

PSMA AUSTRALIA ANNUAL REPORT 2017

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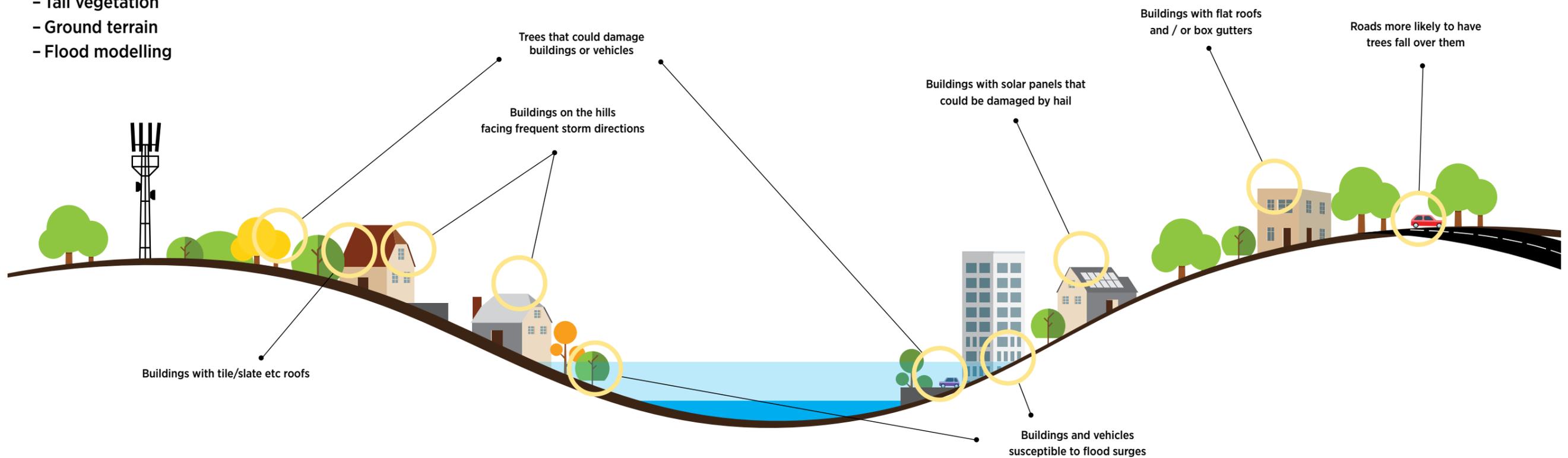
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Editor: Shae Lalor, The Write Path
Designer: Brett Hatherly, Fivefold Creative

Particular structures and vehicles are more susceptible to damage during storms.

Geoscape can capture the following data to better define the built environment and plan for the future:

- 3D building shape, including roof pitch
- Building attribution: roof materials, solar panels
- Addresses for buildings
- Tall vegetation
- Ground terrain
- Flood modelling



Defining the built environment

PSMA AUSTRALIA'S PURPOSE

PSMA Australia is a unique response to Australia's Federation in an environment of ever increasing fiscal challenges for governments. An unlisted company limited by shares, PSMA is owned by all the governments of Australia.

From its inception in 1992, and subsequent establishment as a company in 2001, PSMA continues to provide an independent and self-funded means for Australian governments to **collaborate on national geospatial matters** to provide fundamental infrastructure for a digital world.

We offer national geospatial data derived from trusted sources: managed, curated and released as datasets that private and public sectors incorporate into a continually expanding range of business solutions.

PSMA's activities focus on the maximisation of the value to the nation from **access to location resources** on behalf of all the governments of Australia. It is for this reason that our shareholders measure their return, not by the size of the dividend but by the broader economic, social and environmental value delivered through the activities of the company.

“Our strategic mission to provide customers with core location related content they need and in a way that enables them to effortlessly improve their business, remains unchanged and particularly relevant in our complex, global environment.”

Glenn Appleyard

Chairman

VISION

To be Australia's most trusted and accessible source of location related content.

MISSION

To provide our customers with the core location related content they need and in a way that enables them to effortlessly improve their business.

VALUES

Respect – fairness, humanity, trust, community

Passion – enthusiasm, commitment, strength, vibrancy

Leadership – trailblazing, courageous, inspirational, dynamic

Knowledge – aspiration, insight, excellence, distinction

It has been a milestone year of growth and delivery for PSMA, due to the efforts of the whole PSMA team.

The national rollout of **Geoscape** and the continual uptake of **G-NAF** were two important contributions to Australia's digital economy.

PSMA is increasingly demonstrating its ability to perform successfully within a more **complex and dynamic information ecosystem**, where data supply is increasingly independent of government.

This places significant emphasis on our ability to provide a stream of new products and services that add value to governments and businesses across Australia. It enables us to think big and bring innovation to the reseller business.

From the shareholder review in the form of the scoping study, one clear message has emerged: there is an express wish that the organisation **retain a strong commercial focus** to meet capital requirements.

Yet this does not change the essential nature of PSMA's business. Our strategic mission to provide customers with core location related content they need and in a way that enables them to effortlessly improve their business, remains unchanged and particularly relevant in our complex, global environment.

The incredible staff of PSMA continue to embrace the organisation's collaborative culture during a time of growth.

My sincere thanks to the other members of the Board, Dan and all PSMA staff.

Glenn Appleyard

Chairman

A portrait of Glenn Appleyard, the Chairman of PSMA. He is a middle-aged man with short, graying hair, wearing glasses, a dark suit jacket, a light blue striped shirt, and a red tie with a gold pattern. He is smiling slightly and looking directly at the camera.

Glenn Appleyard

Chairman

“PSMA is increasingly demonstrating its ability to perform successfully within a more complex and dynamic information ecosystem, where data supply is increasingly independent of government.”

I love what I do at PSMA.

Our work is always changing, and every day is different. We are never short of challenges and we love to be disruptive. We're delivering quality products into the market and making a real difference in our industry.

This year, we grew rapidly. We're evolving in response to our industry and consumer needs.

Our big release this year was **Geoscape**. Larger and more complex than anything PSMA has previously contemplated, we partnered with satellite imagery provider DigitalGlobe to develop a new process for recognising and extracting insights from images.

The result is an analytics-ready product that delivers rich geospatial data depicting the built environment, including building footprints and heights, rooftop materials, tree heights, solar panels and swimming pools.

Its roll-out across the country continues. And the future capabilities of Geoscape are exciting.

PSMA's leadership within the national and international geospatial industry is pivotal, and we continue to influence decision makers and to learn from experts in geospatial and tech fields.

A solid organisational culture is essential to any growth or transformation.

We've put processes in place to create a strong alignment between the strategy of the business and the culture of the business - culture makes all the difference to the execution of the strategy.

Our FRANK initiative, as a driver of the culture we want, is really making a difference in our ability to deliver innovative products and solutions. Our focus on culture this year has made an extraordinary difference in terms of bringing the team together and allowing us to deliver a remarkable product like Geoscape.

With the passion, leadership and knowledge of our team, and the respect we're gaining in the industry, anything is possible for PSMA.

We look ahead to an exciting future.

Dan Paull

Chief Executive Officer

“When you realise you can make a difference, you have permission to make a difference, and you have confidence to act, then you start to see real change. That’s what leadership is about, and everyone in PSMA is a leader.”

A close-up portrait of Dan Paull, the CEO of PSMA. He is a middle-aged man with short brown hair, a beard, and glasses. He is wearing a dark suit jacket, a light-colored striped shirt, and a dark tie with a pink and white pattern. He is smiling warmly at the camera.

Dan Paull

Chief Executive Officer

OUR VALUED PARTNERS

PSMA provides a vehicle for data to move seamlessly from producers to consumers, while adding value through integration and quality assurance.

We couldn't get useable and accurate data to those who need it without our valued partners.

ADDRESSFINDER

experian
data quality

mapdata
services

amristar

Geomatic
Technologies



CALLPOINT
SPATIAL

here

NUONIC

Deloitte.

hometrack

OMNILINK
LINKING PEOPLE AND INFORMATION

eac estate agents
.co-operative

INSIGHTGIS
Seeing is Achieving

pitney bowes

EQUIFAX

Magenta Technologies
Pty Ltd

SENSINGVALUE
CONNECTING BUSINESS TO MARKET AND ENVIRONMENT

Virtual
Map
Australia

OTHER STAKEHOLDERS

Apart from our valued partner relationships, PSMA has close stakeholder relationships with other entities that form part of our professional ecosystem.

These entities include:

- *PSMA Shareholder Ministers*
- *Federal Government departments*
- *State and Territory Ministers and departments*
- *PSMA shareholder representatives and Board of Directors*
- *Peak industry bodies*
- *Other geospatial industry organisations*
- *PSMA staff and suppliers*
- *Research institutions and providers*



Dan Paull, PSMA and Hugh Saalmans, IAG Locate16 Hackfest

OUR BOARD

The PSMA Board of Directors guide the protection and enhancement of long-term shareholder value for PSMA by acting within the law at all times, managing conflicts of interest, and acting honestly and ethically in all business activities.



Glenn Appleyard
Chairman



Jodi Cant
Deputy Chair



Fabio Finocchiaro
Nominee Director



Walter Mayr
Independent Director



Duncan McIntyre
Nominee Director
(commenced February 2017)



Stuart Fletcher
Nominee Director



Lynne Robinson
Independent Director



Jeffrey Brown
Nominee Director



Penelope Winslade
Nominee Director



Bruce Thompson
Nominee Director



Helen Owens
Nominee Director
(resigned February 2017)



