PSMA Australia's address data and related services.

In a letter to the CEO, PSMA Australia Ltd, the Australian Government, via the Office of Spatial Policy, formally advised of their desire to commence discussions with the intention to negotiate a whole of Government licence for access to G-NAF. Following initial discussions both parties signed a Memorandum of Understanding which outlined the general principles to be observed in negotiating an agreement.

On 3rd September 2012, the Secretary of the Department of Resources, Energy and Tourism formally advised PSMA that the Commonwealth Secretaries Board had approved the APS Location Project Implementation Plan, which in their opinion can be best achieved by pursuing a whole of government licence and pricing agreement to gain access to PSMA Australia's address data and related services.

Both parties are now in formal discussions on advancing this request. Should an agreement be reached then this has the potential to significantly affect the operations of the PSMA Group in future financial years.

FUTURE DEVELOPMENTS

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the Looking Ahead section in the Operational Review on page 25 of the PSMA Australia Limited Annual Report 2011-2012.

OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2011 to 30 June 2012. 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.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

During or since the end of financial year the Group has paid or agreed to pay insurance premiums of \$7,870 to QBE Insurance in respect of a policy that specifically covers directors' and officers' liability, and \$1,018 to ACE Insurance in respect of a policy that provides personal accident insurance for non-working directors and volunteers.

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR'S INDEPENDENCE DECLARATION

During the year Maxim Chartered Accountants has performed certain other services in addition to their statutory duties. The board is satisfied that the non-audit services provided by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or sharing risks and rewards.

Details of the amounts paid to the auditor, Maxim Chartered Accountants, for the audit and non-audit services provided during the year are set out in Note 22 'Auditor's Remuneration' on Page 64.

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 65.

No officer of the Company/Group is or has been a partner/director of any auditor of the Group.

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



Olaf Hedberg
Chairman, PSMA Australia Limited
Dated at Canberra this 15 October 2012

FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

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

In the opinion of the directors of PSMA Australia Limited:

a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

b) the financial report also complies with International Financial Reporting Standards as disclosed in notes 2.1 and 3.14

c) there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Olaf Hedberg
Chairman, PSMA Australia Limited
Dated at Canberra this 15 October 2012



Desmond Mooney
Deputy Chairman/Director, PSMA Australia Limited
Dated at Canberra this 15 October 2012

STATEMENT OF COMPREHENSIVE INCOME

	Note	Consolidated		Company	
		2012	2011	2012	2011
		\$	\$	\$	\$
Revenue					
Access Fees	7	1,318,093	980,029	-	-
Royalties	7	5,052,346	4,904,516	-	-
Interest	10	151,173	172,623	142,612	171,536
Licence Fee Income		-		6,242,811	5,806,477
Other income	7	463,529	699,657	58,461	229,790
Total revenues from ordinary activities		6,985,141	6,756,825	6,443,884	6,207,803
Expenses from operations					
Employee benefits expense	16	2,329,385	2,406,650	1,942,759	1,752,845
Depreciation and amortisation expenses	11	192,366	238,075	192,366	238,075
Other expenses		4,348,839	4,022,395	4,242,708	4,128,823
Total expenses from operations		6,870,590	6,667,120	6,377,833	6,119,743
Net profit from continuing operations		114,551	89,705	66,051	88,061
Other comprehensive income:					
Net gain on revaluation of intangible assets		2,067,963	-	2,067,963	-
Total comprehensive income for the year		2,182,514	89,705	2,134,014	88,061
Net profit attributable to members		114,551	89,705	66,051	88,061

The accompanying notes on page 46 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated			Company		
		2012	2011	2010	2012	2011	2010
ASSETS		\$	\$	\$	\$	\$	\$
Current assets							
Cash and cash equivalents	14.1	3,277,013	2,896,096	3,720,123	3,142,278	2,832,563	3,213,748
Trade and other receivables	13	2,000,859	1,906,378	1,506,022	2,227,449	1,640,772	2,029,784
Total current assets		5,277,872	4,802,474	5,226,145	5,369,727	4,473,335	5,243,532
Non-current assets							
Investment in subsidiary		-	-	-	1	1	1
Property, plant and equipment	11	316,323	448,595	1,684,607	316,323	448,595	1,684,607
Intangible assets	12	6,126,675	3,445,286	1,458,631	6,126,675	3,445,286	1,458,631
Total non-current assets		6,442,998	3,893,881	3,143,239	6,442,999	3,893,882	3,143,239
TOTAL ASSETS		11,720,870	8,696,355	8,369,384	11,812,726	8,367,217	8,386,770

