

Mapping data for Australia



PSMA Australia Limited
ANNUAL REPORT 2012/13

About PSMA Australia Limited

PSMA Australia Limited is an unlisted public company limited by shares and owned by the state, territory and Australian governments.

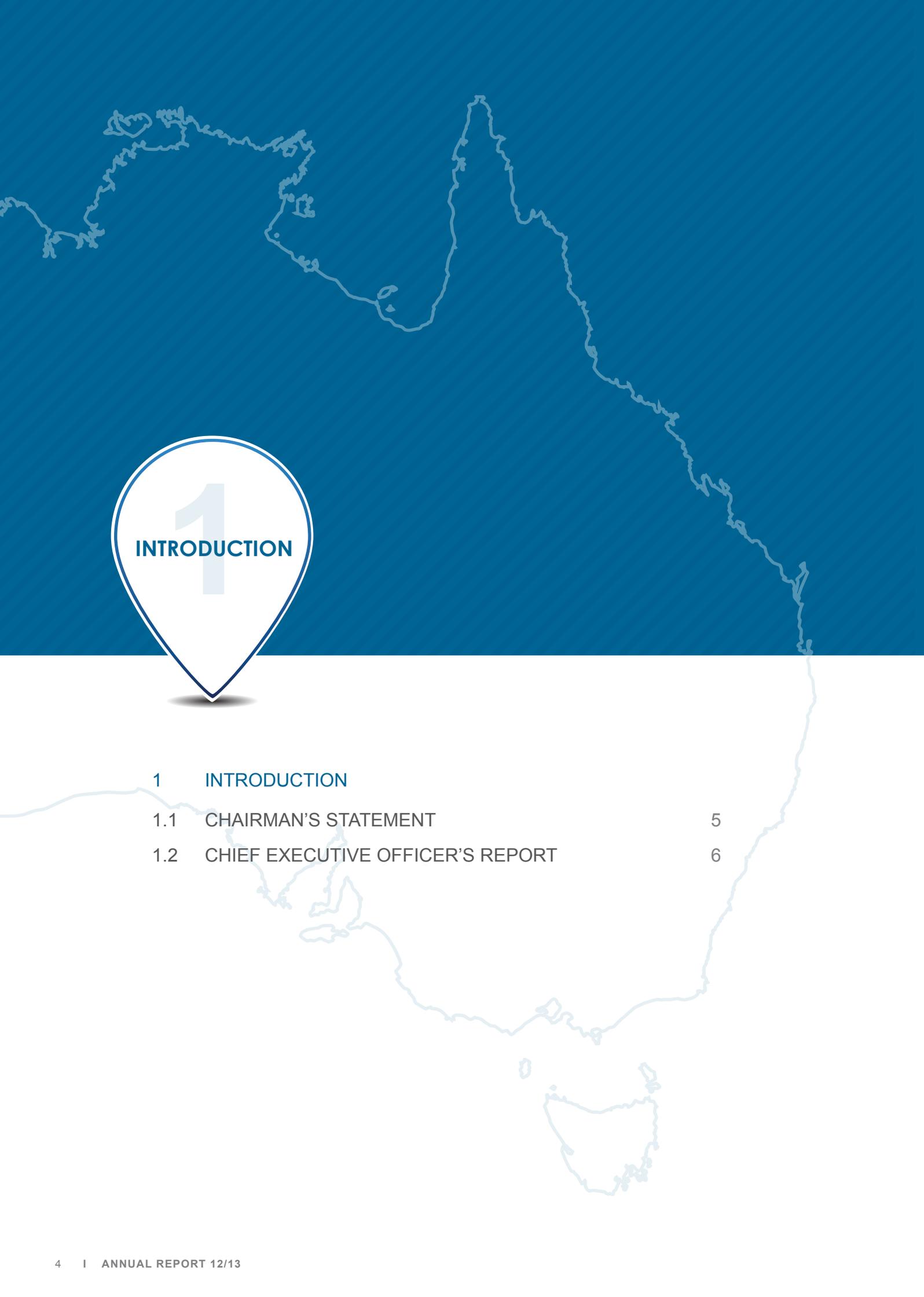
We offer a comprehensive national asset of quality spatial information derived from authoritative data sources. Our datasets and services significantly contribute to economic, social and environmental outcomes for Australia.

PSMA Australia Limited
Unit 6, Level 2, 113 Canberra Avenue
Griffith ACT 2603
+61 (0)2 6260 9000 **P**
enquiries@psma.com.au **E**
www.pdma.com.au **W**



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1
INTRODUCTION

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1.1 CHAIRMAN'S STATEMENT

In the years following the global financial crisis in 2008, we have seen dramatic changes in revenue growth for PSMA Australia. The average annual revenue growth for the four years ending 30 June 2008 was a remarkable 20%; in stark contrast, the average annual revenue growth for the four years beginning 1 July 2008 was only 4.8%. While there were a number of factors that contributed to this dramatic change, it presented a challenge for the organisation: to reconsider our approach to a very different market. 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 rapidly expanding geospatial data user community. It is with a great deal of satisfaction that we have achieved a revenue growth for the 12/13 financial year of 18.5% with our forward forecasts suggesting that strong growth will continue.

The strategy that we have been pursuing and the investments we have made are now proving to be well justified. Our vision is to transform PSMA Australia into a market driven business with a key focus on delivering important, easy to use geospatial information. This is a valid vision, but one not without challenges. The development of the PSMA Systems Framework (PSF) and the skills necessary to deliver and maintain it have tested the organisation's resilience and capacity for change. Through this development process, our competencies and staff numbers have grown substantially, as has our understanding of some of the challenges faced by our value-adding partners when it comes to utilising our datasets.

Since its establishment in July 2008, our market-facing subsidiary, PSMA Distribution, has gradually taken on a more important role as it becomes the focus for defining what it is that we build and how it is delivered. The refocus of our energies from building products based on a supplier view to fulfilling the needs of the customer has required significant cultural changes. The new process frameworks, which we have built to reinforce our fresh approach, are proving successful in facilitating this important transformation.

The combination of PSMA data with PSMA delivery services has proven to be of great interest to our key data contributors, with a number of the jurisdictional mapping agencies opting to make use of PSF internally. This has an added benefit for PSMA in that we gain access to more frequent updates of data, especially address and cadastral information, at a rate equal to that which would occur internally within the custodian. Furthermore, the use of PSF across multiple jurisdictions demonstrates the capacity to share infrastructure and services, thereby reducing costs and increasing consistency within and between governments. We are beginning to demonstrate that a single national dataset and a single national infrastructure for Australia are possible in the foreseeable future.

The organisation itself is in a sound position, the strongest it has ever been. It is well placed for further growth in financial year 13/14 with a focus on the new datasets that are needed by the market. PSMA Australia has developed an excellent team comprised of dedicated Directors, an experienced CEO and passionate staff. I thank all members of the Board and the staff for their committed and professional support during my first year as Chairman of PSMA Australia. I am proud of our achievements and look forward to the year ahead.



Glenn Appleyard
Chairman
PSMA Australia Limited

1.2 CHIEF EXECUTIVE OFFICER'S REPORT

Although the transformation of an organisation is a challenging endeavour, change is necessary for survival. Without it, the opportunities for the organisation to continue to add value diminish – so too, can the opportunities for the organisation's success. Reinvention has been the undercurrent of PSMA Australia's activities over the last five years. Our ability to sustain the energy of reinvention is a sign of organisational strength and maturity that only comes from overcoming challenge. We have transformed from an organisation delivering static national datasets with a supply-centric focus, to one that is a more evolved, and demand-centric. There is a renewed desire to broaden the utilisation of the essential datasets that we build and maintain, and an intention to achieve this through clever, streamlined delivery of data – creating ease with which location information can add value to any process.

The transformation we have undertaken has been far from trivial. It has required a redefining of what we should deliver and how, followed by an extended period of implementation, investment in people, processes and infrastructure. This year has seen the culmination of this transformation. At the close of the 12/13 Financial Year, the organisation can look back on its efforts and see with clarity the changes that we have engineered. We can be proud of what we have achieved. More importantly, we can look toward our future with certainty and have confidence that our decisions have positioned the organisation to be more resilient and better equipped to deliver products relevant to today's rapidly changing environment.

PSMA Australia now has in place an infrastructure that will enable the real-time transfer of data between custodians, through an environment for standardisation and integration, and onto customers through simple web-service interfaces. While this may not sound significant, the power is in its simplicity. Ease of use, through simple access, uncomplicated licensing, and a fully integrated automated supply chain, will drive the utilisation of location data. This outcome is at the core of all the endeavours and activities of PSMA Australia.

We now have a dedicated team of specialists providing the wide array of additional skills the company requires to deliver data in this way. These skills complement the capabilities of the core team, whose world-class expertise is in geospatial information and its manipulation. Additionally, we have been building PSMA Distribution – the team that provides the customer focus essential to PSMA Australia's future. We have refined the processes of PSMA Distribution to enable the team to more effectively perform the product definition and customer engagement roles. Lastly, we are in the process of implementing an enthusiastic team responsible for project delivery; an absolute necessity as projects and the environment become more complex.

Our investment in people means that the PSMA team now numbers in the thirties. This points to a significant increase in the organisation's capability - we now have the depth and breadth of experience with which to adequately respond to the opportunities and challenges in our operating environment. The Board and I feel that PSMA is in an excellent position; well prepared for the exciting future that we face.