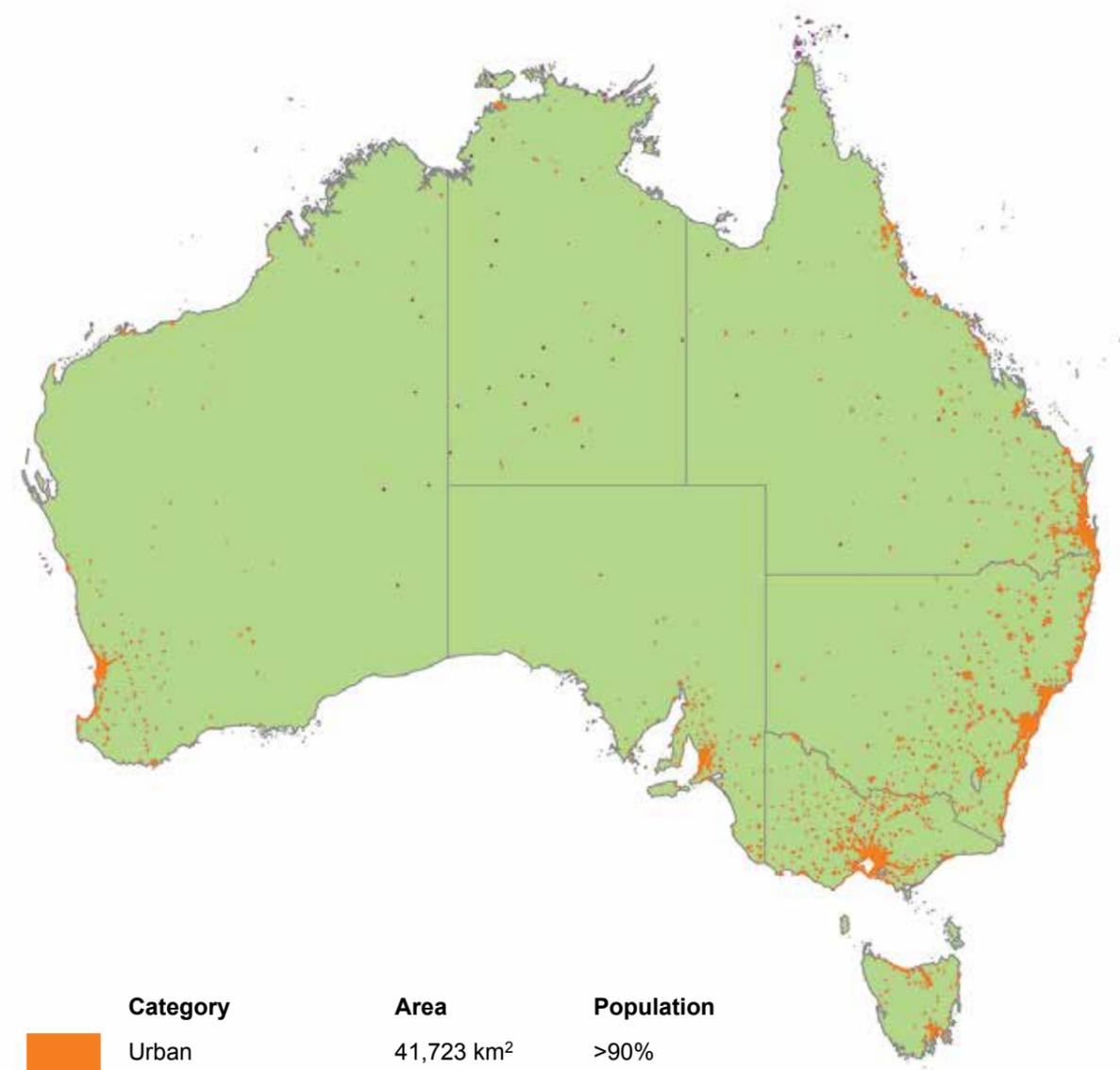
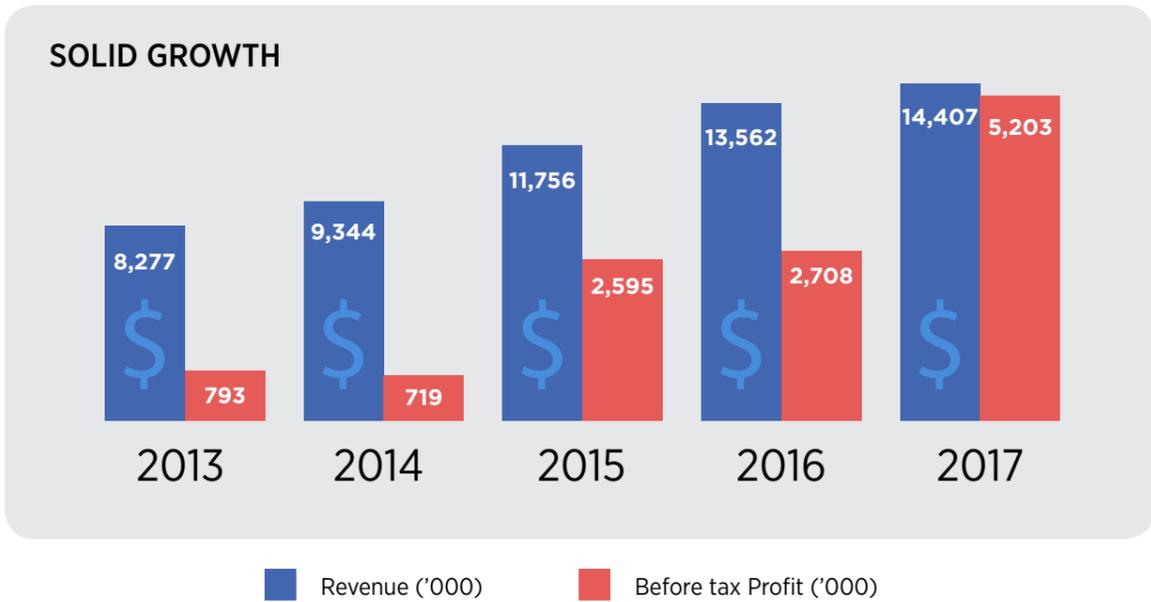
Dan Paull
Distribution Director

Find out more about the structure and responsibilities of the PSMA Board on page 44.

PSMA'S ACHIEVEMENTS

Geoscape epitomises the approach PSMA must now continue. It is beautifully creative, technically innovative and born of a 'can-do' spirit that combines self-belief with strong capability.

GEOSCAPE COVERAGE



| Category | Area | Population |
|--------------------|---------------------------|------------|
| Urban | 41,723 km ² | >90% |
| Rural Balance | 7,649,262 km ² | <10% |
| Remote Communities | 250 km ² | <0.1% |

OUR YEAR AT A GLANCE

2016

- DigitalGlobe agreement signed for Geoscape
- Geoscape wins Business Service Category Award at ACT iAwards

- *iAwards Dedicate Day*, Melbourne, VIC – PSMA networking
- PSMA data working committee with PM&C, Canberra, ACT
- Visited DigitalGlobe for launch of WorldView #4, attended by Dan Paull and Gerry Stanley
- Released NextGen GNAF whitepaper

- PSMA data release (90 day release)
- *SSI ACT NSW Annual Regional Spatial Conference* – PSMA presentation and networking
- *Mapped Out*, Wagga Wagga – presentation and networking
- *GovInnovate Summit*, Canberra, ACT – PSMA booth and Smart Cities roundtable
- *GSDI World Conference*, Taipei – presentation and workshop by Dan Paull in partnership with DigitalGlobe

JUL

AUG

SEP

OCT

NOV

DEC

- PSMA data release (90 day release)
- *South Eastern QLD CIO Forum* – PSMA presentation and networking
- Commonwealth Address workshop – Canberra, ACT

- *Tableu User Conference*, Canberra, ACT – PSMA networking

- Geoscape release 1 – for Adelaide and Canberra

2017

- Geoscape sample data release
- PSMA participation in the CRCSI 3.16 project commenced

- *ConnectExpo*, Melbourne, VIC
- *World Bank Land & Poverty Conference*, Washington, USA. Dan Paull presented
- PSMA data working committee with PM&C, Canberra, ACT
- *CRCSI 3.16 Project. OGC Data Quality Domain workshop*. Presentation to working group at the Delft OGC Technical Committee

- *CeBIT*, Sydney, NSW – attended and exhibited
- PSMA data release (90 day release)
- *QLD Spatial Services Conference*, Gold Coast, QLD – PSMA presentation and networking
- Conducted Geoscape Technical & Overview Webinars, all of AU audience

JAN

FEB

MAR

APR

MAY

JUN

- PSMA data release (90 day release)

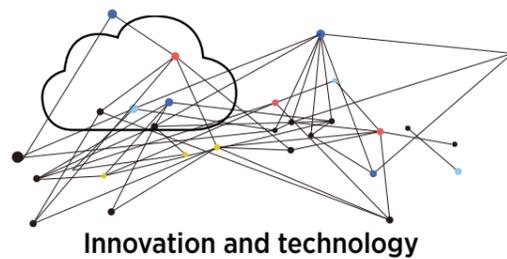
- Geoscape launched into market – Sydney release
- *Locate17*, Sydney, NSW. PSMA shared booth with DigitalGlobe.
- Invitation to Dan Paull to conduct a workshop and attend the prestigious Cambridge Conference, Oxford, UK
- DigitalGlobe User Group, presentation

- Landgate Leadership team presentation, Perth, WA

This is the age for PSMA.

Our focus on delivering fundamentally significant, nationally relevant data to an emerging digital and knowledge economy has never been more crucial.

PSMA is extending the reach of our market leading datasets through growth enablers:



These enablers provide PSMA with a solid platform for growth – stabilising the organisation as it transitions while allowing flexibility and access to our datasets.

The 2015–2016 Strategic Plan provided core objectives for the financial year to govern programs for PSMA to achieve strategic outcomes.

Objective 1:

Financial strength, independence and sustainability

Ensure budget spend against investment opportunities is balanced against a metric that adds value to the business. This delivers strong momentum for innovation against short and long term goals.

Objective 2:

Delighted, confident and growing customers

Use insights to delve deeper into our customer needs through strong relationships and actively exploring the application of location data to their businesses. Ensure our products and services are the best choice in the way they are delivered, constructed and designed with our customers as our primary focus.

Objective 3:

PSMA is efficient, responsive and ready to execute

Our supply chain – a combination of relationships, technology and processes – is efficient and responsive. The focus is on excellent quality management and comprehensive business insights to recognise how we rapidly and effectively innovate to bring high quality products and enhancements to market.

Objective 4:

Committed, capable and confident people

Work extensively on our people and culture with staff to ensure our culture is robust and we are a “team of teams”, performing at a high level, while cultivating and rewarding leadership.

OUR PRODUCTS

Data solutions

PSMA's geospatial information is sourced from government bodies at all levels and through private sector partnerships. We standardise and integrate the data, and subject it to our quality assurance process. It is then transformed as necessary to create our **datasets**, which are updated every 90 days and in some cases more frequently.

The entire production cycle takes approximately 90 days and updated datasets are released every quarter. Updated datasets were released on:

➤ 22 August 2016 ➤ 21 November 2016 ➤ 20 February 2017 ➤ 25 May 2017

We also provide access to our datasets for use in mobile applications and internet-connected devices, including Internet of Things applications and services via PSMA Cloud web services. These require a different production pipeline to ensure quality and accuracy.

Geoscape: a world-first

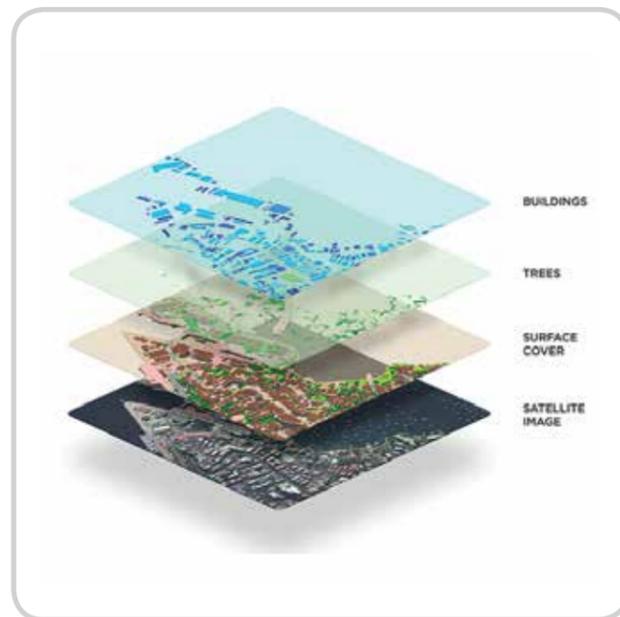
Our brand new product, Geoscape, commenced its release this year. It helps businesses and government know what's at an address.