LIABILITIES							
Current liabilities							
Trade and other payables	18	3,079,284	2,146,909	1,914,421	3,238,298	1,832,932	1,959,439
Provisions	17	66,253	91,563	84,796	55,687	81,870	55,606
Total current liabilities		3,145,537	2,238,472	1,999,217	3,293,985	1,914,802	2,015,045
Non-current liabilities							
Provisions	17	92,160	122,424	89,325	84,066	116,956	89,325
Building Fit-out Incentive		92,342	127,342	162,342	92,342	127,342	162,342
Total non-current liabilities		184,502	249,766	251,667	176,408	244,298	251,667
TOTAL LIABILITIES		3,330,039	2,488,238	2,250,884	3,470,393	2,159,100	2,266,712
NET ASSETS		8,390,831	6,208,118	6,118,499	8,342,333	6,208,118	6,120,058
EQUITY							
Issued capital	15	9	9	9	9	9	9
Retained earnings	15	6,304,970	5,790,420	5,604,307	6,256,472	5,790,420	5,605,865
Reserves	15	2,085,652	417,689	514,183	2,085,652	417,689	514,183
TOTAL EQUITY		8,390,831	6,208,118	6,118,499	8,342,333	6,208,118	6,120,058

STATEMENT OF CASH FLOWS

	Note	Consolidated		Company	
		2012	2011	2012	2011
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		6,833,968	6,584,202	6,414,495	6,036,267
Payments to suppliers and employees		(5,930,704)	(6,592,134)	(5,574,072)	(5,600,271)
Interest received					
	10	151,173			
	172,623	142,612	171,536		
Net cash provided by operating activities	14.2	1,054,437	164,691	983,035	607,532
Cash flows from investing activities					
Purchase of intangible assets		(613,426)	(914,707)	(613,426)	(914,707)
Purchase of plant and equipment	11	(60,094)	(74,011)	(60,094)	(74,011)
Net cash used in investing activities		(673,520)	(988,718)	(673,520)	(988,718)
Cash flows from financing activities					
Net cash used in financing activities		-	-	-	-
Net increase/ (decrease) in cash held		380,917	(824,027)	309,515	(381,185)
Cash at beginning of year		2,896,096	3,720,123	2,832,763	3,213,948
Cash at end of year	14.1	3,277,013	2,896,096	3,142,278	2,832,763

STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital (ordinary)	Retained Earnings	Revaluation Surplus	Special Project Reserve	Total
		\$	\$	\$	\$	\$
Consolidated Group						
Balance at 1 July 2010		9	5,604,221	-	514,183	6,118,413
Profit or loss			89,705	-	-	89,705
Other comprehensive income						
Transfers from retained earnings to special project reserve			(479,407)	-	479,407	-
Transfers from special project reserve to retained earnings			575,902	-	(575,902)	-
Total other comprehensive income			96,495	-	(96,495)	-
Total comprehensive income			186,200	-	(96,495)	89,618
Balance at 30 June 2011	15	9	5,790,420	-	417,688	6,208,118
Profit or loss			114,551			114,551

	Note	Share Capital (ordinary)	Retained Earnings	Revaluation Surplus	Special Project Reserve	Total
		\$	\$	\$	\$	\$
Other comprehensive income						
Transfers from special project reserve to retained earnings			400,000		(400,000)	
Asset Revaluation Reserve			-	2,067,963	-	2,067,963
Total other comprehensive income		-	400,000	2,067,963	(400,000)	2,067,963
Total comprehensive income		-	514,551	2,067,963	(400,000)	2,182,514
Balance at 30 June 2012	15	9	6,304,971	2,067,963	17,688	8,390,831

	Note	Share Capital (ordinary)	Retained Earnings	Revaluation Surplus	Special Project Reserve	Total
		\$	\$	\$	\$	\$
Parent Entity						
Balance at 1 July 2010		9	5,605,865	-	514,183	6,120,057
Profit or loss			88,061	-	-	88,061

Other comprehensive income						
Transfers from retained earnings to special project reserve			(479,407)	-	479,407	-
Transfers from special project fund to retained earnings			575,902	-	(575,902)	-
Total other comprehensive income			96,495	-	(96,495)	-
Total comprehensive income			184,556	-	(96,495)	88,061
Balance at 30 June 2011	15	9	5,790,421	-	417,688	6,208,118
Profit or loss			66,051	-	-	66,051
Other comprehensive income						
Transfers from special project reserve to retained earnings			400,000	-	(400,000)	-
Asset Revaluation Reserve			-	2,067,963	-	2,067,963
Total other comprehensive income		-	400,000	2,067,963	(400,000)	2,067,963
Total comprehensive income		-	466,051	2,067,963	(400,000)	2,134,014
Balance at 30 June 2012	15	9	6,256,472	2,067,963	17,688	8,342,333

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

PSMA Australia Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia.