Daniel Paull
Chief Executive Officer
PSMA Australia Limited



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2.1 OUR PURPOSE

► Our vision

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

In fulfilling this vision, the Company Objects as listed in the PSMA Australia Constitution are to:

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

► Strategic context

PSMA Australia Limited was established by the governments of Australia to enable access to spatially related data with national reach and local significance for the benefit of the broader economy. Through PSMA Australia, the governments of Australia are seeking a single point of truth for foundation national location datasets, and to avoid the inefficiencies and risks that develop where there are multiple sources for such information.

PSMA Data and related services are incorporated into an ever-expanding range of solutions for government, business and the community.

2.2 CORPORATE PROFILE

► Examples of PSMA Data in use

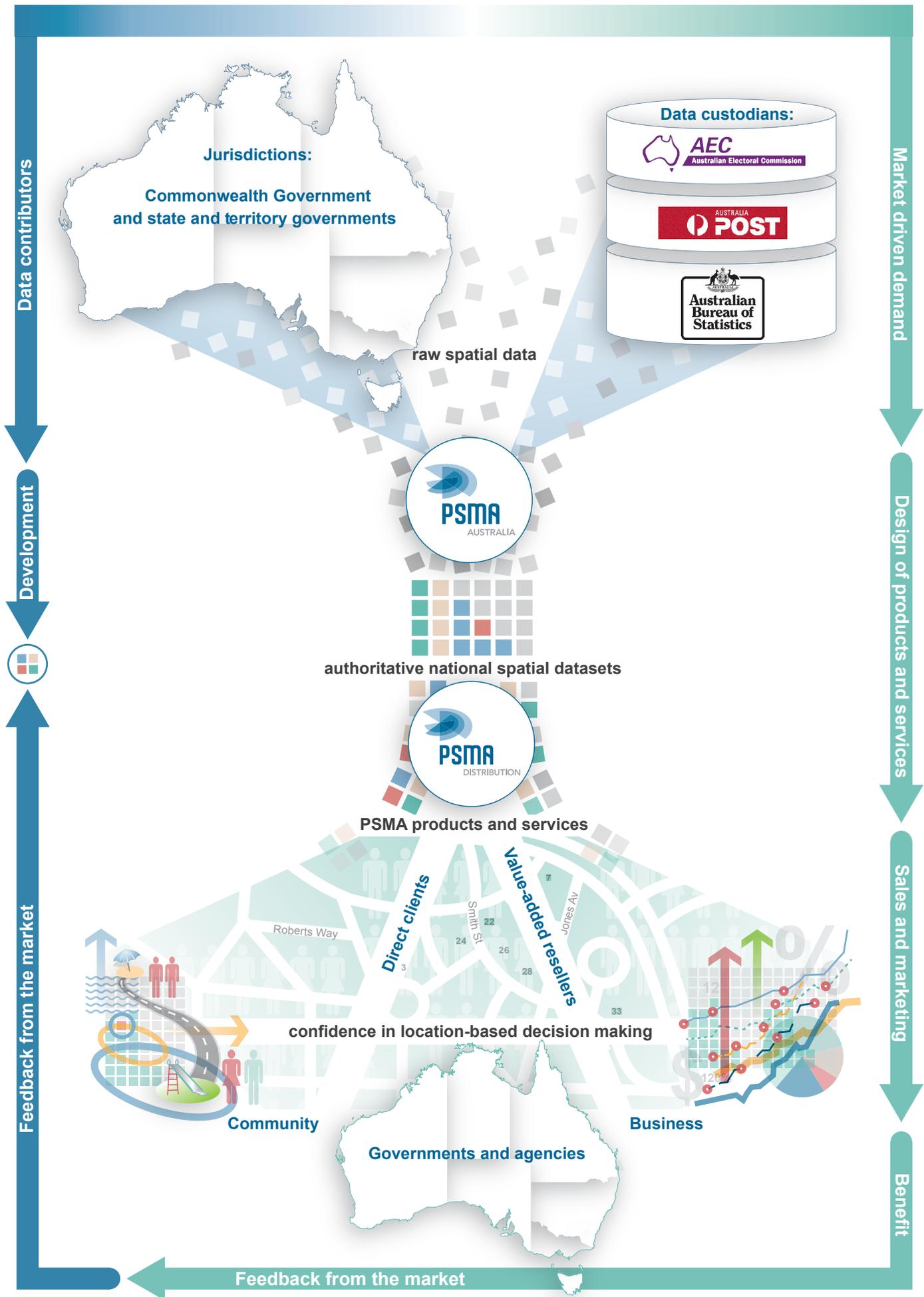
PSMA Australia Limited is an unlisted public company limited by shares and owned by the state, territory, and federal governments of Australia. Our government shareholders also serve as our primary data contributors, along with other government entities, such as the Australian Electoral Commission, Australia Post and the Australian Bureau of Statistics.

PSMA Australia is the crucial link between the supply and demand sides of the market; eliminating the difficulties of negotiating multiple licence agreements, the problems of integrating the data into a seamless consistent national dataset, and the duplication of effort within the market for organisations wishing to access national data.

The position held by PSMA Australia is a delicate balance. As a 'governments-owned' company, it is not the intention of the organisation to compete with the existing industry players. On the contrary, the organisation actively seeks industry participation and support, and endeavours to be a stimulator of industry growth by ensuring the availability of critical and timely framework national datasets.

PSMA Australia's wholly owned subsidiary, PSMA Distribution, facilitates the supply of PSMA products and services to our direct clients and holds licence arrangements with value-added

▶ PSMA Data flows



resellers. PSMA products flow through this supply chain to deliver a broad range of benefits to everyday Australians who may not even realise that location data forms a part of the service or product they receive.

► **What we do**

PSMA Australia is a collection of people, technologies and processes necessary to coordinate the assembly of and facilitate access to national foundation geospatial datasets. Each jurisdiction that contributes data has different policies, standards, operational techniques, and levels of sophistication. Therefore, PSMA Australia's role is to mesh the disparate data resources to create seamless high-quality national geospatial datasets.

Whilst PSMA Australia is known for seven foundation national datasets and the award-winning orchestration platform – PSMA Systems, its core business also includes the management of relationships. Relationships with data custodians, data managers, value added resellers and other stakeholders are all intrinsic to fulfilling the purpose of the Company.

The purpose of PSMA Australia is realised in the products and services it builds:

Datasets

- Administrative Boundaries – boundaries in themes ranging from electoral and statistical to suburbs and localities
- CadLite – Australia's 14.3 million land titles, representing numerous land parcel boundaries and including a property view
- Features of Interest – more than 2.5 million features of interest
- G-NAF – more than 13.5 million geocoded physical addresses
- Land Tenure – more than 9 million classified land parcels from across Australia
- Postcode Boundaries – postcode polygon and point data provided in conjunction with Australia Post
- Transport and Topography – road centrelines (over 2.7 million kilometres), rail and aviation infrastructure, parks and water bodies.

Services

- PSMA Data supply chain – the underlying infrastructure that enables PSMA Australia to deliver foundation national data products
- PSMA Systems Framework – a framework to enable application builders to deliver, rich, spatially related functionality to a wide range of users based on addresses
- G-NAF Live – access to current authoritative addresses via transactional or bulk online services
- Web Map Tiles – managed access to standards-based national mapping data in tile form, optimised for delivery into online applications.

► **How we do it**

PSMA Australia delivers authoritative national spatial datasets through the PSMA Data supply chain, which is underpinned by industry leading software and standards that assist in the collection of source data and the subsequent creation and distribution of PSMA Data products.

The supply chain is undergoing significant review and improvement to allow for richer data from diverse sources and an increase in the speed of production for data products. The approach adopted aims to support smooth introduction of new contributors into the supply

chain, as well as flexibility and agility in producing new data products in order to meet the increasing demands of the marketplace.

To improve the ease with which organisations can derive value from PSMA Data, PSMA Australia's award winning PSMA Systems Framework provides web access to the most up-to-date PSMA data on a per transaction basis.

▶ **PSMA customers**

To deliver the benefits of authoritative location information to the Australian governments, business and community, PSMA provides data through two key types of relationships – those with direct clients such as the Australian governments, and those with a wide variety of value-added resellers of PSMA data.

PSMA Group¹ manages direct relationships with entities that are significant consumers of national datasets by entering into individually shaped strategic partnerships with them. Direct customer relationships span from the provision of special licensing arrangements through to consultancy on specific products and the provision of services.

▶ **Awards**

2012 Gold Award for Best Internet Website

PSMA Web Map Tiles service was awarded the 2012 Gold Award for Best Internet Website by the International Map Trade Association (Australia & New Zealand) in Brisbane in July 2012. **Information:** www.imtamaps.org

2012 URISA Exemplary Systems in Government (ESIG) Award

PSMA Systems was awarded the 2012 URISA Exemplary Systems in Government (ESIG) Award in the Enterprise Systems Category, which was presented at URISA's 50th Annual Conference for GIS Professionals in Portland, Oregon in October 2012.

Information: www.urisa.org/2012esig_pr

2012 GITA Excellence Award

PSMA Systems was awarded the 2012 GITA Excellence Award at the Geospatial Information & Technology Conference held in Melbourne in August 2012. **Information:** www.gita.org.au

The Australian Innovation Challenge

In 2012, PSMA Systems was shortlisted for The Australian Innovation Challenge in the ICT category.

¹ PSMA Goup refers to PSMA Australia and Distribution.