Geoscape combines advances in satellite imagery, machine learning and big data processing to create a digital representation of Australia's built environment.

It captures:

- building footprints and heights
- roof construction
- surface cover
- tree heights
- the presence of solar panels and swimming pools.

Geoscape uses **G-NAF to link built environment attributes to a geocoded address**. It's the first time location-based information and analytics ready data have been combined and made available in this way on a national level.



Nation-wide, Geoscape is expected to contain 15 million buildings mapped to geocoded addresses.

By April 2017, Geoscape had delivered 3.47 million buildings, 7,000 sqkm of 2 metre surface cover, 1,500 sqkm of trees and 1.11 million sqkm of 30 metre surface cover.

| RELEASE SCHEDULE | LOCATIONS | STATUS |
|--------------------------------------|----------------------------|-----------------|
| Release 1 (December 2016) | Adelaide | Released |
| | Canberra | Released |
| | SA rural* | Released |
| Release 2 (April 2017) | Sydney | Released |
| | QLD rural* | Released |
| | SA urban areas | Released |
| | Griffith & NSW urban areas | Released |
| Release 3 (July 2017) | NSW rural* | Current Release |
| | VIC rural* | Current Release |
| | WA rural* | Current Release |
| | TAS rural* | Current Release |
| | NT rural* | Current Release |
| | Perth | Current Release |
| | Cairns | Current Release |
| | TAS urban areas | Current Release |
| | Launceston | Current Release |
| Late 2017 | Mackay | In Progress |
| | Sunshine Coast | In Progress |
| | Hobart | In Progress |
| | Brisbane | In Progress |
| | Townsville | In Progress |
| | Wollongong | In Progress |
| 2018 | Rockhampton | Pending |
| | Geelong | Pending |
| | Newcastle | Pending |
| | Melbourne | Pending |
| | Toowoomba | Pending |
| | Darwin | Pending |
| | Ballarat | Pending |
| | Bendigo | Pending |
| | Albury/Wodonga | Pending |
| | Bunbury | Pending |
| | Remaining locations | Pending |

* PSMA has classified rural regions as townships with a population of 200 people or fewer. Areas that are not named above or classified as rural will be released in January - July 2018.

Enhancing our products

During the 2015–2016 release cycles, PSMA made a commitment to improve the quality, volume and accessibility of information. Starting with the August 2016 release cycle, the following pivotal enhancements were made to each of our product datasets.



G-NAF

Australia's Geocoded National Address File (G-NAF) has been openly available via data.gov.au throughout the year.

Based on learnings, we've made some changes to G-NAF throughout the year:

- continued improvement to geocodes with a reduction of locality and street-locality level only geocodes and an increase in address level geocodes to over 95%
- increase of principal addresses provided by all three contributors to over 65.2%
- introduction of the 2016 ABS mesh block codes: an update to LEGAL_PARCEL_ID field processing has resulted in a significant overall increase and better accuracy in population of this attribute across all states and territories. This information provides a link between the cadastre and over 13 million non-retired addresses
- reduction in the number of duplicate addresses resulting in a total of over 570,000 alias addresses.

More than just an address.

- **G-NAF is a complex database of more than 30 tables of data.**

Metadata includes:

- **principal and alias relationships**
- **geocodes with classification type**
- **ABS mesh blocks**
- **confidence levels**
- **primary and secondary relationships**
- **unique persistent identifier.**

G-NAF added 419,589 new addresses and retired 141,958 addresses.

We have a total of over 14.21 million addresses in G-NAF of which 13.65 million (96.06%) are principal addresses.

The geocode reliability of principal addresses in G-NAF is now made up of 96.18% address level, 3.57% street locality and 0.25% locality addresses.

Over 12.17 million jurisdiction addresses maintained on daily, weekly or monthly basis for most jurisdictions in G-NAF Live*.

GNAF – Next Generation

In July, the first work program following the publication of the *Next Generation G-NAF Roadmap* was forwarded to the Australian Government. The work program focussed on data strengthening activities to prepare for more structural change in future years. The core activities of the work program were delivered over the course of the year, with the final milestone report delivered to the Department of Prime Minister and Cabinet (PM&C) on 19 June 2017.

*stats based on May 2017 release

Administration Boundaries

This is Australia's most comprehensive national collection of boundaries, including government, statistical and electoral boundaries. Throughout the year, PSMA has:

- introduced into the 2016 ABS Boundaries theme the 2016 Mesh Blocks and Statistical Areas from the Australian Bureau of Statistics (August 2016 release)
- included NSW new councils and amalgamations for Local Government Areas (August 2016 release)
- added the 2016 Indigenous Regions, Areas and Locations in the ABS Boundaries 2016 Theme (February 2017 release).

Features of Interest

There are over 500 feature types from government organisations in this dataset. Based on learnings, this year we've:

- updated feature names to better represent features for labelling purposes (August 2016 release)
- improved the features of interest process to reduce duplication of features (August 2016 release).

We have over 4.58 million features in the Features of Interest product.

CadLite

CadLite is a graphical index of digital cadastral boundaries with spatial representation and information about legal land parcels across Australia. Throughout the year, we've made some important changes, including:

- improved the representation of Victoria jurisdiction identifiers (November 2016 release)
- identified issues with features in the ACT creating multiple CAD points, which were remediated (May 2017 release).

There are 14.49 million cadastre parcels and 11.24 million property boundaries in CadLite.

Land Tenure

This dataset includes classified land parcels covering significant areas of Australia. Based on learnings, we introduced the Oracle Data Pump in the November 2016 release.

PSMA Cloud

This is a web service for location intelligence that can be integrated with existing or new applications. We've made some changes to PSMA Cloud throughout the year, including:

- updated the PSMA Cloud functions that utilise ABS boundaries to return the new 2016 ABS Mesh Block information (August 2016 release)
- included new layers into PSMA Cloud for the 2016 ABS boundaries from the Administrative Boundaries datasets.

Postcode Boundaries

Postcodes are integral to mailing addresses and are used in a wide range of spatial aggregation and analysis activities. This year, we introduced new postcodes in the August 2016 dataset release.

Transport & Topography

This provides a comprehensive picture of Australia's transport infrastructure and unique topography.

This year, we've made changes to Transport & Topography to:

- update to all roads and greenspace with some changes made to road classifications for Queensland and WA (August 2016 release)
- made data available in Oracle Data Pump and updated railways for Queensland and NSW (November 2016 release)
- significantly decrease the supply of roads from jurisdictions that are classed as access roads in the PSMA dataset (May 2017 release).

2.77 million kilometres of roads in Transport & Topography dataset.

Predictive Address Verification API (PAV)

We've been working on new address verification features as part of the PAV API project – to enable broad access to location intelligence. These features are:

- Predictive Search – providing the capability for a 'type-ahead' search to help a user quickly select their target address. It incorporates auto-completion and 'fuzzy' matching logic to provide a superior address searching experience.

Following an initial round of third party beta testing of PAV, we worked closely with PSMA reseller Omnalink, as well as Spatial Services NSW.

Ongoing product enhancement continues in response to market demand.

Our value added resellers

Our resellers are recognised by PSMA Australia for their industry knowledge, client service and ongoing partnership. They make raw data readily available to suit business needs, either through enhanced, augmented data, embedding geocoding into 'off the shelf' software, or via web services. They are able to find workable business solutions to make complex data content usable for a variety of industries.

With the launch of Geoscape, we continue to explore partnerships with potential new resellers including geospatial specialists and data analysts, consultancies and service providers.



ConnectExpo 2017: Pitney Bowes demonstrating GeoVision

GeoVision™ by Pitney Bowes: a reseller case study



“Geoscape and GeoVision are new but there’s a real buzz in the industry around how these datasets can be combined with other business data to tackle questions that we previously thought were impossible to answer.”

**Nigel Lester, Managing Director Software Solutions
Pitney Bowes Australia**

Pitney Bowes understands that technology is a springboard to business growth and has partnered with leading geospatial data supplier PSMA to create GeoVision™, a suite of datasets combining information on the 3D built environment with information such as addresses, postcodes and ABS Census data.

The product is an enhanced version of PSMA's Geoscape, a pioneering project that captures the built environment at every address in Australia. GeoVision has the potential to help clients make better and more accurate business decisions in both commercial and government sectors.

“We’re always looking for unique opportunities around data and technology – either developed internally or with partners like PSMA – to bring new offerings to our customers. This is how we help them evolve,” Nigel Lester, Managing Director Software Solutions, Pitney Bowes Australia, says.

“Having access to nation-wide data about the built environment is revolutionary. It hasn't been available before and is quite a game changer.”



OUR INDUSTRY LEADERSHIP

Collaboration

The PSMA presence goes beyond our datasets.

We're leading – and contributing – to the geospatial sector in many ways.

PSMA's approach, as well as the technology and solutions we employ, have been recognised internationally. Our data management processes have been trialled in Europe and we played a key role in advising a knowledge and data-sharing arrangement covering Australia, the Americas and Europe.

Research

PSMA has taken a lead role in a collaborative industry-wide research project into spatial based quality.

PSMA Australia and a group of project partners from the Cooperative Research Centre for Spatial Information (CRCSI) are addressing the challenges presented by the 'consumerisation' of location data by researching and developing a set of linked standardised vocabularies for use by data suppliers and consumers alike.

These vocabularies will enable a supplier to publish data quality metadata in a manner that enables more efficient assessment of the data's fitness for purpose by data consumers and businesses in spatial and non-spatial industries.

The research is commencing at a critical time when the diversity of users, uses and data is expanding and suppliers of datasets have a greater requirement for accurately ascertaining the needs of data consumers in technical and non-technical fields.

“PSMA recognises the increasingly important role that data – and geospatial data in particular – is playing as society comes to grips with the fourth Industrial Revolution, where data and the knowledge that can flow from its analysis is unprecedented and a powerful driving force.”

– Dan Paull, CEO

Standards

PSMA has taken a **strong leadership role** in the development of international standards.

In this role, PSMA can build and nurture relationships with other world-leading organisations with similar interests. It also affords PSMA the opportunity to contribute to the development and review of standards that directly affect its business, especially those relating to data exchange, system interoperability, and specifications.

With these motivations in mind, PSMA has accepted invitations to Chair a number of working groups within the Open Geospatial Consortium (OGC), which fit PSMA areas of significant interest. These include:

- the Smart Cities Domain Working Group (DWG)
- the Citizen Science DWG
- the Australian and New Zealand (ANZ) Forum.

We have also accepted invitations from Standards Australia and the International Organisation for Standardization (ISO) to participate in the development and review of standards of significant interest.

PSMA has been a regular presenter at the OGC. We have presented topics on:

- Geoscape for the 3D Information Management DWG
- the CRCSI data quality project to the Data Quality DWG
- leading the development of use cases that demonstrate the importance of data and interoperability standards for Smart Cities.