The address of the Company's registered office is Level 2 / 113 Canberra Avenue, Griffith ACT 2603.

Controlled entities during the financial year ended 30 June 2012 were

- PSMA Distribution Pty Ltd

The consolidated financial statements of the Company as at and for the year ended 30 June 2012 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

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

- Assembling fundamental datasets of national interest;
- Coordinating the delivery of these datasets so as to achieve the widest possible audience and delivering them to the widest possible use; and
- Assist organisations and individuals to maximise the value from these datasets, with the least amount of effort and in doing so maximise the economic, social and environmental benefits.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative

pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the IASB.

The financial statements for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the directors on 15 October 2012.

BASIS OF MEASUREMENT

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

FUNCTIONAL AND PRESENTATION CURRENCY

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates, though estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies, that have the most significant effect on the amount recognised in the financial statements, are described in the following notes:

- note 12 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 17 – provision accounts
- note 19 – valuation of financial instruments

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Impairment losses are recognised in the income statement.

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 30th June 2012 confirmed no impairment of the PSMA Datasets and Products or PSMA Systems 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.

SIGNIFICANT ACCOUNTING POLICIES

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

PRINCIPLES OF CONSOLIDATION

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

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

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

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

FINANCIAL INSTRUMENTS

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

Cash and cash equivalents

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

Receivables

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

Key judgement – provision for impairment of receivables

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

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 are measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is 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.

SHARE CAPITAL

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

PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

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

Plant and equipment

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

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

Depreciation

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

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

Class of fixed asset	Estimated useful life	Depreciation rate
plant and equipment	5 years	20%
furniture and fittings	5 years	20%
computer hardware	3 years	33%
computer software	4 years	25%

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

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

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

INTANGIBLE ASSETS

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

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

Intangible assets with an indefinite useful life are tested for impairment annually either individually or as a cash-generating unit. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is

reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable.

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

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 intangible assets with indefinite lives.

Due to the nature of the business activities, PSMA operate in a non-competitive market where fair value of the asset is not easily determined. In February 2012, the Company sought expert advice to conduct a valuation of the intangible assets to derive the value of the datasets. The valuation method used was the accumulative total of past historical capital expenditure.

Due to the inter-dependency of the data products, it was not possible to estimate the recoverable amount of an individual asset.

Hence, PSMA has estimated the recoverable amount of the cash-generating unit to which the asset belongs and consequently the various datasets have been classified as one asset for the purpose of impairment testing.

To establish the recoverable amount of the asset, the “building block” approach which is commonly used in a regulatory practice in Australia was used. This involves the development of a revenue requirement which is consistent with the constraint placed on firms by competitive markets.

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.

EMPLOYEE BENEFITS

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

PROVISIONS

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

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; 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 determined by discounting future cash flows using a current rate that reflects the risk specific to the liability.

REVENUE RECOGNITION

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

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

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

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

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.

INCOME TAX

The Company and its wholly-owned Australian subsidiary are exempt from income tax under the provisions of Section 24AM of Division 1AB of the Income Tax Assessment Act 1936 on the grounds that the Company is a State/Territory body.

CHANGES IN ACCOUNTING POLICY

The AASB has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. The potential impact on the Group is as follows:

Standards affected	Application date of standard
AASB9: Financial Instruments: This Standard includes revised requirements for the classification and measurement of financial instruments. The Group has not yet determined any potential impact on the financial statements	Applicable for reporting periods commencing after 1 January 2013

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 Group.

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; and
- for receivables and payables which are shown inclusive of GST.

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

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

DETERMINATION OF FAIR VALUES

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

INTANGIBLE ASSETS

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

INVESTMENTS IN EQUITY AND DEBT SECURITIES

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

FINANCIAL RISK MANAGEMENT

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

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and the Audit Committee oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the

risk management framework in relation to the risks faced by the Company and Group.

CREDIT RISK

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

The maximum exposure to credit risk for recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial report.