► Examples of PSMA Data in use

The **Australian Bureau of Statistics (ABS)** draws upon PSMA data, including the G-NAF, CadLite and Administrative Boundaries datasets to develop the Australian Statistical Geography Standard used for the dissemination of statistics. PSMA data is also a critical information source for running the Australian Census of Population and Housing. During the 2011 Census, the ABS engaged more than 29,000 Census collectors to distribute 14.2 million forms to nearly 10 million Australian households.

During the planning phase, PSMA data is used to help identify where people are located and to plan the workload for each Census collector. During the processing phase, PSMA data enables the ABS to geocode the Census, creating further linkages between statistical and location data, facilitating a broader comparison and richer analysis of data for both governments and businesses.

The **Telethon Institute for Child Health Research** conducted a national Young Minds Matter survey to gather information about the mental health and wellbeing of children and adolescents as a means of informing future policy and the provision of related services. PSMA provided free access to G-NAF data to assist with the selection of the household sample, so that interviewers across Australia could record interviews against accurate block listings. G-NAF data was used to geocode the addresses for participants in the survey to provide the potential for performing further analysis.

Transport Certification Australia (TCA) utilise PSMA transport and address data within the Intelligent Access Program (IAP). IAP is an innovative solution to the issue of Australia's growing freight volume. It enables a potential increase in the productivity of road freight transport while improving road safety, asset management and environmental outcomes.

Pitney Bowes Software uses Location Intelligence – powered in part by PSMA data – to interpret, manage and act upon the complex and unique relationship between organisational data and location. This enables their clients to make more informed and effective business decisions.

Experian utilises PSMA data in a suite of products that allows their clients to easily search and validate any physical address against G-NAF. Experian products facilitate the accurate searching and capturing of addresses, enabling clients to append latitude and longitude co-ordinates and G-NAF persistent identifiers.

Nokia Here's global HERE Maps and related services utilise PSMA data for the Australian component. This platform enables users to have input into maps that are rich and dynamically relevant to their needs.

2.3 CORPORATE DIRECTORY

PSMA Australia Limited - ABN 23 089 912 710

Chairman, PSMA Australia:	Glenn Appleyard
Chief Executive Officer:	Daniel Paull
Registered Office:	Unit 6, Level 2 113 Canberra Avenue Griffith ACT 2603
Principal Place of Business:	Unit 6, Level 2 113 Canberra Avenue Griffith ACT 2603
Share Register:	Unit 6, Level 2 113 Canberra Avenue Griffith ACT 2603
Auditors:	Maxim Chartered Accountants Level 2, 59 Wentworth Avenue Kingston ACT 2604
Solicitors:	Norton Rose Fullbright Level 6, 60 Marcus Clarke Street Canberra ACT 2601
Bankers:	National Australia Bank Limited 39 Wollongong Street Fyshwick ACT 2609
Directors, PSMA Australia:	Glenn Appleyard Olaf Hedberg AM (retired) Jodi Cant William Hirst Steven Jacoby Kate Kent Desmond Mooney Mary O’Kane John O’Malley Victor Stephens (retired) Bruce Thompson Fabio Finocchiaro Helen Owens
Company Secretary:	Daniel Paull
Executive Committee:	Glenn Appleyard (Chairman) Olaf Hedberg AM (retired) Daniel Paull Desmond Mooney Bruce Thompson William Hirst
Group Audit Committee:	John O’Malley (Chairman) Jodi Cant Lynne Robinson (representative of PSMA Distribution)

PSMA Distribution Propriety Limited - (a wholly owned subsidiary of PSMA Australia Limited)
ABN 89 131 984 800

Chairman, PSMA Distribution:	Desmond Mooney
Chief Executive Officer:	Daniel Paull
Directors, PSMA Distribution:	Glenn Appleyard Olaf Hedberg AM (retired) Daniel Paull Walter Mayr Lynne Robinson



OPERATIONAL REVIEW

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3.1 DATA

▶ G-NAF and G-NAF Live

A number of significant improvements were made to G-NAF over the year, improving its utility as the addressing index for Australia. The major focus was on developing new processes to automatically link different addresses that represent the same site. These duplicates have been a common issue in the past due to the G-NAF having multiple contributors; however, these process changes have significantly improved accuracy through better association between official and 'in-use' addresses.

Another area of development was the transitioning of the processes by which contributor supplies are managed. New practices facilitate more flexible and timely updates, moving from full updates delivered quarterly to, in some instances, incremental updates delivered daily. Standardising current data and making it accessible through the services framework is the essence of the G-NAF Live product, which continues to attract support from the user community. The expansion of the product to more jurisdictions will continue to be a focus for PSMA.

Over the year, contributors provided more than 640,000 new addresses. These addresses were distilled into approximately 185,000 new addresses added into G-NAF. The dataset continues to be updated externally by CGI Australia Pty Ltd (formerly Logica).

▶ Transport and Topography

The data models for the Hydrology dataset were amended in August 2012 to be more closely aligned with the Greenspace and Features of Interest (FOI) model. This model is intended to support multiple representations of topographic features, if required. Similar additional modifications will be required to support the improvement of the airport and railway layers into the future.

In terms of roads, improvements were made to the processes that identify and correct anomalies in contributed data. This will further support the production of routing-based applications across the Transport and Topography product. The overall length of road shows only a modest increase over the year, which does not reflect the actual amount of change in the data. This is because while new roads in areas of development are added, roads across minor hierarchies, such as access roads, are removed from contributor supplies in a number of jurisdictions. More than 8,400km of road centreline was either added or removed from the dataset over the year.

▶ CadLite

This dataset has undergone significant change during the period of this financial year. The CadLite dataset was enhanced to cater for the inclusion of land parcels representing features such as roads, water, rail and stratum. This change added approximately 3 million new polygon features nationally. The dataset now also supports an improved delineation of higher density sites spread both horizontally and vertically. Improved standardisation across jurisdictions continues to be a focus for the dataset.

▶ **Administrative Boundaries**

This dataset has been improved by adding new layers, which better represent the important Australian Statistical Geography Standard (ASGS) from the Australian Bureau of Statistics (ABS). Other ABS data has also been added into the product following the release of official statistics from the 2011 Census, including boundaries representing 'Remoteness Areas' and 'Socio-Economic Indexes' for Australia. In terms of Suburbs/Localities theme, the most significant change has been the gazettal of 235 new localities across South Australia. In all, 255 localities were either added or renamed in the year, whilst 29 localities were deleted. There were five local government areas renamed over the course of the year.

▶ **Land Tenure**

The Land Tenure dataset continues to be updated with tenure information provided either directly by jurisdictions or derived during productions from related information. The ongoing focus is to work with jurisdictions to identify data and processes that will enable the application of tenure to land parcels which presently are not yet allocated. During the period, a tenure attribute has been added to approximately 1.5 million additional parcels.

▶ **Postcode Boundaries**

This dataset continues to be created jointly by both PSMA and Australia Post. Over the year, there has been an increased coverage of the allocation of postcodes to localities reflecting new suburbs, particularly in the Australian Capital Territory and South Australia. The expansion of the dataset to include postcodes representing features other than delivery area, will be of interest to PSMA in the future. Ten new postcodes were allocated during the year.

▶ **Features of Interest**

This dataset was improved during the year with the addition of new feature data provided by the West Australian jurisdiction. An additional focus has been the consolidation of supported feature types to improve the consistency of the product across jurisdictions. Analysis demonstrated that the dataset had matured to the extent that its predecessor, the Points of Interest product, could be retired. During the year, approximately 230,000 features were added into the dataset. The number of included feature classes increased by 194 to 531.

▶ **Points of Interest**

The Points of Interest product has not included a maintenance regime since its last update in 2006. During this time, PSMA created an improved dataset that supported geometries rather than points, and based it off jurisdiction data holdings and associated maintenance regimes.

During the year, analysis was performed on the Points of Interest product to ensure that appropriate features were contained in the replacement Features of Interest product. With all replications into the replacement verified, the Points of Interest product was retired from the February 2013 release.

3.2 SERVICES

▶ PSF / PSMA Systems

The production usage of the PSMA Systems Framework (PSF) has grown significantly over the year, with usage levels increasing by over 1000%. Most users represent the health and education sectors in the Victorian Government. The Queensland Government has also commenced production usage and a number of other jurisdictions are going through evaluation programs at various stages.

New software was developed by PSMA for Victoria to emulate the legacy Victorian Mapping and Address Service (VMAS) capability. This has aided some Victorian organisations in their transition to the new infrastructure. To assist other users, a decision was made to continue to offer the VMAS infrastructure until the end of the 2014 calendar year.

A major enhancement to the PSF infrastructure was released in early 2013 to provide improved batch processing capability in support of one jurisdiction's infringement management operations. At the same time, the PSMA Address Verification (AV) engine was updated to provide an address parsing service, with further improvements being applied during the year to support enhanced address matching. Processes have also been developed to update PSMA data inside PSF following a national release and the AV engine is now part of a structured quarterly release cycle.

During the year, two load testing exercises have been undertaken to provide the organisation with a picture of the maximum load that the system can support. This information is vital for the development of a sustainable pricing model and associated operational resources.

▶ Web Map Tiles

The Web Map Tiles built by PSMA are primarily used within the Australian Electoral Commission (AEC) RollMap application. The delivery environment supports multiple users; however, there is uncertainty around the exact load that the infrastructure will be able to support. Access was offered to a small number of PSMA value-added resellers on an evaluation basis, but the limited access did not allow for substantial testing. One reseller was able to integrate the service in their Spatial@Gov 2012 demonstrations.