Expertise is valued

We had a strong presence at local conferences and events (SSSI ACT/NSW, Pitney Bowes seminars, Connect), as well as international events including GeoBusiness in London, GeoSpatial World Forum in Rotterdam, and the GSDI Conference and Workshop in Taipei.

With growing interest in Geoscape and PSMA, we received prestigious invitations to:

- **UN World Data Forum** (Cape Town), Jan 17 to present a paper on Geoscape and participate in a panel session entitled, 'Integrating geospatial and statistical information: Leveraging the data ecosystem' with Tim Trainor, Co-Chair of UN-GGIM and Chief Geospatial Scientist at US Census Bureau, Sultan Mohammed, Chair of UN-GGIM Africa and Director-General of Ethiopian Mapping Agency, Sanjay Kumar, CEO of Geospatial Media, India, Steven Hagan, Vice President, Development of Server Technologies, Oracle, USA, Santiago Giraldo, Sr. Manager, Marketing & Community, CARTO.
- **World Bank Land & Poverty Conference** (Washington D.C.), March 17 to present a paper titled *Cost Effective Building Capture at Continental Scale Using Satellite Imagery and Automatic Feature Extraction*.
- **International Symposium of the Digital Earth** (ISDE) in conjunction with Locate 17, (Sydney), April 17.
- **Cambridge Conference** (Oxford), July 17, hosted by Ordnance Survey, Britain's mapping agency. This is a highly exclusive event and to be invited is very valuable.

Participation at all these events has had a significant impact on PSMA's brand, awareness and interest in Geoscape, and supports our pursuit of revenue in Australia and opportunities in other parts of the world.

Industry leadership aims

- **Build strong relationships with world-leading organisations**
- **Simplify and standardise data, systems and specs for consistency and broader application**
- **Gain insights for now and the future**
- **A pivotal contributor within the geospatial sector, both nationally and internationally**

OUR BRAND AND REACH

A year in review

The marketing focus for the year was on **growing demand** for our products – both domestically and internationally – and facilitating mutually beneficial reach with our partners, suppliers, and stakeholders to achieve our strategic objectives.

The past year provided PSMA with an opportunity to develop a product from minimum viable product (MVP) to full commercial scale: Geoscape launched into market through a strong partnership with DigitalGlobe.

Launching Geoscape resulted in significant coverage, commentary and brand awareness, both nationally and internationally. Moreover, the release signified a change in direction for PSMA, providing the organisation with a **commercially viable product** that signals a transformation in how data is captured and output at a national scale.

Generating market demand

The organisation continues to think strategically about the development of future datasets that combine high resolution imagery and machine learning to accurately reflect the environment we live in. The imperative is to provide businesses with access to location intelligence that makes decisions around products and services easier to deliver through go-to-market plans.

We have actively participated in initiatives to:

- raise the profile of PSMA Australia
- establish the credibility of PSMA and Geoscape
- enhance demand for Geoscape.

This approach particularly important with a new product and new market where the capability was not previously available.



Walter Scott, CTO & Founder, DigitalGlobe presents Geoscape

Key achievements

| Greater coverage | Stronger partner relationships |
|--|--|
| PSMA delivered a substantial amount of activity for the launch period of Geoscape with nine media outlets promoting the launch, increasing PSMA's share of voice across the board. | PSMA had high participation throughout our channels from our partner organisations to deliver key Geoscape moments, culminating in the Pitney Bowes feature story. |

Raising PSMA's profile

Throughout the year, PSMA aligned with channel opportunities that promoted our business. We collaborated more deeply with partners and suppliers, research and industry bodies, and used more insightful thought leadership to differentiate PSMA in the Australian market.

Key achievements

PSMA was invited to participate in, or lead, key industry boards in 2016-17. These opportunities enable us to share our industry expertise and showcase thought leadership.

- Our CTO was appointed as co-chair of Citizen Science DWG and Smart Cities DWG
- Our Product Quality Manager was invited to lead in CRCSI 3.16 project
- PSMA contributed to the Geocoding API to draft a Charter for a Standards Working Group
- PSMA contributed to the Commonwealth Address workshop, Canberra
- Our CEO was invited to host a workshop and attend the prestigious Cambridge Conference, UK
- Our CEO attended the WorldView #4 satellite launch by DigitalGlobe
- PSMA attended the 3D Information Management Domain Working Group, USA (by the OGC Technical Committee)
- Our CEO presented at the World Bank Land & Poverty Conference, USA.



CeBIT Sydney, NSW PSMA stand setup

Geoscape launch

The objectives of Geoscape's launch were to:

- extend the PSMA brand and narrative
- increase awareness of Geoscape in market to surprise and delight our growing customer base.

The Geoscape launch tactics focused on:

- growing PSMA's share of voice
- delivering thought leadership and innovation in the market.

We secured significant event sponsorship channels to expose both existing and new customers to PSMA and Geoscape. All events included integrated partner stories and demonstrations at booth spaces or through marketing activity, including a significant PR event with our strategic partner DigitalGlobe.

Case studies

Our customer stories are valuable for demonstrating the partner application of our products, and to promote a new innovative product that is already being used in market. Through our continued close working relationship with DigitalGlobe, we continue to focus our narrative around the market application opportunities that expand our customer base both nationally and internationally.

Key achievements

The Geoscape launch successes included:

IDC Analyst interview and demo

- 7 media interviews, plus assistance with Pitney Bowes media activity resulting in one article
- 14 pieces of coverage
- 4 clips in technology publications
- 4 clips in national publications
- 2 clips in a geospatial publication
- 1 clip in a sustainability publication
- 1 clip in a government publication.
- DigitalGlobe Use Group featured a presentation by PSMA to DigitalGlobe's leading customers

Continual Geoscape marketing across the year included:

- a presentation on Geoscape to the APAS professional development conference
- a *Geospatial World Excellence Award*, presented in May 2016 in Rotterdam, Netherlands
- *Business Service Category Award* for the ACT iAwards, July 2016
- papers on Geoscape presented at a Geo Business conference, London, and Eurogeographics Early General Assembly meeting in Lurven, Belgium
- Geoscape website launched
- Geoscape webinars, product brochures, technical documentation, sales support and access to PSMA sponsored events for co-marketing efforts with partners.

Driving growth

One of the most positive aspects of the geospatial industry in Australia is the high level of demand for our products. In particular, there is demand for applications through Smart Cities' agendas, disaster predictive modelling, emergency services, insurance, and telecommunications – geospatial data underpins many of these scenarios.

Add to this the very high rate of infrastructure and housing development in our communities, and the demand for cost-effective solutions is being sought throughout the economy.

Through consistency in strategy and messaging, PSMA is achieving a balance for community, as well as tangible product benefits that enable businesses to thrive with go-to-market solutions.

|  OPPORTUNITIES |  CHALLENGES |  OUTLOOK FOR 2017-18 |
|---|---|---|
| <p>To position PSMA Australia to capitalise on industry trends such as connectivity of people to data, process and devices.</p> | <p>It is important that PSMA datasets are positioned as affordable, flexible and are scalable so that products can be easily developed on top of the datasets.</p> | <p>There's an increasing appreciation of the value of spatial data and demand for shorter lag times between supply and consumption.</p> |
| <p>Create always on presence in the market so there is a consistent and credible narrative that builds out our roadmap.</p> | <p>There is a complexity in our datasets that require specialist skills, and this doesn't necessarily enable a wide adoption of our products.</p> | <p>PSMA will create opportunities for Geoscape in key vertical markets.</p> |
| <p>Provision of deeper market insights will unlock valuable customer segments to better understand behaviours and attitudes, this will underpin innovation and adoption of our products beyond MVP.</p> | <p>Organisations are not always clear on the benefits or usage of geospatial data in the context of making better business decisions. Competition in our category is likely to increase both domestically and internationally.</p> | <p>New products will be launched to meet the market demands and in response to new access points. Engage with different types of partners and suppliers to light up our product usage.</p> |
| <p>Marketing activities will position our products with customer stories to show confidence in existing utilisation.</p> | | |

CELEBRATING OUR PEOPLE

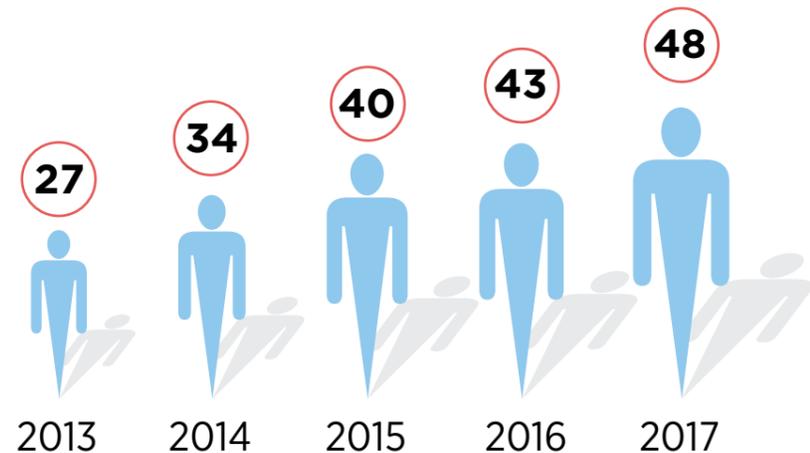
“When you realise you can make a difference, you have permission to make a difference, and you have confidence to act, then you start to see real change.

That’s what leadership is about, and everyone in PSMA is a leader.”

Dan Paull

At PSMA, our people are our greatest asset
– they are central to our success.

48 employees at June 2017



PSMA has seen consistent staff growth due to the increased revenue

Staff satisfaction is at an all-time high – over an 18 month-period there was a 20% improvement on staff satisfaction

100% of staff have a professional development plan to capture their individual goals, which are aligned with the strategic goals of the business

Our values

Our values are the foundation of our culture and the measure by which we assess our performance. They underpin all that we do. Throughout the year we have continued to embed our values into our everyday activities.



We continued to grow the team, recruiting **talented and committed** individuals whose values align with those of PSMA.

We’ve also worked consistently to strive to be an organisation that is recognised as a **great place to work** – an important way to engage and retain our existing people and continue to attract top talent.

Together, we are building a team of high performing, committed and knowledgeable people.

A FRANK culture

This year we maintained a strong focus on the PSMA Cultural Program, also known as FRANK.

Named after our intent to develop a culture that fosters open, honest interactions and relationships amongst staff – to be frank and fearless with each other – FRANK has already contributed to changes in staff attitude and wellbeing.





We've introduced a range of initiatives to maximise the capability of our people, including:

- **Unconscious Bias Training** – to develop our capability to identify how we form biases and how our biases affect decision making
- **Employee Assistance Program** – we've engaged a psychologist, as well as an annual wellbeing check for each employee
- **Staff Survey** – a staff survey conducted in April 2017 relating to the development of culture at PSMA to provide a picture of how PSMA is progressing in relation to its desired cultural objectives. There was an overall average increase in all surveyed categories of 23%. The results were presented to staff in May 2017.
- **HR Audit** – to align policy, culture and purpose, a consultant reviewed PSMA's policies and procedures, resulting in a refreshed and consistent suite of HR policies and procedures
- **Unwritten Rules** – the CEO introduced a program to educate PSMA on the impact Unwritten Rules can have on an organisation, to understand and ensure these behaviours are re-directed to support the culture of PSMA
- **Plan on a Page** – a professional development plan that is actioned and implemented to develop a team of high performing, knowledgeable people.