Trade and other receivables

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

Investments

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

LIQUIDITY RISK

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

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

MARKET RISK

The Group's major exposure to market risk is interest rate and foreign exchange risk. Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

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

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

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

	fixed interest rate maturing within 1 year		fixed interest rate maturing 1-5 yrs		floating interest rate		non-interest bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Financial assets										
Cash	-	-	-	-	1,424,400	625,901	-	-	1,424,400	625,901
Receivable	-	-	-	-	-	-	2,000,859	1,906,378	2,000,859	1,906,378
Investment	1,852,613	2,270,195	-	-	-	-	-	-	1,852,613	2,270,195
Total	1,852,613	2,270,195	n/a	n/a	1,424,400	625,901	2,000,859	1,906,378	5,277,872	4,802,474
Financial liabilities										
Payable	-	-	-	-	-	-	2,371,063	2,238,472	3,145,537	2,238,472
Total	n/a	n/a	n/a	n/a	n/a	n/a	2,371,063	2,238,472	3,145,537	2,238,472

CAPITAL MANAGEMENT

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

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

While the current ratio as at 30th June 2012 was 1.68:1, the ratio indicates that the Company has sufficient liquid assets to meet its short-term obligations.

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

SEGMENT REPORTING

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

REVENUE AND OTHER INCOME

	Consolidated		Company	
	2012	2011	2012	2011
Services revenue	\$	\$	\$	\$
VAR Access fees	442,424	423,141	-	-
Corporate Access Fees	875,669	556,888	-	-
Total services revenue	1,318,093	980,029	-	-
Non-services income				
Royalties	5,052,346	4,904,516	-	-
Interest	151,173	172,623	142,612	171,536
Rental sublease and reimbursable	51,996	81,596	51,996	81,596
Consulting	405,068	608,975	-	139,938
Miscellaneous	6,465	9,086	6,465	8,257
Total non-services income	5,667,048	5,776,796	201,073	401,326
Total revenue	6,985,141	6,756,825	201,073	401,326

Consulting (part of non-services income) is a combination of PSMA Systems and consulting income, it can be divided across the two tiers, namely: services revenue and non-services income. It has been allocated for 2011/12 in non-services income as per previous years for consistency purposes.

PROFIT ATTRIBUTABLE TO MEMBERS

Profit from ordinary activities is attributable to members after:

	Consolidated		Company	
	2012	2011	2012	2011
Other expenses	\$	\$	\$	\$
Depreciation of plant and equipment	192,366	238,075	192,366	238,075
Total other expenses	192,366	238,075	192,366	238,075
Remuneration of auditor				
Auditing or reviewing the financial report	51,230	40,553	51,230	40,553
Taxation services	13,925	3,980	13,925	3,980
Total remuneration of auditor	65,155	44,533	65,155	44,533
Rental expense on operating leases:		81,596	51,996	81,596
Office space (including sub-lease)	277,172	227,023	265,051	255,811
Total rental expense on operating leases	277,172	227,023	265,051	255,811

INCOME TAX EXPENSES

The Company and Group are exempt from income tax under the provisions of Section 24AM of Division 1AB of the Income Tax Assessment Act 1936 on the grounds that the Company is a State/Territory body.

FINANCE INCOME AND EXPENSES

	Consolidated		Company	
	2012	2011	2012	2011
Other expenses	\$	\$	\$	\$
Interest income on unimpaired held-to-maturity investments	137,194	113,386	130,782	113,386
Interest income on bank deposits	13,979	59,237	11,830	58,150
Finance Income	151,173	172,623	142,612	171,536
Finance and impairment expenses	(4,891)	(5,467)	(4,594)	(4,583)
Finance expense	(4,891)	(5,467)	(4,594)	(4,583)
Net finance income	146,282	167,156	138,018	166,953

PLANT AND EQUIPMENT

	Consolidated		Company	
	2012	2011	2012	2011
Other expenses	\$	\$	\$	\$
IT Equipment – at cost	426,937	524,918	426,937	524,918
Accumulated depreciation	(304,665)	(354,508)	(304,665)	(354,508)
	122,272	170,411	122,272	170,411
Furniture and Equipment – at cost	133,948	133,948	133,948	133,948
Accumulated depreciation	(88,518)	(61,728)	(85,518)	(61,728)
	45,430	72,220	45,430	72,220
Building Fit out – at cost	286,716	286,716	286,716	286,716
Accumulated amortisation	(138,095)	(80,752)	(138,095)	(80,752)
	148,621	205,964	148,621	205,964
Total plant and equipment	316,323	448,595	316,323	448,595

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 1 July 2011	448,595
Additions	60,094
Depreciation expense	(192,366)
Carrying amount at 30 June 2012	316,323