▶ National Address Management Framework (NAMF) and NCS

The NAMF Compliance Service (NCS) was endorsed in 2009 as an initiative of ANZLIC and operated on their behalf by PSMA. PSMA hosted the NCS infrastructure and provided customer support for service providers seeking successful compliance; while the PSMA Australia technology partner, Geometry, refreshed the data behind the compliance service on PSMA's behalf. However, the NAMF has been largely underutilised: in the 2012-2013 financial year there were 60 requests for compliance with only three requests being successful and resulting in NAMF certification, while over the same period there were only 16 notifications of address change submitted.

3.3 RELATIONSHIPS

Throughout the year, PSMA has continued to maintain its small, but very important group of direct customers and resellers.

Direct relationships have been very stable and productive this year. There has been a slight increase in direct customers, due in part to additional usage of PSMA products by centralised State government services. Outcomes of PSMA partnerships have included further development in quality data processing rules, innovative ideas for further data enhancements and more current data feeds into PSMA.

Resellers of PSMA products continue to build the marketplace for PSMA data, and remain essential to the achievement of PSMA's purpose. PSMA's relationship with these resellers continues to evolve as the market requires new data and applies it in innovative ways across all industry groups. Reseller relationships have remained stable this year, with a single additional reseller coming on board in the address verification and marketing analysis sectors.

3.4 BUSINESS OPERATIONS

► Project Springboard

PSMA Australia is seeking to significantly enhance the performance of its portfolio of projects through the implementation of a project management framework. This initiative is referred to as Project Springboard.

A variety of factors in play over recent years, particularly PSMA Australia's rapid growth, have resulted in disappointing performance on a number of important projects. This lies in contrast to the experience of earlier major initiatives—most notably G-NAF. The key to resolving this critical strategic issue for the Company lies in a radical move to first class project practice: PSMA needs a highly effective project framework for the health and success of the business. Therefore, the Company is preparing a range of interdependent initiatives that must be undertaken efficiently and effectively in order to grow and deliver greater value for our shareholders.

As a precondition to future delivery of value on a larger scale, Springboard will equip the Company with all the tools, frameworks, skills, knowledge, and organisational support it needs to:

- select projects for investment
- scope those projects appropriately
- establish robust baseline documentation for each initiative
- undertake the work of each exercise efficiently
- make meaningful judgements about project performance
- learn from each project experience.

Objective statement

The objective of Project Springboard is to enhance the performance of future PSMA projects.

Target outcomes

It is seen as crucial to the confident, smooth functioning of the organisation, considering our own growth and the increasing complexity of our environment. Project Springboard aims to improve:

- staff satisfaction with their involvement in projects
- staff confidence in PSMA's ability to undertake projects successfully
- levels of understanding amongst key players about the status of their projects
- staff and stakeholder awareness of project success rates.

Project Springboard is a high yield, medium cost, low risk initiative, which aims to deliver the above outputs before the end of December 2013.

► Supply Chain Redevelopment Project

The PSMA Australia supply chain for the delivery of national datasets consists of a well-developed infrastructure, which has been in place for almost 10 years. The infrastructure itself utilises commercial and bespoke software within a hosted environment and supports both internal and external data managers performing updates to the respective datasets. Within a rapidly evolving spatial industry, PSMA has identified improvements in data quality, access flexibility, product diversity, integration, and currency as key drivers behind a project to redevelop the national supply chain.

Over recent years, more tasks within the operation of the supply chain have been 'in sourced' through the implementation of new software and processes. During 2012-13 and with the addition of new specialist staff, the project has been re-examined, resulting in the development of a new business case. During the year, the magnitude of the remaining elements of the project has become clearer as has the understanding of the future effort required for a successful completion. Transitioning the management of the project to the new PSMA project management framework being delivered through Project Springboard is a key early milestone to be achieved.

Supply chain redevelopment activities undertaken during the course of the year were associated with the development of PSF. During the G-NAF Live project, PSMA experienced issues associated with changing modes and frequency of the delivery of jurisdiction contributor information. The project has addressed these issues to now ensure that PSMA manages virtually a current and complete data holding for multiple states. This will ensure that PSMA has the capability to 'pull' data on demand rather than wait for it to be 'pushed' at the start of a release cycle. This is considered to be an important component of an improved national supply chain.

At the downstream end of the supply chain, a pilot project is underway to build up a capability to allow staff from internal production, support, or others, to be able to quickly search, navigate and visualise current PSMA data holdings. The development of the application leverages many of the services that are available through PSF and provides a solid understanding of the effort required for any new client. This capability will deliver efficiency and it is expected that there will be some valuable lessons learnt from the effort, should similar products be developed in the future.

3.5 INDUSTRY ENGAGEMENT

▶ **Australia and New Zealand Foundation Spatial Data Framework**

On the 21st November 2012, the Spatial Information Council, ANZLIC, launched the One Australian and New Zealand Foundation Spatial Data Framework (FSDF), which aims to provide a national approach to managing government spatial information. The FSDF, when implemented, will be accessible to all users of spatial information including government, industry, research, and academic sectors, as well as the general public.

ANZLIC's vision for the FSDF is that foundation spatial data will become ubiquitous in all sectors of both the Australian and New Zealand economies. Once realised, the use of a common framework embedded into the everyday business of government and private sector entities alike, will allow for seamless exchange of information and knowledge across organisational, sectoral and jurisdictional boundaries.

The Framework will describe a comprehensive system of inter-related elements, including:

- spatial data themes
- spatial datasets
- standards
- policy
- governance structures
- organisations
- people.

Following the first round of consultation and analysis of user requirements, ANZLIC has agreed that the following ten spatial data themes will form the foundation of the Framework.

1. Geocoded Addressing
2. Administrative Boundaries
3. Positioning
4. Place Names
5. Land Parcel and Property
6. Imagery
7. Transport
8. Water
9. Elevation and Depth
10. Land Cover

PSMA Australia, as a key stakeholder and leader in the delivery of national geospatial datasets, is working closely with ANZLIC to define and deliver the outputs of this important initiative.

▶ **Australia and New Zealand Spatial Marketplace**

The ANZ Spatial Marketplace Demonstrator Project, a CRC-SI Program 3 activity financially supported by several ANZLIC jurisdictions, concluded in late 2012. PSMA hosted the infrastructure used to deliver the demonstrator and contributed a sample dataset to the project to gauge its suitability for any future projects. While the demonstrator showed it was possible to create a marketplace using largely open source technology, the software itself had a number of shortcomings and little investigation was made to seek market demand for such a product. PSMA received advice from the ANZ Spatial Marketplace (ANZSM) Steering Committee to decommission the infrastructure from November 2012.

▶ **Cooperative Research Centre for Spatial Information**

The Cooperative Research Centre for Spatial Information (CRCSI) conducts user-driven research in emerging areas of spatial information to address issues of national importance. A number of the members from CRCSI's Program 3 - Spatial Infrastructures, visited PSMA Australia in October 2012 to investigate elements of the PSMA supply chain and discuss streams of research relevant to its productions.

There is considerable overlap between potential research items, elements of the ANZLIC Foundation Spatial Data Framework (FSDF) initiative, and the operations of PSMA Group. There is potential for PSMA Australia to benefit greatly from the supply chain research and outputs as planned in Program 3. Until the research outcomes have been clearly articulated and approved through CRC-SI committee processes, PSMA Australia will continue to monitor Program 3 progress so as to determine how it can best leverage the respective programs.

▶ **AURIN**

The Australian Urban Research Infrastructure Network (AURIN) provides built environment and urban researchers, designers, and planners with an open access, distributed network of aggregated datasets and information services needed to understand patterns of urban development and to model urban growth for a sustainable future. PSMA continues to work with AURIN to increase the use of PSMA products in urban research, and to raise awareness of the innovative application of spatial data in research and decision making activities.

▶ **ARC Linkages**

The Australian Research Council (ARC) Linkage Projects scheme provides funding to eligible organisations to support research and development projects. These projects are collaborations between higher education researchers and other parts of the national innovation system which are undertaken to acquire new knowledge and which involve risk or innovation.

PSMA participated in three ARC Linkage projects during the year:

- National Infrastructure for Managing Land Information (NIMLI)
- Talking About Place – Tapping Human Knowledge to Enrich National Spatial Data Set
- 3D Cadastres.

National Infrastructure for Managing Land Information (NIMLI)

This project was completed during the year with PSMA attending a seminar on the research outcomes in November 2012. The project presented a proposal for a NIMLI collaboration framework, which largely endorsed the one in use by PSMA today. In addition, case studies were presented as to how NIMLI could be used in hosting production, property markets and for land and property risk management. Other examples of NIMLI in practice in Australia were also presented, such as the Intergovernmental Committee on Surveying and Mapping (ICSM) and national e-Conveyancing System. The project was undertaken through a collaboration involving the University of Melbourne and the land agencies representing Victoria, New South Wales, and Western Australia. PSMA Australia supported the 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, administered by the University of Melbourne, aims to develop an innovative, interdisciplinary approach to automatically interpret human place descriptions. It aims to 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 a financial contributor and will provide data and technical staff over the course of the project. During the year, members of the research team visited PSMA and presented their research to date.