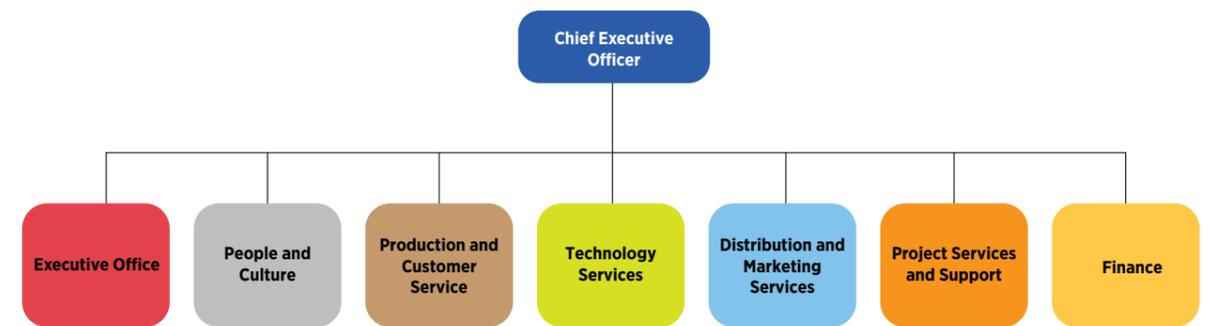
Linking culture to strategy

The Board, CEO, Senior Leadership Team, managers and staff are all invested in our Cultural Program. We continue to draw on the expertise of a consultant from Flexion to embed the program into our daily work throughout the year.

Leadership development continues to be a focus for PSMA. We're developing effective leaders whose behaviours that align with our values – they continually act with honesty and integrity.

Our people are optimistic about the future and the integral role PSMA plays in Australia's future.

Our organisation chart



Geospatial trends

PSMA has reached a new level of maturity. We have established a strong business model and we are consistently growing in terms of market access, revenues, industry relationships, and our people.

At the same time, the data economy as a whole is evolving rapidly. Many of the world's biggest digital businesses – the likes of Google, Facebook and Amazon – are adept at generating and monetising data. This is driving an explosion in analytics and artificial intelligence that in turn fuels more data creation. Geospatial data providers must not only keep pace with this evolution; we must be pioneers.

Location is an incredibly **powerful analytical dimension**, and as the speed and richness of all data increases, location becomes fundamentally important to the economy. Everything happens somewhere. Location data is an authoritative index that **gives shape and meaning** to other data, allowing it to be more readily utilised for a huge range of purposes.

PSMA's role is to ensure that businesses and governments are able to reliably relate their strategic and operational data to a place in time, and to do this in a way that is frictionless and cost effective. Having great data is not enough. Data businesses must be able to get the right data to the point of need at the right time, whether that need originates from a human performing visual or analytical work, or a machine feeding an automated process. Our ability to sift the vast lakes of 'big data' to create knowledge is critical. And so is our ability to deliver it in a way that drives and sustains the emerging autonomous systems of our new industrial age.

What's ahead?

Given the tectonic shifts taking place in the data economy, the technology advances and the ever-increasing needs of the market, PSMA is uniquely positioned to help lead the way. The year ahead is an exciting one, where we'll explore a more 'on demand' approach to data access and exchange, enabling our data to flow more readily across the broader ecosystem.

PSMA will transform key aspects of its business, including processes and infrastructure, products and services, to enhance the value of PSMA content and deliver our products more efficiently, and more frequently to the market. As we disrupt, we'll continue to provide vision and influence within the geospatial sector – in Australia and internationally.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report together with the financial report of PSMA Australia Limited and of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2017 and the auditor's report thereon.

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1. DIRECTORS

| | |
|---|--|
| Name: | Glenn Appleyard |
| Qualifications and Affiliations: | Bachelor of Economics Graduate Member, Australian Institute of Company Directors (GAICD) |
| Experience: | Member of Commonwealth Grants Commission; Chair of Tasmanian Economic Regulator; Member of Australian Accounting Standards Board; Chair of General Practice Tasmania. Current member of Independent Hospital Pricing Authority, since 2012. |
| Special Responsibilities: | Independent Chairman and Director of PSMA Australia; Chair of PSMA Executive Committee; Independent Chairman of PSMA Distribution. |

| | |
|---|---|
| Name: | Jodi Cant |
| Qualifications and Affiliations: | Bachelor of Economics; Graduate Member, Australian Institute of Company Directors (GAICD); Fellow of Leadership Western Australia. |
| Experience: | Chair of earthmine Australia, since February 2012; General Manager of Business Development, Landgate, Western Australia, since 2009; Executive Director / Innovation Manager / Corporate Communications Manager, Landgate Western Australia, 2004-2009. |
| Special Responsibilities: | Nominee Director of PSMA Australia; Member of PSMA Executive Committee. |

| | |
|---|--|
| Name: | Fabio Finocchiaro |
| Qualifications and Affiliations: | Bachelor of Arts (Town Planning). |
| Experience: | Executive Director of Land Services, Northern Territory Department of Infrastructure Planning and Logistics; Senior Director Land Information Services, 2011-2012. |
| Special Responsibilities: | Nominee Director PSMA Australia; Member of PSMA Group Audit Committee. |

| | |
|---|---|
| Name: | Walter Mayr |
| Qualifications and Affiliations: | Bachelor Applied Science Surveying; Graduate Diploma (Land Information Management); Licensed Surveyor. |
| Experience: | Director of Mapping, RPS Group, since 2011; Executive Director of Terranean Mapping Technologies, 2005-2011; Product Director of Asia Pacific, MapInfo Corp, 2001-2005; Chairman of Spatial Industry Action Agenda, 2000-2001; Managing Director of ERSIS Australia, 1991-2001; Director of ERSIS Australia, 1989-1991. |
| Special Responsibilities: | Independent Director of PSMA Australia; Member of PSMA Executive Committee. |

| | |
|---|--|
| Name: | Duncan McIntyre |
| Qualifications and Affiliations: | Bachelor of Science (Honours); Grad Dip Science Communication; Executive Masters of Public Administration; Graduate Member of Australian Institute of Company Directors (GAICD) |
| Experience: | Assistant Secretary Data and Digital, Department of the Prime Minister and Cabinet 2017; Assistant Secretary Broadband Implementation, Department of Communications and the Arts, 2014 - 2016; Assistant Secretary Consumer and Post, Department of Broadband, Communications and the Digital Economy, 2010 - 2014; Assistant Secretary, Department of Finance. 2005 - 2009. |
| Special Responsibilities: | Nominee Director PSMA Australia |

| | |
|----------------------------------|---|
| Name: | Stuart Fletcher |
| Experience: | General Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment, Tasmania, since 2016; Information and Program Manager, Land Tasmania, Department of Primary Industries, Parks Water and Environment, Tasmania, 2014 - 2016; Advisor, Office of the Deputy Premier, Department of Premier and Cabinet, 2016; Manager Spatial Operations, Information and Land Services, Department of Primary Industries, Parks Water and Environment, Tasmania, 2008 - 2014. |
| Special Responsibilities: | Nominee Director of PSMA Australia. |

| | |
|---|--|
| Name: | Lynne Robinson |
| Qualifications and Affiliations: | Bachelor of Arts, Master of Agribusiness (Dean's Honours). Graduate Member, Australian Institute of Company Directors (GAICD) |
| Experience: | Managing Partner of Mercury Partners, since 2009; Program Director of ANZ Technology, Executive Manager of Platforms, Senior Manager of Service Integration, ANZ Banking Group, 2003-2008; Senior Manager of ING Australia, 2001-2003. |
| Special Responsibilities: | Independent Director of PSMA Australia; Member of PSMA Executive Committee. |

Name: Jeffrey Brown

Qualifications and Affiliations: Bachelor of Surveying (UNSW), Registered Surveyor ACT, Registered Land Surveyor NSW, Certificate IV in Government (Investigations), Certificate II in Workplace Training

Member of Surveying and Spatial Sciences Institute (SSSI), Member of the Institution of Surveyors NSW (IS-NSW)

Experience: Managing Director of Jeff Brown Surveys Pty Ltd 1996-2010, Partner of Brown Clarke & Di Pauli 1989-1996, Managing Director of Jeff & Leigh Brown Pty Ltd 1983-1989, President of The Institution of Surveyors ACT 1992, Chairman of the Survey Practice Accreditation Scheme subcommittee 2001-2002, Board Member of ACS Search Pty Ltd 2001-2006, Chairman of ACS Search Pty Ltd 2006, Chairman of the Association of Consulting Surveyors NSW 2003-2004, Board member of the Association of Consulting Surveyors NSW 2001-2006, Co-chair ACT Place Names Committee 2014-date; ACT Representative member of ANZLIC 2015-date; ACT Representative member of CRSBANZ 2015-date.

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Group Audit Committee.

Name: Penelope Winslade

Qualifications and Affiliations: Bachelor of Arts (Honours); Master of Business Administration (MBS); Member, Australian Institute of Company Directors (MAICD)

Experience: Executive Director, Victorian Department of Environment Land Water and Planning, 2014 - 2017; Executive Director, Victorian Department of Premier and Cabinet, 2012 - 2013; General Manager, WW Public Sector, Boston Consulting Group, 2007 - 2011.

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Group Audit Committee.

Name: Bruce Thompson

Qualifications and Affiliations: Bachelor of Design Studies; Master of Business (Information Systems), ANZSOG Fellow

Experience: Executive Director Spatial Services, NSW Department of Finance, Services and Innovation, since 2016; General Manager Land Services, Victorian Department of Environment, Land, Water and Planning, 2015 - 2016; Deputy Secretary Corporate Services, Victorian Department of Environment and Primary Industries, 2013 - 2015; Chief Information Officer, Victorian Department of Sustainability and Environment, 2011 - 2013; Director Spatial Information Infrastructure, Victorian Department of Sustainability and Environment, 2003 - 2010; Deputy Chair ANZLIC

Special Responsibilities: Nominee Director of PSMA Australia, Member of PSMA Executive Committee.

2. COMPANY SECRETARY

Name: Daniel Paull

Qualifications and Affiliations: Fellow of Australian Institute of Company Directors (FAICD); Master of Business Administration (Executive); Bachelor of Surveying (Honours); 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: Company Secretary of PSMA Australia Limited; Member of PSMA Executive Committee; Executive Director of PSMA Distribution.