INTANGIBLE ASSETS

Development of datasets and logistics facilities

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
PSMA Datasets and Products	3,661,573	1,505,692	3,661,573	1,505,692
PSMA Systems - Services	1,264,708	1,939,594	1,264,708	1,939,594
PSMA Systems - Data Management	1,200,394	-	1,200,394	-
	6,126,675	3,445,286	6,126,675	3,445,286
Accumulated impairment losses	-	-	-	-
Net carrying value	6,126,675	3,445,286	6,126,675	3,445,286
Reconciliation				
Balance at 1 July 2011	3,445,286	2,530,579	3,445,286	2,530,579
Additions	613,426	914,707	613,426	914,707
Revaluation - PSMA Datasets and Products	2,067,963	-	2,067,963	-
Closing carrying value at 30 June 2012	6,126,675	3,445,286	6,126,675	3,445,286

In February 2012, PSMA negotiated new licence agreements with all jurisdictions. The Company owns the intellectual property rights in the data that comprises the seven data products; namely G-NAF, Administrative Boundaries, Cadastral Lite, Transport and Topography, Postcode Boundaries, Features of Interest/ Points of Interest and Land Tenure.

PSMA has sought expert advice to develop a valuation methodology for our data products. Due to the interdependency of these data products, they have been classified as one intangible asset for the purpose of impairment testing.

The intangible assets have been revalued as at 30th June 2012. The recoverable amount based on the "building-block" revenue requirement method was estimated to be higher than the carrying amount for the above intangible assets, and therefore no impairment.

TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2012	2011	2012	2011
Current	\$	\$	\$	\$
Trade receivables	1,807,663	1,817,066	2,082,838	1,551,497
less provision for impairment of receivables	-	-	-	-
	1,807,663	1,817,066	2,082,838	1,551,497
Other receivables				
Interest receivable	23,358	54,572	23,358	54,572
Prepayments	116,590	3,445,286	6,126,675	3,445,286
Accrued income	53,247	-	4,623	-
	193,195	89,312	144,571	89,275
Total trade and other receivables	2,000,858	1,906,378	2,227,409	1,640,772

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 2012, there was no impairment of trade receivables and no provision for doubtful debts has been allocated.

CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2012	2011	2012	2011
Cash and cash equivalents	\$	\$	\$	\$
Cash at bank and in hand	1,424,400	625,901	1,289,665	562,368
Short term bank deposits	1,852,613	2,270,195	1,852,613	2,270,195
Cash and cash equivalents in the statement of cash flows	3,277,013	2,896,096	3,142,278	2,832,563

The effective interest rate on the bank deposits was 5.46%, with an average maturity of 206 days.

STATEMENT OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated		Company	
	2012	2011	2012	2011
Cash flows from operating activities	\$	\$	\$	\$
Profit attributable to members:	114,551	89,618	66,051	88,060
Non-cash flows in profit				
Depreciation	192,366	238,075	192,366	238,075
Fit out amortisation (rent reduction)	(35,000)	(35,000)	(35,000)	(35,000)
Inter-Entity Transactions			43,389	
Operating profit before changes in working capital and provisions				
Change in trade and other receivables	(43,845)	(400,421)	(531,341)	389,011
Change in other assets	(50,637)	65	(55,297)	-
Change in trade and other payables	546,154	116,579	1,354,648	(130,087)
Change in provisions and employee benefits	(48,151)	41,818	(51,784)	57,474
Change in income in advance	378,799	114,017	-	-
Net cash from operating activities	1,054,237	164,691	983,032	607,532

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

CAPITAL AND RESERVES

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Retained earnings				
Retained earnings	6,304,971	5,790,420	6,256,472	5,790,421
	6,304,971	5,790,420	6,256,472	5,790,421
Reserves				
Revaluation surplus	2,067,963	-	2,067,963	-
Special project fund	17,689	417,689	17,689	417,689
	2,085,652	417,689	2,085,652	417,689

The Special Project fund is a reserve created from Retained Earnings to reflect the development of PSMA Systems infrastructure, and for future research and development projects of the Company. During the 2011/2012 financial year, \$400,000 of PSMA Systems development costs was written back against the Special Project fund.

SHARE CAPITAL

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Fully paid ordinary shares	9	9	9	9
Issue of ordinary shares	-	-	-	-
Fully paid ordinary shares	9	9	9	9

The Company has authorised share capital amounting to 9 ordinary shares of \$1 par value.