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 outputs will include the development of a 3D cadastral data model and database management system, as well as a model for 3D cadastral representation and registration. PSMA Australia is supporting the project through the provision of relevant datasets and senior technical staff input. This will assist in enhancing processes related to the development and visualisation of complex multi-level developments.

▶ EuroGeographics

Much of the work undertaken by PSMA Australia is unique, in as much as it involves collaboration with the governments of a whole continent to deliver pan-continental geospatial datasets. For PSMA Australia, finding organisations with a similar focus means looking internationally.

One such organisation is EuroGeographics. It is the membership association and representative body of the European national mapping, land registry and cadastral agencies. It brings together 59 members from 46 countries across Europe. EuroGeographics' activities focus on underpinning the European Spatial Data Infrastructure with the definitive reference data collected, maintained, and provided by members.

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, with a view to establishing connections across two continents that can inform the future development of a Global Spatial Data Infrastructure.

Representatives of EuroGeographics and PSMA Australia have regular virtual meetings, share information and intelligence, and look to collaborate in joint activities and deliver joint presentations about the collaboration and activities at international conferences.

▶ Australian Information Industry Association

PSMA joined the Australian Information Industry Association (AIIA) towards the end of 2012. This decision was made with the view that building partnerships with more mainstream information technology organisations is a large part of the future of the PSMA channel network. The AIIA membership fulfils many of the criteria that PSMA is seeking in its value-added resellers. It also represents a group that is largely unaware of the benefits that working with PSMA may offer.

Since that time, the Company has been working with Geomatic Technologies (VIC), NGIS (WA) and AIIA head office to establish a Geospatial Special Interest Group (SIG). The aim of this group is to facilitate and support realisation of commercial benefit for AIIA members through greater utilisation of location (geospatial) information and services.

This is achieved by:

- increasing member awareness of the use and benefits of location information and services
- supporting government and influencing policy to maximise benefits to the Australian economy and society
- alerting AIIA members to products and services in the geospatial marketplace, which will enhance business development, innovation and prosperity.

PSMA sees this as an ideal opportunity to promote its products and services and to encourage AIIA members, and others, to consider opportunities as a reseller.

To assist with the promotion of the special interest group, PSMA Australia CEO, Daniel Paull was successful in being elected to local ACT Federal Council at the end of 2012. As a councillor, there is increased opportunity to alert organisations to PSMA activities and the benefits of the Geospatial SIG.

▶ **PSMA Contributions to Industry and Community**

Memberships

PSMA's current memberships are with:

- Global Spatial Data Infrastructure (GSDI)
- Open Geospatial Consortium (OGC)
- Australian Information Industry Association (AIIA)
- ACT & Region Chamber of Commerce & Industry
- Australian Institute of Management.

The Company values ongoing relationships with these organisations and pursues various outcomes through its memberships, including:

- raising the profile of PSMA and our products and services
- building understanding and adoption of spatial data and practices
- developing strategic partnerships and initiatives
- maintaining awareness of best practice and international standards.

Papers

PSMA promotes the value of location data through presentations at a variety of conferences and fora. The significant presentation papers published this year include:

- Geospatial Information & Technology (GITA), August 2012 Conference – 'Location thinking in enterprise issue analysis and decision making activities' and 'Providing timely access to authoritative new addresses to better support business'
- SSSI Annual Conference, September 2012 – 'PSMA Systems: A pragmatic approach to spatial data infrastructure'.

Sponsorships

PSMA was a sponsor of the 2012 Spatial@Gov conference and the Australian Bureau of Statistics 2013 NatStats Conference.

Charitable Activities

PSMA supports the local community in the Canberra region through participation in a number of charitable activities. This year, activities included:

- The Cancer Council's Biggest Morning Tea
- The Reading Hour
- Mix 106.3 Special Children's Christmas Party.

3.6 LOOKING AHEAD

Tabled with this document at the Annual General Meeting (AGM) is the Annual Program, which outlines the activities planned for the financial year 2013-2014. This document is a requirement of the company's constitution and will be approved at the AGM in October 2013. The coming year marks the first in a new three year business plan underpinned by the recent strategic review by the Board and management. The business plan is focused on delivering the following strategic outcomes:

Financial	
1.1	Maintain a strong financial position and continue growth so that the capacity of the organisation can also grow.
1.2	Fund this growth internally without call on shareholders.

Customer & Market	
2.1	Be the governments' nominated aggregator of spatially related information at the national level.
2.2	Be the market's preferred supplier of aggregated government spatially-related data and services.

Business Processes & Product	
3.1	Utilise leading edge systems and processes for the automation of all aspects of the supply chain required to access, process, deliver and consume PSMA Data.
3.2	Manage a significantly larger portfolio of datasets comprising existing and new data from a variety of sources.

People & Innovation	
4.1	Reinforce a culture that embraces change, is adventurous but pragmatic, creative, and open-minded, pursues learning, builds open and honest relationships, values collaboration and is passionate and determined.
4.2	Grow the existing team of professionals with a focus on experience and expertise, and an environment that makes PSMA a workplace of choice for its staff.



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4.1 DIRECTORS

Name	Glenn Appleyard
Age	60
Qualifications and Affiliations	Bachelor of Economics Graduate Member, Australian Institute of Company Directors
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 Member, Prime Minister's Not-For-Profit Interim Reform Council Member, Advisory Committee, Salvation Army, Tasmania
Special Responsibilities	Independent Director, PSMA Australia (appointed October 2011) Chairman, PSMA Australia Limited (appointed October 2012) Chairman, PSMA Executive Committee Board Member, PSMA Distribution (appointed October 2012)

Name	Olaf Hedberg AM
Age	75
Qualifications	Awarded Member of the Order of Australian for service to the Tasmanian and national spatial information industries, 2008
Experience	Principal, Dakel Nominees, since 2002 Chairman, Victorian Spatial Council, since 2008 Member, 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 Director, PSMA Australia Limited (retired in October 2012) Chairman, PSMA Australia Limited (retired in October 2012) Chairman, PSMA Executive Committee (retired in October 2012) Chairman, PSMA Distribution Pty Ltd, (retired in October 2012)

Name	Jodi Cant
Age	46
Qualifications and Affiliations	Bachelor of Economics Graduate Member, Australian Institute of Company Directors
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	Director, PSMA Australia Limited (appointed October 2011) Member, PSMA Group Audit Committee

Name	Fabio Finocchiaro
Age	55
Qualifications and Affiliations:	Bachelor of Arts (Town Planning)
Experience	Executive Director, Land Services NT Department Lands, Planning and the Environment Senior Director, Land Information Services 2011-2012
Special Responsibilities	Director, PSMA Australia Limited (appointed October 2012)

Name	William Hirst
Age	61
Qualifications and Affiliations:	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	Director, PSMA Australia Limited (appointed June 2007) Member, PSMA Executive Committee

Name	Steven Jacoby
Age	51
Qualifications and Affiliations:	Master of Surveying Science Bachelor of Applied Science
Experience	Executive Director, Land of 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	Director, PSMA Australia Limited (appointed October 2009)

Name	Kate Kent
Age	50
Qualifications and Affiliations:	Master of Economics Diploma in Education Graduate Member, Australian Institute of Company Directors
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	Director, PSMA Australia Limited (appointed October 2009)

Name	Walter Mayr
Age	55
Qualifications and Affiliations	Bachelor Applied Science Surveying Graduate Diploma, Land Information Management Licensed Surveyor
Experience	Director Mapping, RPS Group, since 2011 Executive Director, Terranean Mapping Technologies, 2005-2011 Product Director Asia Pacific, MapInfo Corp, 2001-2005 Chairman, Spatial Industry Action Agenda, 2000-2001 Managing Director, ERSIS Australia 1991-2001 Director, ERSIS Australia, 1989-1991
Special Responsibilities	Independent Director, PSMA Distribution Pty Ltd (appointed September 2012)

Name	Desmond Mooney
Age	63
Qualifications and Affiliations	Master of Business Administration Bachelor of Surveying (Hons) Company Directors Diploma Registered Surveyor Registered Valuer Fellow of the Australian Institute of Management Fellow of the Australian Institute of Company Directors Justice of the Peace
Experience	Surveyor General of NSW and Registrar General of NSW, since October 2011 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	Director, PSMA Australia Limited (appointed June 2001) Deputy Chairman, PSMA Australia Limited Member, PSMA Executive Committee Director, PSMA Distribution Pty Ltd (appointed August 2008) Chairman, PSMA Distribution Pty Ltd (appointed October 2012)

Name	Mary O'Kane
Age	58
Qualifications and Affiliations	Bachelor of Science PhD Fellow, Australian Academy of Technological Sciences and Engineering Honorary Fellow, Engineers Australia Chartered Professional Engineer
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 Director, PSMA Australia Limited (appointed October 2007)

Name	John O'Malley
Age	60
Qualifications and Affiliations:	Graduate Diploma Public Sector Administration Associate Diploma Accounting Business Certificate Supply Graduate of the Australian Institute of Company Directors
Experience	Executive Director, Client Services, Department of Environment, Water 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 Chair, Banksia Park International High School Governing Council
Special Responsibilities	Director, PSMA Australia Limited (appointed October 2009) Chairman, PSMA Group Audit Committee

Name	Helen Owens
Age	47
Qualifications and Affiliations	Bachelor of Business
Experience	General Manager, Office of Spatial Policy, Department of Resources, Energy and Tourism since January 2011 Director, Capability Coordination – Geospatial Information, Department of Defence, 2009-2012 Director of Governance and Coordination, Office of the Deputy Secretary Intelligence and Security, Department of Defence
Special Responsibilities	Director, PSMA Australia Limited (appointed October 2012)