3. DIRECTORS' MEETINGS

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

| | PSMA Australia Directors' Meetings | Audit Committee Meetings | Executive Committee Meetings |
|--|--|--------------------------------|------------------------------------|
| Number of meetings held | 4 | 3 | 3 |
| Glenn Appleyard | 4 | | 3 |
| Desmond Mooney (retired) | | | |
| Jeffrey Brown | 4 | 2 | |
| Jodi Cant | 4 | | 3 |
| Robert Cockerell (retired) | 1 | | |
| Elise Comans (Alternative Director for Desmond Mooney) | 1 | | |
| Fabio Finocchiaro | 4 | 3 | |
| Stuart Fletcher | 3 | | |
| Claire Foo (retired) | 1 | 1 | |
| Karin Geraghty (retired) | | 1 | |
| Duncan McIntyre | | | |
| Helen Owens (retired) | 3 | | |
| Walter Mayr | 3 | | 3 |
| Lynne Robinson | 4 | | 3 |
| Bruce Thompson | 2 | | 2 |
| Penelope Winslade | 3 | 2 | |
| Daniel Paull | 4 | | 3 |

4. CORPORATE GOVERNANCE STATEMENT

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

4.1 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.

PSMA Australia Board processes

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

The Board currently holds four scheduled meetings each year. The agenda for the meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary. Standing items include the financial reports, strategic matters, governance, and compliance. 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.

4.2 Remuneration of directors

No director has 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.

4.3 Committees of the board

At the date of this report, the Company has an Audit Committee and an Executive Committee. During the year, the Board decided to discontinue the Remuneration and Evaluation Committee as it was considered more effective for the whole board to manage these activities. Members acting on these committees during the year were:

| Executive Committee: | Audit Committee: |
|----------------------|--------------------------|
| Glenn Appleyard | Fabio Finocchiaro |
| Daniel Paull | Penelope Winslade |
| Jodi Cant | Jeffrey Brown |
| Walter Mayr | Karin Geraghty (retired) |
| Lynne Robinson | Claire Foo (retired) |
| 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 three times 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. At the discretion of the committee, the Chief Executive Officer, the in-house legal counsel and Financial Controller are invited to audit committee meetings.

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

4.4 Conflict of interest

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.

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.

6. REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Operational Review section of the PSMA Australia Limited Annual Report 2016-2017.

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.

8. OPERATING RESULTS

The Group earned an operating profit of \$5,491,231 for the financial year from 1 July 2016 to 30 June 2017. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

9. DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2016 to 30 June 2017.

10. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company and Group were 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, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

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 the future financial year.

12. FUTURE DEVELOPMENTS

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the Looking Ahead section in the Operational Review of the PSMA Australia Limited Annual Report 2016-2017.

13. OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2016 to 30 June 2017. 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.

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 \$9,790 to AIG Australia Limited in respect of a policy that specifically covers directors' and officers' liability, and \$935 to Chubb Insurance Limited in respect to 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.

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.

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 2017

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

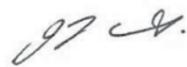
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Glenn Appleyard

Chairman, PSMA Australia Limited

Dated at Canberra this 16th day of October 2017



Jodi Cant

Deputy Chairman/Director, PSMA Australia Limited

Dated at Canberra this 16th day of October 2017

| | Note | Consolidated | |
|--|------|-------------------|-------------------|
| | | 2017 | 2016 |
| | | \$ | \$ |
| Revenue | | | |
| Access fees | 6 | 9,780,656 | 6,945,090 |
| Royalties | 6 | 3,952,173 | 5,495,975 |
| PSMA cloud and consulting | 6 | 798,406 | 738,867 |
| Interest | 7 | 70,749 | 107,032 |
| Other income | 6 | 45,884 | 299,641 |
| Other gains and (losses) | 6 | (241,228) | (24,925) |
| Total revenues from ordinary activities | | 14,406,640 | 13,561,680 |
| Expenses from operations | | | |
| Employee benefits expense | 8 | 5,364,274 | 6,154,435 |
| Depreciation and amortisation expenses | 15 | 147,664 | 128,684 |
| Other expenses | 9 | 3,691,781 | 4,570,660 |
| Total expenses from operations | | 9,203,719 | 10,853,779 |
| Profit before income tax expense | | 5,202,921 | 2,707,901 |
| Income tax expenses | 10 | (288,309) | 328,813 |
| Profit after income tax expense | | 5,491,231 | 2,379,088 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 5,491,231 | 2,379,088 |

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

| | | Consolidated | |
|--------------------------------------|------|-------------------|-------------------|
| | Note | 2017 | 2016 |
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 11.1 | 10,724,121 | 9,736,000 |
| Investments | 12 | 83,979 | 83,979 |
| Trade and other receivables | 13 | 1,398,960 | 1,180,321 |
| Other assets | 14 | 197,269 | 79,395 |
| Total current assets | | 12,404,329 | 11,079,695 |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 363,424 | 419,759 |
| Deferred tax | 16 | 213,754 | 161,520 |
| Intangible assets | 17 | 11,173,931 | 6,479,523 |
| Total non-current assets | | 11,751,108 | 7,060,802 |
| TOTAL ASSETS | | 24,155,437 | 18,140,497 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 18 | 2,544,624 | 1,774,590 |
| Income in advance | | 542,689 | 516,617 |
| Income tax | | (69,479) | 191,235 |
| Provisions | 19 | 361,571 | 312,161 |
| Other financial liabilities | 20 | 84,155 | - |
| Total current liabilities | | 3,463,560 | 2,794,603 |
| Non-current liabilities | | | |
| Provisions | 19 | 193,250 | 170,664 |
| Deferred tax | 21 | 131,266 | 299,098 |
| Total non-current liabilities | | 324,516 | 469,762 |
| TOTAL LIABILITIES | | 3,788,076 | 3,264,365 |
| NET ASSETS | | 20,367,362 | 14,876,132 |
| EQUITY | | | |
| Issued capital | | 9 | 9 |
| Retained earnings | | 18,299,390 | 12,808,160 |
| Reserves | | 2,067,963 | 2,067,963 |
| TOTAL EQUITY | | 20,367,362 | 14,876,132 |

The accompanying notes form part of these financial statements.

Cash flows from operating activities

| | Note | 2017 | 2016 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Receipts from customers | | 15,416,386 | 14,624,550 |
| Payments to suppliers and employees | | (9,472,049) | (12,530,640) |
| Interest received | 6 | 70,749 | 107,032 |
| Other gains and losses | | (241,228) | - |
| Net cash provided by operating activities | 11.2 | 5,773,858 | 2,200,942 |

Cash flows from investing activities

| | Note | 2017 | 2016 |
|--|------|--------------------|------------------|
| | | \$ | \$ |
| Purchase of plant and equipment | 15 | (91,329) | (150,683) |
| Capitalisation of intangibles | | (4,694,408) | (100,001) |
| Increase in investments | | - | (2,722) |
| Net cash used in investing activities | | (4,785,737) | (253,406) |

| | | | |
|----------------------------|-------------|-------------------|------------------|
| Cash at beginning of year | | 9,736,000 | 7,788,464 |
| Net increase in cash held | | 988,121 | 1,947,536 |
| Cash at end of year | 11.1 | 10,724,121 | 9,736,000 |

The accompanying notes form part of these financial statements.

| | Share Capital (ordinary) | Retained Earnings | Revaluation Surplus | Total |
|--------------------------------|-----------------------------|----------------------|------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | |
| Balance at 1 July 2015 | 9 | 10,429,072 | 2,067,963 | 12,497,044 |
| Profit for the year | - | 2,379,088 | - | 2,379,088 |
| Balance at 1 July 2016 | 9 | 12,808,160 | 2,067,963 | 14,876,132 |
| Profit for the year | - | 5,491,231 | - | 5,491,231 |
| Balance at 30 June 2017 | 9 | 18,299,390 | 2,067,963 | 20,367,362 |

The accompanying notes form part of these financial statements.

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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 2017 were:

- PSMA Distribution Pty Ltd

The consolidated financial statements of the Company as at and for the year ended 30 June 2017 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*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2017 were authorised for issue in accordance with a resolution of the directors on the 16 October 2017.

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. BASIS OF PREPARATION (CONTINUED)

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 3.5 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 3.8 and 16 – provision accounts

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 2017 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 New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3.2 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.

3.3 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 three 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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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.

3.4 Share capital

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

3.5 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 | 4 years | 25% |
| Computer software | 5 years | 20% |

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.

3.6 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.

3.7 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.

3.8 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.

3.9 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 corporate bonds with terms to maturity that match the expected timing of cash flows.

3.10 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.

3.11 Revenue recognition

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

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

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

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

3.12 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.

3.13 Income tax

The Company and Group were 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, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

PSMA Australia Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

3.14 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.

3.15 New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2017. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and

qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

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

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.

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.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

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 | |
|------------------------------|---|------------------|---|----------|---------------------------|------------------|-------------------------|------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Financial assets | | | | | | | | | | |
| Cash | 1,890,000 | 1,890,000 | - | - | 8,834,121 | 7,846,000 | - | - | 10,724,121 | 9,736,000 |
| Receivable | - | - | - | - | - | - | 1,398,960 | 1,180,321 | 1,398,960 | 1,180,321 |
| Investment | 83,979 | 83,979 | - | - | - | - | - | - | 83,979 | 83,979 |
| Total | 1,973,979 | 1,973,979 | - | - | 8,834,121 | 7,846,000 | 1,398,960 | 1,180,321 | 12,207,060 | 11,000,300 |
| Financial liabilities | | | | | | | | | | |
| Payable | - | - | - | - | - | - | 2,544,624 | 1,774,590 | 2,544,624 | 1,774,590 |
| Derivatives | 84,155 | - | - | - | - | - | - | - | 84,155 | - |
| Total | 84,155 | - | - | - | - | - | 2,544,624 | 1,774,590 | 2,628,779 | 1,774,590 |

Foreign currency risk

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 company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| Consolidated Group | US Dollars | |
|---------------------------------|------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Cash and cash equivalents | 3,562,317 | 2,286,919 |
| Total assets | 3,562,317 | 2,286,919 |
| Trade and other payables | (940,311) | (168,866) |
| Total liabilities | (940,311) | (168,866) |
| Net assets/(liabilities) | 2,622,006 | 2,118,053 |

The company had net assets denominated in foreign currencies of \$2,622,006 (assets of \$3,562,317 less liabilities of \$940,311) as at 30 June 2017. Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the company's profit before tax for the year would have been \$262,021 higher/\$131,100 lower. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2017 was \$123,610 (2016: \$79,907).

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 1.5:1;
- current assets should exceed current liabilities by three months' projected operating costs; and
- the Company should have a minimum of \$2,500,000 in short term financial instruments.