EMPLOYEE BENEFITS

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Wages and salaries	2,117,662	1,836,454	1,785,983	1,457,333
Other associated personnel expenses	267,297	530,330	215,849	431,616
Annual leave expenses	(25,310)	6,767	(26,183)	26,264
Long service leave expenses	(30,264)	33,099	(32,890)	27,631
Total employee benefits	2,329,385	2,406,650	1,942,759	1,942,844

PROVISIONS

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Opening balance at 1 July 2011	213,987	174,121	198,826	144,931
Movements during the year	(55,574)	39,866	(59,073)	53,895
Balance at 30 June 2012	158,413	213,987	139,753	198,826
Analysis of provisions				
Current	66,253	91,563	55,687	81,870
Non-current	92,160	122,424	84,066	116,956
	158,413	213,987	139,753	198,826
Number of employees at year end	21	19	19	16

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 3.8.

TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2012	2011	2012	2011
Trade payables	\$	\$	\$	\$
Trade Payables	431,417	263,289	1,358,310	254,053
Employee benefits	79,315	71,892	65,652	58,363
	510,732	335,181	1,423,962	312,416
Sundry payables and accrued expenses				
Accrued Jurisdictional Royalties for 11/12	1,004,935	-	1,004,935	-
Accrued Jurisdictional Royalties for 10/11	227,324	980,903	227,324	980,903
Accrued Jurisdictional Royalties for 09/10	188,516	188,516	188,516	188,516
Accrued Jurisdictional Royalties for 08/09	230,119	230,119	230,119	230,119
Accrued Jurisdictional Royalties for 07/08	140,740	140,740	140,740	140,740
Accrued Jurisdictional Royalties for 06/07	43,453	43,453	43,453	43,453
GST Liability/(Refund)	207,737	81,068	(20,751)	(63,216)
Income in Advance	525,727	146,928	-	-
	2,568,551	1,811,728	1,814,336	1,520,516
Total payables	3,079,283	2,146,909	3,238,298	1,832,932

FINANCIAL INSTRUMENTS

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.

LEASING COMMITMENTS

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

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
not later than 1 year	275,776	264,315	275,776	264,315
later than 1 year but no later than 5 years	79,315	71,892	65,652	58,363
later than 5 years	-	-	-	-
Total operating lease commitments	719,899	995,675	719,899	995,675

The property lease is a non-cancellable lease with a five- year term to 01/02/2015, and an option exists to renew the lease for an additional term after the five year period. The board of directors will assess their options and requirements prior to the expiry date. Rent is payable monthly in advance and contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. The lease allows for subletting of all leased areas.

RELATED PARTY DISCLOSURES

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

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Independent directors fees				
Stephen Godfrey	-	5,000	-	-
Dakel Nominees (Olaf Hedberg)	100,000	100,000	70,000	70,000
Glenn Appleyard	14,333	-	14,333	-
Mercury Partners (Lynn Robinson)	10,000	-	-	-
Semloh Consulting (Martin Holmes)	10,000	30,000	-	10,000
Mary O'Kane & Assoc (Mary O'Kane)	20,000	20,000	20,000	20,000
Total of transactions with related parties	154,433	155,000	104,333	100,000

AUDITOR'S REMUNERATION

	Consolidated		Company	
	2012	2011	2012	2011
Remuneration of auditor:	\$	\$	\$	\$
Audit and review of financial reports	59,030	40,553	59,030	40,553
Taxation services	6,125	3,980	6,125	3,980
Total remuneration of auditor	65,155	44,533	65,155	44,533

CORRECTION OF PRIOR YEAR'S COMPARITIVES

The Special Project fund is a reserve created from Retained Earnings since 2006/07 for the purpose of the development of the PSMA Systems infrastructure, and for future research and development projects of the Company. The funds were first recognised in the 2008/09 financial year for capital works expenditure.

The disclosure of the expenditure of these reserves was incorrectly treated in prior year financial reports. Expense accounts were incorrectly reduced by contra entries against the reserve account for the value of development expenditure. As a result, total expenditure for the year ended 30 June 2011 was understated and consequently, net profit was overstated by \$575,902.

As a result, total expenditure for the year ended 30 June 2011 was understated and consequently, net profit was overstated by \$575,902.

The restated Consolidated and Company net profit for the year ended 30th June 2011 was \$89,705 and \$88,061 respectively. Correction has been made to the comparatives in this financial report.