Name	Lynne Robinson
Age	47
Qualifications and Affiliations:	Bachelor of Arts Master of Agribusiness (Deans Honors list)
Experience	Managing Partner, Mercury Partners, since 2009 Director / Executive Manager, ANZ Technology Program Platforms / Senior Manager Service Integration, ANZ Banking Group, 2003-2008 Senior Manager, ING Australia, 2001-2003
Special Responsibilities	Independent Director, PSMA Distribution Pty Ltd (appointed October 2011) Member, PSMA Group Audit Committee

Name	Victor Stephens
Age	66
Qualifications and Affiliations:	Bachelor of Arts (Hons) (Geography) Master of Science Economics (Urban and Regional Planning) Graduate Diploma in 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	Director, PSMA Australia Limited (retired October 2012)

Name	Bruce Thompson
Age	55
Qualifications and Affiliations:	Bachelor of Design Studies Master of Business Information Technology
Experience	Deputy Secretary Corporate Services, Department of Environment and Primary Industries, Victoria since 2013 Chief Information Officer, Corporate & Business Services, Department of Sustainability and Environment, Victoria, 2011-13 Director, Spatial Information Infrastructure, Department of Sustainability and Environment, Victoria, 2003-10
Special Responsibilities	Director, PSMA Australia Limited (appointed September 2003) Member, PSMA Executive Committee

COMPANY SECRETARY

Name	Daniel Paul
Age	42
Qualifications and Affiliations	Fellow of Australian Institute of Company Directors 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	Chief Executive Officer, PSMA Australia, from 2001 (appointed Company Secretary 2001) Chief Executive Officer, PSMA Distribution Pty Limited, from 2008
Special Responsibilities	Chief Executive Officer, PSMA Australia Limited and PSMA Distribution Pty Limited Director, PSMA Distribution Pty Ltd (appointed July 2008) Company Secretary and Public Officer, PSMA Australia Limited and PSMA Distribution Pty Ltd Member, PSMA Executive Committee (ex-officio)

4.3 DIRECTORS' MEETINGS

The number of directors' meetings, including meetings of committees of directors, and the number of meetings attended by each of the persons holding office as directors and officers of the Company during the financial year were as follows.

	PSMA Australia Directors' Meetings	PSMA Distribution Director's Meetings	Audit Committee	Executive Committee
Number of meetings held	4	7	4	2
Glenn Appleyard	4	5	-	1
Jodi Cant	3	-	3	-
Fabio Finocchiaro (appointed October 2012)	2	-	-	-
Olaf Hedberg AM (retired October 2012)	1	2	-	2
William Hirst	4	-	-	2
Steven Jacoby	3	-	-	-
Kate Kent	3	-	-	-
Walter Mayr (joined September 2012)	-	6	-	-
Desmond Mooney	4	7	-	2
Mary O'Kane	3	-	-	-
John O'Malley	4	-	4	-
Helen Owens (appointed October 2012)	3	-	-	-
Daniel Paull	4	6	3	2
Lynne Robinson	-	7	4	-
Victor Stephens (retired October 2012)	1	-	-	-
Bruce Thompson	3	-	-	2

4.4 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 primary role of the PSMA Australia Board is the protection and enhancement of long-term shareholder value.

To fulfil 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.

The Board has delegated responsibility for business and market development to the wholly owned subsidiary, PSMA Distribution. The PSMA Distribution Board reports to the PSMA Australia Board and works in alignment with the goals of the parent board to determine the policies, practices, management and operation of PSMA Distribution.

PSMA Australia board processes

To assist in the execution of its responsibilities, the PSMA Australia 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. In accordance with the PSMA Australia Corporate Governance Charter, 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. During visits to business operations, directors have opportunities for contact with a wide group of employees.

Composition of the Board

The names of the directors of the Company at any time during the year, specifying those who are independent, are set out in the Directors section 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
- chairperson shall be an independent director.

▶ Remuneration of directors

During the course of the year, the status of the independent directors changed from that of contractors to that of employees of the Group.

None of the directors have received, or become entitled to receive, a benefit that has not been shown in the financial statements, by reason of a contract made by the Company with a director; or with a firm of which any director is a member; or with a company in which any director has a substantial financial interest. Transactions with related parties have been disclosed in note 21, of the Notes to the Financial Statements.

▶ 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	Group audit committee
Glenn Appleyard (Chairman, appointed October 2012)	John O'Malley (Chairman)
Olaf Hedberg AM (Chairman, retired October 2012)	Jodi Cant
William Hirst	Lynne Robinson
Desmond Mooney	
Daniel Paull	
Bruce Thompson	

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: the review of key projects; approving and monitoring budgets and capital expenditure; overseeing the implementation of strategy; 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 twice during the year and committee members' attendance record is disclosed in the table of directors' meetings in the Directors' Report.

Group audit committee

The Group 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 register.

The Group Audit Committee comprises three directors, including one independent director from the PSMA Distribution Board. At the discretion of the committee, the Chief Executive Officer, the Corporate Services Manager and 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 interest**

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 opportunities are identified on a timely basis, and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

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

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

4.5 PRINCIPAL ACTIVITIES

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

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

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

4.6 REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Operational Review section on pages 15 to 24 of the PSMA Australia Limited Annual Report 12/13.

4.7 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.

4.8 OPERATING RESULTS

The Group earned an operating profit of \$792,527 for the financial year from 1 July 2012 to 30 June 2013. Net profit amounts have been calculated in accordance with Australian Accounting Standards.

4.9 DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2012 to 30 June 2013.

4.10 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

4.11 EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report, there has arisen no item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

4.12 FUTURE DEVELOPMENTS

Future developments that may affect the operations of the Group in subsequent financial years, are summarised in the Looking Ahead section in the Operational Review on pages 25 of the PSMA Australia Limited Annual Report 2012/2013.

4.13 OPTIONS

No options were granted over unissued shares or interests during the period 1 July 2012 to 30 June 2013. 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.

4.14 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

During or since the end of financial year, the Group has paid or agreed to pay insurance premiums of \$9,500 to QBE Insurance in respect of a policy that specifically covers directors' and officers' liability; and \$910 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.

4.15 PROCEEDINGS ON BEHALF OF THE COMPANY

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

4.16 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 23 'Auditor's Remuneration' on page 67. A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001, is set out on page 68.

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:



Glenn Appleyard
Chairman, PSMA Australia Limited
Dated at Canberra this 16th day of October 2013



5 FINANCIAL STATEMENTS

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5.1 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 2013 and of its performance for the financial year ended on that date
 - 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:



Glenn Appleyard
Chairman, PSMA Australia Limited
Dated at Canberra this 16th day of October 2013



Desmond Mooney
Deputy Chairman, PSMA Australia Limited
Dated at Canberra this 16th day of October 2013

5.2 STATEMENT OF COMPREHENSIVE INCOME

	Note	Consolidated	
		2013	2012
		\$	\$
Revenue			
Access Fees	7	1,873,495	1,318,093
Royalties	7	5,378,069	5,052,346
Interest	10	118,836	151,173
Other income	7	906,550	463,529
Total revenues from ordinary activities		8,276,950	6,985,141
Expenses from operations			
Employee benefits expense	16	3,162,913	2,329,385
Depreciation and amortisation expenses	11	165,563	192,366
Other expenses		4,155,947	4,348,839
Total expenses from operations		7,484,423	6,870,590
Net profit from continuing operations		792,527	114,551
Other comprehensive income:			
Net gain on revaluation of intangible assets		-	2,067,963
Total comprehensive income for the year		-	2,182,514
Net profit attributable to members		792,527	114,551

The accompanying notes form part of these financial statements.

5.3 STATEMENT OF FINANCIAL POSITION

	Note	Consolidated	
		2013	2012
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	14.1	3,363,006	3,277,013
Trade and other receivables	13	2,233,607	2,000,859
Total current assets		5,596,613	5,277,872
Non-current assets			
Investment in subsidiary			
Property, plant and equipment	11	329,009	316,323
Intangible assets	12	6,379,522	6,126,675
Total non-current assets		6,708,531	6,442,998
TOTAL ASSETS		12,305,144	11,720,870
LIABILITIES			
Current liabilities			
Trade and other payables	18	2,830,911	3,079,284
Provisions	17	124,453	66,253
Total current liabilities		2,955,364	3,145,537
Non-current liabilities			
Provisions	17	109,279	92,160
Building fit-out Incentive		57,342	92,342
Total non-current liabilities		166,621	184,502
TOTAL LIABILITIES		3,121,985	3,330,039
NET ASSETS		9,183,158	8,390,831
EQUITY			
Issued capital	15	9	9
Retained earnings	15	7,097,497	6,304,970
Reserves	15	2,085,652	2,085,652
TOTAL EQUITY		9,183,158	8,390,831

5.4 STATEMENT OF CASH FLOWS

	Note	Consolidated	
		2013	2012
		\$	\$
Cash flows from operating activities			
Receipts from customers		8,158,115	6,833,968
Payments to suppliers and employees		(7,744,984)	(5,930,704)
Interest received	10	118,836	151,173
Net cash provided by operating activities	14.2	531,967	1,054,437
Cash flows from investing activities			
Purchase of intangible assets		(252,847)	(613,426)
Purchase of plant and equipment	11	(193,127)	(60,094)
Net cash used in investing activities		(445,974)	(673,520)
Cash flows from financing activities			
Net cash used in financing activities		-	-
Cash at beginning of year		3,277,013	380,917
Net increase/(decrease) in cash held		85,993	2,896,096
Cash at end of year	14.1	3,363,006	3,277,013

5.5 STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital (ordinary)	Retained Earnings	Revaluation Surplus	Special Project Reserve	Total
		\$	\$	\$	\$	\$
Consolidated Group						
Balance at 1 July 2012		9	6,304,970	2,067,963	17,689	8,390,631
Profit or loss		-	792,527	-	-	792,527
Other comprehensive income						
Transfers from retained earnings to special project reserve		-	-	-	-	-
Transfers from special project reserve to retained earnings		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income		-	792,527	-	-	792,527
Balance at 30 June 2013	15	9	7,097,497	2,067,963	17,689	9,183,158

5.6 NOTES TO THE FINANCIAL STATEMENTS

▶ 1 Reporting Entity

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

The address of the Company's registered office is Unit 6, Level 2, 113 Canberra Avenue, Griffith ACT 2603.