While the current ratio as at 30 June 2017 was 3.5:1, 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. REVENUE AND OTHER INCOME

| | Consolidated | |
|--|---------------------|-------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Services revenue | | |
| VAR access fees | 224,151 | 420,701 |
| Corporate access fees | 9,556,505 | 6,524,389 |
| | 9,780,656 | 6,945,090 |
| PSMA cloud and consulting | 798,406 | 738,867 |
| Total services revenue | 10,579,062 | 7,683,957 |
| Non-services revenue | | |
| Royalties | 3,952,173 | 5,495,975 |
| Interest | 70,749 | 107,032 |
| Total non-services revenue | 4,022,922 | 5,603,007 |
| Other income | | |
| Miscellaneous | 45,884 | 67,823 |
| Scoping study | - | 231,818 |
| Total other income | 45,884 | 299,641 |
| Other gains and (losses) | | |
| Foreign exchange gain/(loss) | (125,780) | (24,925) |
| Unrealised gain/(loss) on derivative financial instruments | (84,155) | - |
| Realised gain/(loss) on derivative financial instruments | (31,293) | - |
| Total other gains and (losses) | (241,228) | (24,925) |
| Total revenue | 14,406,640 | 13,561,680 |

7. INTEREST

| | | |
|--|----------------|----------------|
| Interest income on cash at bank balances | 4,680 | 4,682 |
| Interest income on term deposits | 66,069 | 102,350 |
| Finance income | 70,749 | 107,032 |
| Bank charges | (7,129) | (5,914) |
| Finance expense | (7,129) | (5,914) |
| Net finance income | 63,620 | 101,118 |

8. EMPLOYEE BENEFITS EXPENSE

| | Consolidated | |
|-------------------------------------|------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Wages and salaries | 4,187,575 | 4,589,462 |
| Superannuation | 430,491 | 487,849 |
| Contractors | 5,008 | 300,484 |
| Other associated personnel expenses | 669,204 | 677,116 |
| Annual leave expenses | 43,045 | 40,005 |
| Long service leave expenses | 28,951 | 59,519 |
| Total employee benefits | 5,364,274 | 6,154,435 |

9. OTHER EXPENSES

| | 2017 | 2016 |
|---|------------------|------------------|
| Other expenses | | |
| Administration and office overhead expenses | 242,429 | 486,597 |
| Auditors remuneration | 40,000 | 40,000 |
| Product Management | 999,906 | 1,101,432 |
| Rental expense – Office space | 336,724 | 310,243 |
| Jurisdictional and client relationships | 853,906 | 352,392 |
| Other expenses | 1,218,816 | 2,279,996 |
| Total other expenses | 3,691,781 | 4,570,660 |

10. INCOME TAX EXPENSE

The Company and Group were 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, up until the 30 June 2015. From 1 July 2015, as per a ruling from the Australian Taxation Office, the company and group are considered taxable.

| | 2017 | 2016 |
|---|------------------|----------------|
| Income tax expense | | |
| Current tax | (69,479) | 191,235 |
| Deferred tax | (218,830) | 137,578 |
| Income tax expense | (288,309) | 328,813 |
| Deferred tax included in income tax expense comprises: | | |
| Increase in deferred tax assets (note 16) | (52,235) | (161,520) |
| Increase in deferred tax liabilities (note 21) | (166,595) | 299,098 |
| Deferred tax | (218,830) | 137,578 |

Income tax reconciliation

| | | |
|---|------------------|----------------|
| Profit before income tax expense | 5,202,921 | 2,707,901 |
| Tax at the statutory rate of 30% | 1,560,877 | 812,370 |
| Tax effect amounts which are not deductible | 147,667 | 775,807 |
| R&D Offset | (1,996,853) | (1,259,364) |
| | (288,309) | 328,813 |
| Adjustment recognised for prior periods | - | - |
| Income tax expense | (288,309) | 328,813 |

11. CASH

11.1 Cash and cash equivalents

| | 2017 | 2016 |
|---|-------------------|------------------|
| Cash and cash equivalents | | |
| Cash at bank and in hand | 8,834,121 | 7,846,000 |
| Short term bank deposits | 1,890,000 | 1,890,000 |
| Cash and cash equivalents in the statement of cash flows | 10,724,121 | 9,736,000 |

The effective interest rate on the bank deposits was 1.97%, with an average maturity of 92 days.

11.2 Statement of cash flows

Reconciliation of cash flows from operating activities

| | 2017 | 2016 |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Profit attributable to members: | 5,491,231 | 2,379,088 |
| Non-cash flows in profit | | |
| Depreciation | 147,664 | 128,684 |
| Unrealised loss on derivative financial instruments | 84,155 | - |
| Operating profit before changes in working capital and provisions | 5,723,050 | 2,507,772 |
| Change in trade and other receivables | (218,639) | 401,509 |
| Change in other assets | (117,874) | (10,335) |
| Change in trade and other payables | 770,034 | (331,640) |
| Change in provisions and employee benefits | 71,996 | 99,526 |
| Change in income in advance | 26,072 | (794,703) |
| Change in tax | (480,471) | 328,813 |
| Net cash from operating activities | 5,773,858 | 2,200,942 |

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.

12. INVESTMENTS

| | Consolidated | |
|--------------------------|---------------|---------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Investments | | |
| Term deposits | 83,979 | 83,979 |
| Total investments | 83,979 | 83,979 |

The above term deposits are held by the bankers to cover the bank guarantee of \$65,205 (2016: \$65,205) issued. The effective interest rate on the term deposits was 2.50%, with an average maturity of 184 days.

13. TRADE AND OTHER RECEIVABLES

| | | |
|--|------------------|------------------|
| Trade receivables | 16,850 | 256,897 |
| Interest receivable | 4,822 | 6,814 |
| Accrued income | 1,377,288 | 916,610 |
| Total trade and other receivables | 1,398,960 | 1,180,321 |

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. OTHER ASSETS

| | | |
|---------------------------|----------------|---------------|
| Prepayments | 197,269 | 79,395 |
| Total other assets | 197,269 | 79,395 |

15. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-----------------------------------|----------------|----------------|
| IT Hardware - at cost | 360,569 | 337,451 |
| Accumulated depreciation | (232,202) | (173,171) |
| | 128,367 | 164,280 |
| IT Software - at cost | 539,123 | 475,796 |
| Accumulated depreciation | (332,864) | (277,870) |
| | 206,259 | 197,926 |
| Furniture and Equipment - at cost | 119,799 | 114,915 |
| Accumulated depreciation | (105,386) | (100,396) |
| | 14,413 | 14,519 |
| Building Fit out - at cost | 144,838 | 144,838 |
| Accumulated amortisation | (130,453) | (101,804) |
| | 14,385 | 43,034 |
| Total plant and equipment | 363,424 | 419,759 |

Movements in carrying amounts

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

| | IT Hardware | IT Software | Furniture and Equipment | Building Fitout | Total |
|--|----------------|----------------|-------------------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 164,280 | 197,926 | 14,519 | 43,034 | 419,759 |
| Additions | 23,118 | 63,327 | 4,884 | - | 91,329 |
| Depreciation expense | (59,031) | (54,994) | (4,990) | (28,649) | (147,664) |
| Loss on disposal of assets | - | - | - | - | - |
| Carrying amount at 30 June 2017 | 128,367 | 206,259 | 14,413 | 14,385 | 363,424 |

16. DEFERRED TAX ASSET

| | Consolidated | |
|--|---------------|-------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| <i>Deferred tax asset comprises temporary differences attributable to:</i> | | |
| Amounts recognised in profit or loss: | | |
| Employee benefits | 52,235 | 161,520.00 |
| Deferred tax asset | 52,235 | 161,520.00 |

17. INTANGIBLE ASSETS

| | 2017 | 2016 |
|---|-------------------|------------------|
| | \$ | \$ |
| Intangible assets - indefinite lives | | |
| PSMA Datasets and Products | 3,689,722 | 3,689,722 |
| PSMA Systems - Services | 1,578,951 | 1,578,951 |
| PSMA Systems - Data Management | 1,210,850 | 1,210,850 |
| PSMA Geoscape | 4,694,408 | - |
| Total intangible assets | 11,173,931 | 6,479,523 |
| Net carrying value | 11,173,931 | 6,479,523 |
| Reconciliation | | |
| Opening balance at 1 July | 6,479,523 | 6,379,522 |
| Addition | 4,694,408 | 100,001 |
| Closing balance at 30 June | 11,173,931 | 6,479,523 |

18. TRADE AND OTHER PAYABLES

| | Consolidated | |
|--|------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Trade payables | | |
| Trade creditors | 1,103,987 | 587,384 |
| Employee benefits | 109,901 | 143,549 |
| | 1,213,888 | 730,933 |
| Accrued expenses | | |
| Accrued wages and salaries | 137,860 | 109,382 |
| Accrued Jurisdictional Royalties for 16/17 | 853,906 | - |
| Accrued Jurisdictional Royalties for 15/16 | - | 352,392 |
| Accrued Jurisdictional Royalties for 14/15 | 37,410 | 37,410 |
| Accrued Jurisdictional Royalties for 13/14 | 31,659 | 31,659 |
| Accrued Jurisdictional Royalties for 12/13 | 32,053 | 32,053 |
| Accrued Jurisdictional Royalties for 11/12 | 30,148 | 30,148 |
| Accrued Jurisdictional Royalties for 10/11 | 32,060 | 32,060 |
| Other accrued expenses | 175,640 | 418,553 |
| | 1,330,736 | 1,043,657 |
| Total trade and other payables | 2,544,624 | 1,774,590 |

19. PROVISIONS

| | | |
|--|----------------|----------------|
| Current | | |
| Annual leave provision | 260,531 | 219,486 |
| Long service leave provision | 101,040 | 92,675 |
| | 361,571 | 312,161 |
| Non-current | | |
| Annual leave provision | 26,728 | 24,729 |
| Long service leave provision | 166,522 | 145,935 |
| | 193,250 | 170,664 |
| Total provisions | 554,821 | 482,825 |
| Reconciliation | | |
| Opening balance at 1 July | 482,825 | 383,301 |
| Movements during the year | 71,996 | 99,524 |
| Closing balance at 30 June | 554,821 | 482,825 |
| Number of employees at year end | 47 | 40 |

20. OTHER FINANCIAL LIABILITIES

| | Consolidated | |
|--|-----------------|----------|
| | 2017 | 2016 |
| | \$ | \$ |
| Financial instruments with fixed interest rates: | | |
| Derivatives financial instruments | 84,155 | - |
| | 84,155 | - |
| Derivative financial instruments - Non-hedging instruments | | |
| Liabilities - Contracts with negative fair value | | |
| Forward foreign currency exchange contracts | 84,155 | - |
| The movement during the year were as follows: | | |
| Balance at beginning of the year | - | - |
| Gains or (losses) in profit or loss under other gains and (losses) | (84,155) | - |
| Total net balance at end of the year | (84,155) | - |

Forward foreign currency exchange contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

| | Reference currency | Principal | | Fair Value | | Net gain/(loss) | |
|---|--------------------|------------------|----------|------------------|----------|-----------------|----------|
| | | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Forward foreign currency exchange contracts | USD | 665,346 | - | 641,819 | - | (23,527) | - |
| Forward foreign currency exchange contracts | USD | 666,694 | - | 641,819 | - | (24,875) | - |
| Forward foreign currency exchange contracts | USD | 207,966 | - | 199,800 | - | (8,166) | - |
| Forward foreign currency exchange contracts | USD | 669,406 | - | 641,819 | - | (27,587) | - |
| | | 2,209,412 | - | 2,125,257 | - | (84,155) | - |

The purpose of these contracts is to mitigate the fluctuations of expected sales and purchases (forecast transactions) denominated in the non-functional currencies.