MAXIM

CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION

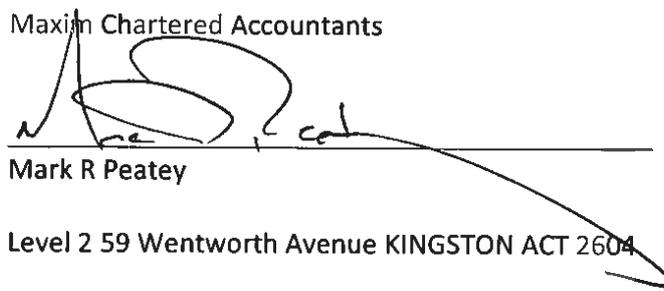
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTOR OF PSMA AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

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

Name of Firm: Maxim Chartered Accountants

Name of Partner:


Mark R Peatey

Address: Level 2 59 Wentworth Avenue KINGSTON ACT 2604

Dated this 5th day of October 2012

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of PSMA Australia Limited and PSMA Distribution Pty Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the director's declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2.1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and

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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.

Opinion

In our opinion:

- a. the financial report of PSMA Australia Ltd and controlled entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date: and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

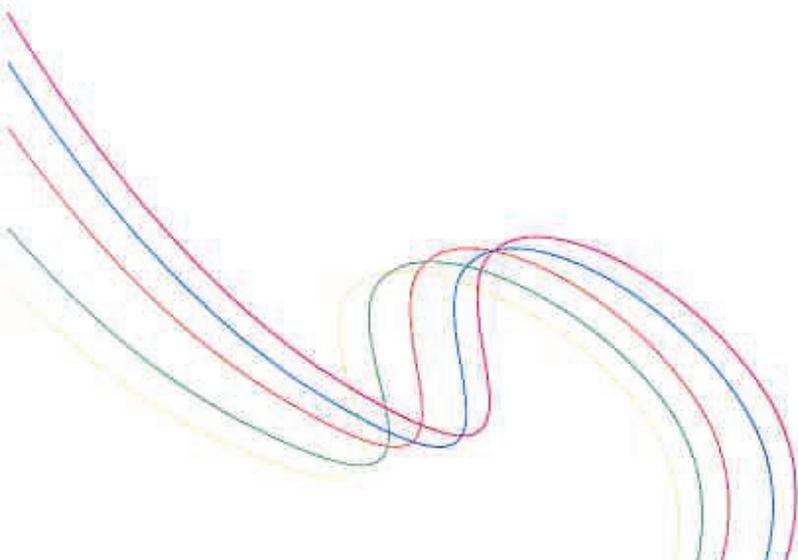
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.1



Mark Peatey

5th October 2012

Maxim Chartered Accountants
Level 1 59 Wentworth Avenue
KINGSTON ACT 2604





MAXIM

CHARTERED ACCOUNTANTS

AUDITOR'S DISCLAIMER OF OPINION

TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

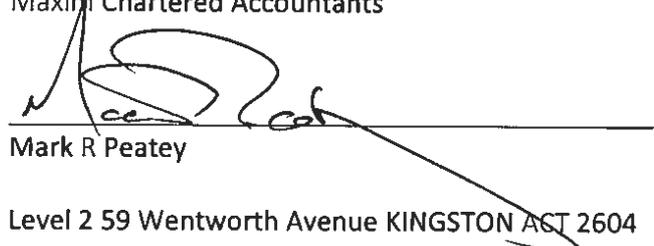
The additional financial data presented on pages 48 to 51 is in accordance with the books and records of PSMA Australia Limited and controlled entity which has been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2012.

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 respects to such data, including any errors or emissions therein however caused.

Name of Firm: Maxim Chartered Accountants

Name of Partner:



Mark R Peatey

Address: Level 2 59 Wentworth Avenue KINGSTON ACT 2604

Dated this 5th day of October 2012

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STRATEGY
RESULTS

DETAILED INCOME AND EXPENDITURE STATEMENT

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	Consolidated		Company	
	2012	2011	2012	2011
REVENUE	\$	\$	\$	\$
Interest revenue	151,173	172,623	142,612	171,536
Rent revenue and reimbursable utilities	51,996	81,596	51,996	81,596
VAR and corporate access fees	1,318,093	980,029	-	-
VAR royalties	5,052,346	4,904,517	-	-
Consulting	405,068	608,975	-	139,938
Miscellaneous income	6,465	9,086	6,465	8,257
TOTAL REVENUE	6,985,141	6,756,825	201,073	401,326
EXPENDITURE				
Human resource management				
Wages and salaries	1,815,702	1,836,454	1,519,585	1,457,333
Employer superannuation	301,960	314,180	266,397	273,399
Human resources -other	198,544	233,870	143,597	2,648
Staff training and professional development	13,179	22,148	13,179	19,465
	2,329,385	2,406,650	1,942,759	1,752,845
Professional services				
Legal	85,075	193,437	63,685	193,437
Accounting and audit	65,155	44,533	65,155	44,533
Consultants	44,855	48,758	43,355	48,401
	195,084	286,729	172,195	286,372
Equipment				
Equipment purchases	-	2,851	-	2,851
Hardware and software purchases	97,347	36,685	96,933	36,583
Furniture and fittings purchases	-	3,068	-	3,068
Depreciation	192,366	238,075	192,366	238,075
Equipment repair / maintenance/ hire	2,990	6,068	2,990	6,068
	292,702	286,746	292,288	286,644
Travel				
Travel (domestic)	158,335	170,785	134,496	146,129
Travel (international)	26,666	31,104	22,248	31,104
Meals and accommodation	128,702	112,873	112,437	100,009
Car hire / taxi / parking / other	19,736	40,848	12,908	27,346
Motor vehicle expenses	33,316	59,671	33,316	59,671
	366,755	355,610	315,406	304,588

Telecommunications				
Telephones	9,327	9,465	9,327	9,465
Mobile phones	24,373	23,434	17,684	13,949
Fax / teleconferencing / internet / web host	17,824	15,208	16,873	11,517
	51,524	48,107	43,884	34,931
Overheads				
Rent (including sub leased areas)	277,172	227,023	265,051	225,811
Cleaning/waste removal (incl sub leased areas)	16,533	19,194	16,533	19,194
Security and maintenance	780	1,404	780	1,404
Electricity (including sub leased areas)	14,414	17,528	14,414	17,528
Office refit / new premises	2,280	2,785	2,280	2,875
	311,179	268,024	299,057	266,812
Administration costs				
Postage / freight / handling	2,872	4,747	2,851	4,034
Stationery / office supplies	13,975	10,335	13,287	9,720
Backups and data storage	433,312	-	433,312	-
	450,159	74,753	449,450	73,426

DETAILED INCOME AND EXPENDITURE STATEMENT

	Consolidated		Company	
	2012	2011	2012	2011
Insurance	\$	\$	\$	\$
Commercial, Directors and Officers, Information Technology, Personal Accident and Volunteers, Motor Vehicle insurance	23,364	22,920	23,363	22,920
	23,364	22,920	23,363	22,920
Other expenses				
Fringe Benefits Tax	25,492	26,330	23,205	24,495
Payroll Tax	76,113	59,959	68,047	48,185
Bank charges / stamp duty	4,891	5,467	4,594	4,583
Other expenses	114	294	114	294
	106,609	92,050	95,959	77,557
Research and development				
Research and Development	-	50,000	-	50,000
CRC.SI 43PL	18,182	30,000	18,182	30,000
	18,182	80,000	18,182	80,000
Supply chain management				
LYNX maintenance	619,526	646,730	619,526	875,902
G-NAF maintenance	242,537	248,890	242,537	248,890
CadLite maintenance	39,228	40,007	39,228	40,007
Transport and Topography maintenance	32,006	83,552	32,006	83,552
Administrative Boundaries maintenance	30,108	41,208	30,108	41,208
Features of Interest maintenance	5,325	8,930	5,325	8,930
Land Tenure maintenance	5,060	6,101	5,060	6,101
Postcode Boundaries	8,138	-	8,138	-
	981,927	1,075,418	981,927	1,304,590
Jurisdictional royalty returns				
Royalty returns – 20% in 10/11	1,005,830	980,903	1,005,830	980,903
Royalty returns – additional 10% from 09/10	490,452	479,407	490,452	479,407
	1,496,282	1,460,310	1,496,282	1,460,310

Marketing				
Graphic design and printing	33,745	37,653	33,745	37,653
Promotion and sponsorship	69,520	72,414	69,520	72,414
Subscription and membership	22,225	10,489	21,867	8,608
	125,490	120,556	125,132	118,674
	19,736	40,848	12,908	27,346
Relationship management				
VAR audit fees	121,948	89,248	121,948	89,248
	121,948	89,248	121,948	89,248
TOTAL EXPENDITURE	6,870,590	6,667,120	6,377,833	6,119,743
OPERATING PROFIT/LOSS	114,551	89,705	(6,176,760)	(5,718,416)
INTER-COMPANY TRANSFERS	-	-	6,242,811	5,806,477
NET PROFIT/LOSS	114,551	89,705	66,051	88,061

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