Controlled entities during the financial year ended 30 June 2013 were:

- PSMA Distribution Pty Ltd

The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

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

- assembling fundamental datasets of national interest
- coordinating the delivery of these datasets, so as to achieve the widest possible audience and widest possible use
- assisting organisations and individuals to maximise the value from these datasets, with the least amount of effort and in doing so maximise the economic, social, and environmental benefits.

▶ 2 Basis of Preparation

2.1 Statement of compliance

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 2013 were authorised for issue in accordance with a resolution of the directors on [date].

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 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, which 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 30 June 2013 confirmed no impairment of the PSMA Datasets and 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.

► 3 Significant Accounting Policies

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

3.1 Principles of consolidation

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

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

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

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

3.2 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 is 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.

3.3 Share capital

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

3.4 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.

3.5 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.

3.6 Impairment of assets

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

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

Impairment testing is performed annually for intangible assets with indefinite lives.

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

Intangible assets with an indefinite useful life are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

3.7 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
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

3.8 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.

3.9 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
- 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.

3.10 Revenue recognition

Revenue is recognised when the Group's right to receive the payment is established. Revenue from the rendering of a service is recognised on the delivery of the service to the customers.

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.

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.

3.11 Leases

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

3.12 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.

3.13 Goods and services tax (GST)

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

- where the amount of GST incurred is not recoverable from the Australian Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense:

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

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

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

3.14 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 2015.

Applicable for reporting periods commencing after 1 January 2015.

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.

► **4 Determination of Fair Values**

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

4.1 Intangible assets

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

4.2 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.

► 5 Financial Risk Management

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

- credit risk
- liquidity risk
- market risk.

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. 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.

5.1 Credit risk

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

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

Trade and other receivables

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

Investments

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

5.2 Liquidity risk

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

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

5.3 Market risk

The Group's major exposure to market risk is interest rate and foreign exchange risk. 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 risk relates to the contracts from our value-added resellers, which is pre-dominantly 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Financial assets										
Cash	-	-	-	-	1,414,016	1,424,401	-	-	1,414,016	1,424,401
Receivable	-	-	-	-	-	-	2,233,607	2,000,859	2,233,607	2,000,859
Investment	1,948,990	1,852,613	-	-	-	-	-	-	1,948,990	1,852,613
Total	1,948,990	1,852,613	n/a	n/a	1,414,016	1,424,401	2,233,607	2,000,859	5,596,613	5,277,873
Financial liabilities										
Payable	-	-	-	-	-	-	3,116,850	2,371,063	3,121,986	3,145,537
Total	n/a	n/a	n/a	n/a	n/a	n/a	3,116,850	2,371,063	3,121,986	3,145,537

5.4 Capital management

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

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

While the current ratio as at 30 June 2013 was 1.6:1, 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.

► 6 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.

► 7 Revenue and Other Income

	Consolidated	
	2013	2012
Services revenue	\$	\$
VAR Access fees	462,150	442,424
Corporate Access Fees	1,411,345	875,669
Total services revenue	1,873,495	1,318,093
Non-services income		
Royalties	5,378,069	5,052,346
Interest	118,836	151,173
Rental sublease and reimbursable	11,799	51,996
Consulting	874,822	405,068
Miscellaneous	19,929	6,465
Total non-services income	6,403,455	5,667,048
Total revenue	8,276,950	6,985,141

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 2012/13 in non-services income as per previous years for consistency purposes.

► 8 Other Expenses

	Consolidated	
	2013	2012
Other expenses	\$	\$
Administration and office overheads	568,277	450,159
Remuneration of auditor – auditing and taxation services	67,452	65,155
Product Management	957,915	981,927
Rental expense – office space	262,726	277,172
Jurisdictional and client relationship	1,092,483	1,618,230
Other operating expenses	1,207,093	956,196
Total other expenses	4,155,947	4,348,839

► 9 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.

► 10 Finance Income and Expenses

	Consolidated	
	2013	2012
	\$	\$
Interest income on unimpaired held-to-maturity investments	102,817	137,194
Interest income on bank deposits	16,019	13,979
Finance Income	118,836	151,173
Finance and impairment expenses	(4,803)	(4,891)
Finance expense	(4,803)	(4,891)
Net finance income	114,033	146,282

► 11 Plant and Equipment

	Consolidated	
	2013	2012
Other expenses	\$	\$
IT Equipment – at cost	353,940	426,937
Accumulated depreciation	(254,686)	(304,665)
	99,254	122,272
Furniture and Equipment – at cost	93,919	133,948
Accumulated depreciation	(82,833)	(88,518)
	11,086	45,430
Building Fit out – at cost	429,963	286,716
Accumulated amortisation	(211,294)	(138,095)
	218,669	148,621
Total plant and equipment	329,009	316,323

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 2012	316,323
Additions	193,127
Depreciation expense	(165,563)
Loss in disposal of assets	(14,879)
Carrying amount at 30 June 2013	329,009

► 12 Intangible Assets

	Consolidated	
	2013	2012
	\$	\$
PSMA Datasets and Products	3,689,722	3,661,573
PSMA Systems - Services	1,478,950	1,264,708
PSMA Systems - Data Management	1,210,850	1,200,394
	6,379,522	6,126,675
Accumulated impairment losses	-	-
Net carrying value	6,379,522	6,126,675
Reconciliation		
Balance at 1 July 2012	6,126,675	3,445,286
Additions	252,847	613,426
Revaluation - PSMA Datasets and Products	-	2,067,963
Closing carrying value at 30 June 2013	6,379,522	6,126,675

► 13 Trade and Other Receivables

	Consolidated	
	2013	2012
Current	\$	\$
Trade receivables	1,449,152	1,807,664
less provision for impairment of receivables	-	-
	1,449,152	1,807,664
Other receivables		
Interest receivable	19,150	23,358
Prepayments	162,222	116,590
Accrued income	603,083	53,247
	784,455	193,195
Total trade and other receivables	2,233,607	2,000,859

Trade receivables are non-interest bearing and are generally on 30-day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable has been impaired.

► 14 Cash and Cash Equivalents

14.1 Cash and cash equivalents

	Consolidated	
	2013	2012
Cash and cash equivalents	\$	\$
Cash at bank and in hand	1,414,016	1,424,400
Short term bank deposits	1,948,990	1,852,613
Cash and cash equivalents in the statement of cash flows	3,363,006	3,277,013

The effective interest rate on the bank deposits was 4.28%, with an average maturity of 214 days.

14.2 Statement of cash flows

Reconciliation of cash flows from operating activities:

	Consolidated	
	2013	2012
Cash flows from operating activities	\$	\$
Profit attributable to members:	792,527	114,551
Non-cash flows in profit		
Depreciation	165,563	192,366
Loss on disposal of assets	14,879	-
Fit out amortisation (rent reduction)	(35,000)	(35,000)
Administration expenses (non-cash)	(201)	(201)
Operating profit before changes in working capital and provisions	937,768	272,117
Change in trade and other receivables	(191,324)	(43,845)
Change in other assets	(41,423)	(50,637)
Change in trade and other payables	(214,017)	546,154
Change in provisions and employee benefits	134,180	(48,151)
Change in income in advance	(93,217)	378,799
Net cash from operating activities	531,967	1,054,437

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

► 15 Capital and Reserves

	Consolidated	
	2013	2012
	\$	\$
Retained earnings		
Retained earnings	7,097,497	6,304,971
	7,097,497	6,304,971
Reserves		
Revaluation surplus	2,067,963	2,067,963
Special project fund	17,689	17,689
	2,085,652	2,085,652

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.

Share capital

	Consolidated	
	2013	2012
	\$	\$
Fully paid ordinary shares	9	9
Issue of ordinary shares	-	-
Fully paid ordinary shares	9	9

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

► 16 Employee Benefits

	Consolidated	
	2013	2012
	\$	\$
Wages and salaries	2,761,293	2,117,662
Other associated personnel expenses	326,300	267,297
Annual leave expenses	58,200	(25,310)
Long service leave expenses	17,119	(30,264)
Total employee benefits	3,162,913	2,329,385

► 17 Provisions

	Consolidated	
	2013	2012
	\$	\$
Opening balance at 1 July 2012	158,413	213,987
Movements during the year	75,319	(55,574)
Balance at 30 June 2013	233,732	158,413
Analysis of provisions		
Current	124,453	66,253
Non-current	109,279	92,160
	233,732	158,413
Number of employees at year end	30	21

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.