21. DEFERRED TAX LIABILITY

Deferred tax liability comprises temporary differences attributable to:

Amounts recognised in profit or loss:

| | Consolidated | |
|-------------------------------|----------------|----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Property, plant and equipment | 36,852 | 45,365 |
| Capitalised wages | 65,651 | 30,000 |
| Deductible fees | 28,763 | 223,733 |
| Deferred tax liability | 131,266 | 299,098 |

22. FINANCIAL INSTRUMENTS

22.1 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.

23. COMMITMENTS

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

| | Consolidated | |
|---|----------------|----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Lease payable commitment | | |
| Not later than 1 year | 341,986 | 274,886 |
| Later than 1 year but no later than 5 years | 566,612 | 596,582 |
| Total commitments | 908,598 | 871,468 |

The property lease is a renewed non-cancellable lease with an extra five- year term to 01/02/2020, no further options exist to renew the lease. 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.

23.2 Contracted commitments for future capital and non-capital expenditure but not recognised in the financial statements

| | 2017 | 2016 |
|---|------------------|----------|
| | \$ | \$ |
| Contract commitment | | |
| Not later than 1 year | 5,831,564 | - |
| Later than 1 year but no later than 5 years | 2,099,584 | - |
| Total commitments | 7,931,148 | - |

The above contract relates to the capital expenditure for internally generated intangible asset - PSMA Geoscape and the maintenance contract entered into with a term ending 01/02/2020.

24. 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 agreements.

Transactions with related parties

| | Consolidated | |
|---|------------------|----------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Directors remuneration | | |
| Glenn Appleyard | 76,650 | 76,650 |
| Walter Mayr | 27,923 | 27,923 |
| Lynne Robinson | 27,923 | 27,923 |
| Total directors' remuneration | 132,496 | 132,496 |
| Key management personnel | | |
| Key management personnel compensation: | | |
| - short- term benefits | 950,916 | 651,708 |
| - post employment benefits | 100,393 | 71,978 |
| Total key management personnel benefits | 1,051,309 | 723,686 |
| Total of transactions with related parties | 1,183,805 | 856,182 |

25. 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.

Statement of Financial Position

| | Parent Entity | |
|---|-------------------|-------------------|
| | 2017 | 2016 |
| Assets | \$ | \$ |
| Current assets | 12,188,718 | 9,700,613 |
| Non-current assets | 11,751,108 | 7,060,803 |
| Total Assets | 23,939,825 | 16,761,416 |
| Liabilities | | |
| Current liabilities | 3,516,189 | 1,614,283 |
| Non-current liabilities | 255,037 | 469,762 |
| Total Liabilities | 3,771,223 | 2,084,045 |
| Net assets | 20,168,602 | 14,677,371 |
| Equity | | |
| Issued capital | 9 | 9 |
| Retained earnings | 18,100,630 | 12,609,399 |
| Reserves | 2,067,963 | 2,067,963 |
| Total Equity | 20,168,602 | 14,677,371 |
| Statement of Profit or Loss and Other Comprehensive Income | | |
| Total Profit | 5,491,231 | 2,379,088 |
| Total Comprehensive Income | 5,491,231 | 2,379,088 |

26. AUDITOR'S REMUNERATION

| | Consolidated | |
|---------------------------------------|---------------|---------------|
| | 2017 | 2016 |
| Remuneration of auditor: | \$ | \$ |
| Audit and review of financial reports | 40,000 | 40,000 |
| Total remuneration of auditor | 40,000 | 40,000 |

27. COMPANY DETAILS

The registered office of the company is:
PSMA Australia Limited
Level 2
113 Canberra Ave
GRIFFTH ACT 2603

AUDITOR'S INDEPENDENCE DECLARATION



RSM Australia Partners
Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601
T +61 (0) 2 6217 0300
F +61 (0) 2 6217 0401
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PSMA Australia Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Australia Partners
RSM Australia Partners

Rodney Miller
Partner

Canberra, Australian Capital Territory
Dated: 16 October 2017

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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INDEPENDENT AUDITOR'S REPORT



RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT To the Members of PSMA Australia Limited

Opinion

We have audited the financial report of PSMA Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is 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 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives 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 preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

RSM Australia Partners

RSM Australia Partners

Rodney Miller
Partner

Canberra, Australian Capital Territory
Dated: 16 October 2017

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AUDITOR'S DISCLAIMER OF OPINION



RSM Australia Partners

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PSMA AUSTRALIA LIMITED

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person other than PSMA Australia Limited in respect of such data, including any errors or omissions therein however caused.

RSM Australia Partners
RSM Australia Partners

Rodney Miller

Rodney Miller
Partner

Canberra, Australian Capital Territory
Dated: 16 October 2017

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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Liability limited by a scheme approved under Professional Standards Legislation

DETAILED INCOME AND EXPENDITURE STATEMENT

| | Consolidated | |
|--|-------------------|-------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| REVENUE | | |
| VAR and corporate access fees | 9,780,656 | 6,945,090 |
| VAR royalties | 3,952,173 | 5,495,975 |
| PSMA Cloud and Consulting | 798,406 | 738,867 |
| Interest revenue | 70,749 | 107,032 |
| Miscellaneous income | 45,884 | 299,641 |
| Other gains and (losses) | (241,228) | (24,925) |
| TOTAL REVENUE | 14,406,640 | 13,561,680 |
| EXPENDITURE | | |
| Human resource management | | |
| Wages and salaries | 4,187,575 | 4,589,462 |
| Contractors | - | 298,745 |
| Employer superannuation | 430,491 | 487,849 |
| Human resources - other | 361,690 | 278,177 |
| Payroll Tax | 178,119 | 240,417 |
| Annual leave provision (movement) | 43,045 | 40,005 |
| Long service leave provision (movement) | 28,951 | 59,519 |
| Workers Compensation Insurance | 12,924 | 19,294 |
| Staff training and professional development | 98,360 | 136,598 |
| | 5,341,155 | 6,150,066 |
| Professional services | | |
| Legal | 21,026 | 163,620 |
| Accounting and audit | 49,865 | 80,127 |
| Consultants | 39,925 | 86,855 |
| | 110,816 | 330,602 |
| Equipment | | |
| Equipment costs | 3,549 | 5,128 |
| Hardware and software costs (including re-licencing) | 177,017 | 107,385 |
| Depreciation | 147,664 | 128,684 |
| Equipment repair / maintenance/ hire | - | - |
| | 328,230 | 241,197 |
| Travel | | |
| Travel (domestic) | 161,566 | 210,248 |
| Travel (international) | 33,066 | 22,307 |
| Meals and accommodation | 74,564 | 82,251 |
| Car hire / taxi / parking / other | 30,470 | 9,119 |
| | 299,666 | 323,925 |

DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

| | Consolidated | |
|----------------------------------|------------------|------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Telecommunications | | |
| Telephone | 31,023 | 43,347 |
| Internet/Web-hosting | 24,372 | 24,697 |
| | 55,395 | 68,044 |
| Overheads | | |
| Rent | 336,724 | 310,243 |
| Cleaning/waste removal | 18,403 | 22,393 |
| Security and maintenance | 1,369 | 1,181 |
| Electricity | 21,423 | 21,568 |
| | 377,919 | 355,385 |
| Administration costs | | |
| Postage / freight / handling | 145 | 2,133 |
| Stationery / office supplies | 26,335 | 40,898 |
| Backups and data storage | 9,323 | 5,428 |
| | 35,803 | 48,459 |
| Insurance | | |
| Business insurance | 3,143 | 7,630 |
| Travel insurance | 466 | 2,527 |
| Directors and officers insurance | 5,857 | 4,579 |
| Professional indemnity insurance | 21,003 | 19,506 |
| | 30,469 | 34,242 |
| Other expenses | | |
| Fringe Benefits Tax | 24,418 | 23,663 |
| Scoping study expenses | 95,449 | 262,727 |
| Bank charges | 7,129 | 5,914 |
| Stamp duties | 76 | - |
| Donations | 2,059 | - |
| Miscellaneous | (808) | - |
| | 128,323 | 292,304 |
| Research and development | | |
| CRC.SI 43PL | 33,196 | 20,000 |
| | 33,196 | 20,000 |
| Supply chain management | | |
| Dataset and services maintenance | 518,668 | 571,759 |
| Server hosting | 792,920 | 656,105 |
| Project related activities | 38,256 | 1,093,304 |
| Quality assurance | 1,665 | - |
| | 1,351,509 | 2,321,168 |

DETAILED INCOME AND EXPENDITURE STATEMENT (CONTINUED)

| | Consolidated | |
|---------------------------------------|------------------|-------------------|
| | 2017 | 2016 |
| | \$ | \$ |
| Jurisdictional royalty returns | | |
| Royalty returns | 853,906 | 352,392 |
| | 853,906 | 352,392 |
| Marketing | | |
| Graphic design and printing | 96,225 | 95,217 |
| Promotion and sponsorship | 137,126 | 187,143 |
| VAR Audit fees | - | 10,127 |
| Subscription and membership | 23,981 | 23,508 |
| | 257,332 | 315,995 |
| Taxation | | |
| Taxation | (288,309) | 328,813 |
| | (288,309) | 328,813 |
| TOTAL EXPENDITURE | 8,915,408 | 11,182,592 |
| NET PROFIT/LOSS | 5,491,231 | 2,379,088 |

GLOSSARY

| Term | Context | Description |
|--------------|----------|--|
| Geoscape | Product | Detailed information about buildings and their features, trees and land cover for every address in Australia, delivered to suit location-enabled analytics |
| H1 | Platform | Horizon One phase of platform implementation |
| SharePoint | Software | PSMA intranet and electronic filing system |
| Supply chain | Process | PSMA supply chain that uses the service on a day to day basis |
| User | IT | The person that uses the service on a day to day basis |

| Acronym/Abbreviation | Context | Description |
|----------------------|--------------|---|
| AI | IT | Artificial Intelligence |
| AGM | Organisation | Annual General Meeting |
| ANZLIC | Organisation | Australian New Zealand Land Information Council |
| API | Project | Application Program Interface |
| AUD | Finance | Australian Dollars |
| AV2 | Project | Address Validation Stage 2 |
| AWS | Organisation | Amazon Web Services |
| CAPEX | Finance | Capital Expenditure |
| CLV | Function | Customer Lifetime Value |
| CRCSI | Organisation | Cooperative Research Centre for Spatial Information |
| CRM | Function | Customer Relationship Management |
| G-NAF | Product | Geocoded National Address File |
| IP | Function | Intellectual Property |
| KPI | Function | Key Performance Indicator |
| OGC | Organisation | Open Geospatial Consortium |
| OPEX | Finance | Operational Expenditure |
| PAV | Project | Predictive Address Verification |
| PM&C | Organisation | Department of Prime Minister and Cabinet |
| PSMA | Organisation | PSMA Australia Limited |
| QA | Function | Quality Assurance |
| R&D | Function | Research and Development |
| ROCE | Finance | Return on Capital Employed |
| ROI | Finance | Return on Investment |
| SLA | Function | Service Level Agreement |
| USD | Finance | United States Dollars |
| UX | Function | User Experience |
| VAR | Customer | Value Added Reseller |