► 18 Trade and Other Payables

	Consolidated	
	2013	2012
	\$	\$
Trade payables		
Trade Payables	226,484	431,418
Employee benefits	138,176	79,315
	364,660	510,733
Sundry payables and accrued expenses		
Accrued Jurisdictional Royalties for 12/13	1,068,434	-
Accrued Jurisdictional Royalties for 11/12	133,803	1,004,935
Accrued Jurisdictional Royalties for 10/11	227,324	227,324
Accrued Jurisdictional Royalties for 09/10	188,516	188,516
Accrued Jurisdictional Royalties for 08/09	210,901	230,119
Accrued Jurisdictional Royalties for 07/08	109,996	140,740
Accrued Jurisdictional Royalties for 06/07	16,772	43,453
GST Liability/(Refund)	77,995	207,737
Income in Advance	432,510	525,727
	2,466,251	2,568,551
Total payables	2,830,911	3,079,284

► 19 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.

► 20 Leasing Commitments

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

	Consolidated	
	2013	2012
	\$	\$
Not later than 1 year	286,807	275,776
Later than 1 year but no later than	157,316	444,123
Total operating lease commitments	444,123	719,899

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.

► **21 Related Party Disclosures**

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

During the financial year, PSMA has amended its terms and conditions in respect to the appointment and remuneration of directors to ensure consistency and ease reporting and management of these

	Consolidated	
	2013	2012
Transactions with related parties		
Independent directors' fees (July 2012 to December 2012)	\$	\$
Dakel Nominees (Olaf Hedberg) retired in Oct 2012	35,000	100,000
Glenn Appleyard	24,341	14,333
Semloh Consulting (Martin Holmes)	-	10,000
Mary O'Kane & Assoc (Mary O'Kane)	10,000	20,000
Mercury Partners (Lynne Robinson)	15,000	10,000
Total independent directors' fees	84,341	154,433

	Consolidated	
	2013	2012
Directors' remuneration (12 September 2012 to 30 June 2013)	\$	\$
Glenn Appleyard	38,150	-
Mary O'Kane	13,898	-
Walter Mayr	22,206	-
Lynne Robinson	13,898	-
Total directors' remuneration	88,152	-
Total of transactions with related parties	172,493	154,433

► 22 Parent Entity Information

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

	Consolidated	
	Parent Entity	
Statement of Financial Position	2013	2012
Assets	\$	\$
Current assets	4,782,950	5,369,727
Non-current assets	6,708,531	6,442,999
Total Assets	11,491,481	11,812,726
Liabilities		
Current liabilities	2,353,389	3,293,985
Non-current liabilities	153,695	176,408
Total Liabilities	2,507,084	3,470,393
Equity		
Issued capital	9	9
Retained earnings	6,898,737	6,256,471
Reserves	2,085,652	2,085,652
TOTAL EQUITY	8,984,398	8,342,132

Statement of Profit or Loss and Other Comprehensive Income

	Consolidated	
	2013	2012
	\$	\$
Total Profit	642,267	66,501
Total Comprehensive Income	642,267	66,501

► 23 Auditor's Remuneration

	Consolidated	
	2013	2012
Remuneration of auditor:	\$	\$
Audit and review of financial reports	62,112	59,030
Taxation services	5,340	6,125
Total remuneration of auditor	67,452	65,155

MAXIM

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AUDITOR'S INDEPENDENCE DECLARATION

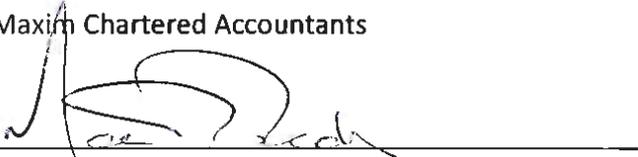
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PSMA AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) 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 11th day of October 2013

Level 2, 59 Wentworth Ave Kingston ACT 2604
PO Box 4259 Manuka ACT 2603
P 02 6295 8744 F 02 6295 8344
maximca.com.au

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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 2013, 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 gives a true and fair view and 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

Level 2, 59 Wentworth Ave Kingston ACT 2604
PO Box 4259 Manuka ACT 2603
P 02 6295 8744 F 02 6295 8344
maximca.com.au

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internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

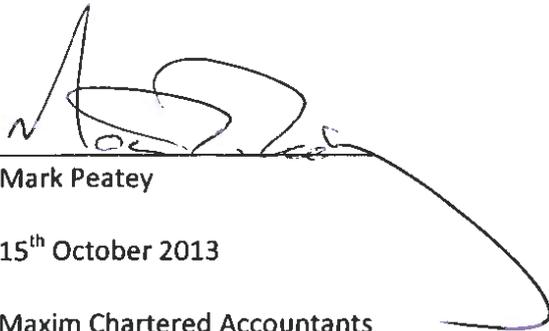
Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PSMA Australia Ltd, would be in the same terms if provided to the directors as at the time of this auditor's report.

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 2013 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*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.1



Mark Peatey

15th October 2013

Maxim Chartered Accountants
Level 1 59 Wentworth Avenue
KINGSTON ACT 2604





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AUDITOR'S DISCLAIMER OF OPINION

TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

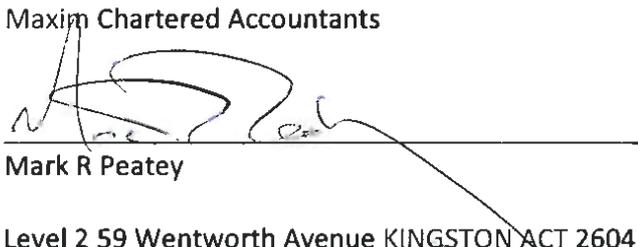
The additional financial data presented on pages 46 to 49 is in accordance with the books and records of PSMA Australia Limited and controlled entity which has been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2013.

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 15th day of October 2013

Level 2, 59 Wentworth Ave Kingston ACT 2604
PO Box 4259 Manuka ACT 2603
P 02 6295 8744 F 02 6295 8344
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5.7 DETAILED INCOME AND EXPENDITURE STATEMENT

	Consolidated	
	2013	2012
REVENUE	\$	\$
Interest revenue	118,836	151,173
Rent revenue and reimbursable utilities	11,799	51,996
VAR and corporate access fees	1,873,495	1,318,093
VAR royalties	5,378,069	5,052,346
Consulting	874,822	405,068
Miscellaneous income	19,929	6,509
TOTAL REVENUE	8,276,950	6,985,185
EXPENDITURE		
Human resource management		
Wages and salaries	2,462,105	1,815,702
Employer superannuation	286,707	301,960
Human resources -other	402,129	198,544
Staff training and professional development	11,973	13,179
	3,162,913	2,329,385
Professional services		
Legal	91,578	85,075
Accounting and audit	67,452	65,155
Consultants	269,656	44,968
	428,686	195,198
Equipment		
Equipment purchases	9,324	-
Hardware and software purchases	140,925	97,347
Depreciation	165,563	192,366
Loss on disposal of asset	14,879	-
Equipment repair / maintenance/ hire	8,475	2,990
	339,166	292,702
Travel		
Travel (domestic)	139,936	158,335
Travel (international)	24,929	26,666
Meals and accommodation	94,572	128,702
Car hire / taxi / parking / other	15,659	19,736
Motor vehicle expenses	23,288	33,316
	298,384	366,755

Telecommunications		
Telephones	11,610	9,327
Mobile phones	16,067	24,373
Fax / teleconferencing / internet / web host	21,804	17,824
	49,481	51,524
Overheads		
Rent (including sub leased areas)	262,726	277,172
Cleaning/waste removal (incl sub leased areas)	20,640	16,533
Security and maintenance	1,628	780
Electricity (including sub leased areas)	18,653	14,414
Office refit / new premises	-	2,280
	303,647	311,179
Administration costs		
Postage / freight / handling	4,198	2,872
Stationery / office supplies	7,760	13,975
Backups and data storage	556,319	433,312
	568,277	450,159
Insurance		
Commercial, Directors' and Officers', Information Technology, Personal Accident and Volunteers and Motor Vehicle	24,167	23,364
	24,167	23,364
Other expenses		
Fringe Benefits Tax	20,457	25,492
Payroll Tax	87,208	76,113
Bank charges / stamp duty	4,803	4,891
Other expenses	892	114
	113,360	106,609
Research and development		
CRC.SI 43PL	18,182	18,182
	18,182	18,182

Supply chain management		
LYNX maintenance	715,275	619,526
G-NAF maintenance	213,205	242,537
CadLite maintenance	-	39,228
Transport and Topography maintenance	-	32,006
Administrative Boundaries maintenance	-	30,108
Features of Interest maintenance	-	5,325
Land Tenure maintenance	-	5,060
Postcode Boundaries	29,435	8,138
	957,915	981,927
Jurisdictional royalty returns		
Royalty returns – 20% in 12/13	1,068,434	1,005,830
Royalty returns – additional 10% from 09/10	-	490,452
	1,068,434	1,496,282
Marketing		
Graphic design and printing	44,787	33,745
Promotion and sponsorship	56,469	69,520
Subscription and membership	26,506	22,225
	127,762	125,490
Relationship management		
VAR audit fees	24,050	121,948
	24,050	121,948
TOTAL EXPENDITURE	7,484,423	6,870,590
NET PROFIT/LOSS	792,527	114,551

