

ANNUAL REPORT 2003–2004

PSMA Australia LIMITED





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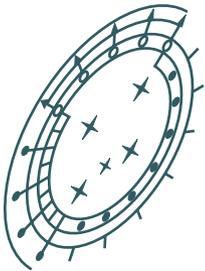
Corporate directory

Chairman	Olaf Hedberg
Chief Executive Officer	Dan Paull
Registered office	Level 1, 115 Canberra Avenue Griffith ACT 2603
Share registry	Level 1, 115 Canberra Avenue Griffith ACT 2603
Auditors	Walter Turnbull 44 Sydney Avenue Barton ACT 2600
Solicitors	Deacons Level 5, 1 Hobart Place Canberra ACT 2601
Directors	Olaf Hilmer Hedberg <i>Chairman</i> Peter Robert Holland <i>Deputy Chairman</i> Peter Maxwell Gardner Stephen Ralph Godfrey Martin Laurence Holmes Desmond Mooney Graeme James Rush Benjamin John Searle Victor Clifford Stephens Bruce Thompson
Secretary	Dan Paull
Executive Committee	Olaf Hedberg <i>Chairman</i> Peter Holland Martin Holmes
Board Audit Committee	Graeme Rush <i>Chairman</i> Desmond Mooney Victor Stephens

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ANNUAL REPORT 2003-04



PSMA Australia LIMITED

Vision

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

Mission

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

Objects of the company

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

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

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Chairman's statement

For the Directors and staff of PSMA Australia, 2003–04 will be remembered as the year that G-NAF was delivered to market. The build of G-NAF culminated in an enormously successful launch at Parliament House in Canberra in March 2004, where over 120 representatives of government, industry and academia gathered to recognise the release of this significant national dataset.

Whilst it did deliver a very pleasing outcome, the G-NAF build project was virtually an all-consuming exercise that impacted upon the organisation's capacity to deliver the outputs articulated in the Annual Program for 2003–04. Those outputs that were



not delivered during 2003–04 (summarised overleaf) have been carried forward to the 2004–05 Annual Program.

This report includes a detailed account of all business activities undertaken by PSMA Australia during 2003–04 which I need not recount here. However, from the Chairman's perspective there are some key factors to highlight:

- The financial reports within this document indicate the strength of PSMA Australia's financial position. Steady growth in the demand for spatial datasets, the carry over of some major projects into 2004–05 and the recognition of G-NAF as an asset of the company are reflected in the financial statements for 2003–04.
- As PSMA Australia starts to consolidate its place as the premium supplier of national spatial datasets, the latter part of 2003–04 has seen the organisation divert some of its energies towards the shareholders of PSMA Australia. In the updated Strategic Plan 2004–07, one outcome is now dedicated to 'Optimising the benefits of PSMA Australia for the Shareholders'. This outcome will manifest

itself in various ways which, for 2004–05, are outlined in the Annual Program. The intention of this new outcome is for the jurisdictions to realise more tangible benefits from their contribution to PSMA Australia.

- The PSMA Australia Board of Directors and sub committees of the Board, including the executive, audit and technical committees are to be commended for their continuing advice and enthusiasm that guide the strategic direction and major activities of the organisation.
- Grahame Searle, Ian Hyde and the staff of the Department of Land Information in Western Australia have been immensely co-operative during a period of significant change for their agency. We look forward to Western Australia taking up its shareholding in PSMA Australia during 2004–05.
- With a broadening recognition of the importance of spatial data to counter terrorism and emergency management, ties between PSMA Australia and ANZLIC continue to strengthen. We look forward to working closely with the Council, its sub-committees and working groups during 2004–05.
- The G-NAF build project placed extraordinary pressures on the PSMA Australia national office and the team responded admirably. Whilst systems are being developed to ensure such pressures are minimised in future, I thank the staff for the dedication and commitment displayed throughout the year.

I am very proud of PSMA Australia's achievements during 2003–04 and I believe that the organisation is well positioned to meet the demands of a challenging work program scheduled for 2004–05.



Olaf Hedberg

CHAIRMAN

Objectives, achievables and deliverables 2003–04

2003–04 OBJECTIVES

2003–04 ACTIVITIES

Outcome 1: Comprehensive, diverse & needs driven datasets

To deliver a G-NAF to market

In accordance with the G-NAF Project Plan:

- undertake G-NAF build
- deliver G-NAF to market
- commence G-NAF maintenance phase.

To ensure that all existing datasets are incorporated in a robust, optimised maintenance program

Consolidation of incremental update process and application to all existing PSMA Australia datasets.

Revision and enhancement of existing datasets where possible.

Implementation of a structured QA process.

Revision of metadata for all datasets, posting of metadata on the PSMA Australia website and linking to the ASDD network.

To establish systems for exploring feasibility of new datasets, with an emphasis on determining priorities based on user needs

Canvas VAR satisfaction with PSMA Australia data and encourage timely feedback from VAR's on new data demands.

Through partnerships and collaboration investigate ways in which PSMA Australia can contribute to the improvement/expansion of spatial information for border protection purposes, community security and emergency management.

Outcome 2: World-leading data delivery model

To refine and lessen the complexities associated with licensing datasets to VARs

Review the existing standard VAR licence agreement with a view to simplification.

Review of the existing internal VAR management practices with a view to the establishment of a more efficient management regime.

To ensure the Data Access and Pricing Policy is flexible and inclusive

Review the PSMA Australia Data Access and Pricing Policy.

Implement a pricing strategy for the G-NAF to optimise both its distribution and return on investment.

To strengthen relationships with data custodians

Review PSMA Australia's position in the data supply chain focusing on the criticality of relationship management to the success of the organisation.

Target and create opportunities to communicate the objectives of PSMA Australia beyond the 'mapping agencies' to the broader government sector at local, state and Commonwealth levels.

To establish an efficient and effective way to deliver data to schools, community organisations, VARs and distributors.

Investigate the development of an Internet delivery model for the delivery of data.

2003–04 DELIVERABLES

2003–04 STATUS

A fully maintained G-NAF available through licensed VARs. Completed

- 2 roads updates with enhancements Completed
- At least 1 CadLite update with enhancements Completed
- At least 1 Administrative Boundaries update Completed
- Points of Interest updated & expanded Completed
- Z-File delivered to market Carried over
- Land Classification dataset delivered to market Carried over

VAR Satisfaction Survey Completed

Increased Communication with VARs and partner organisations including:

- EMSINA
- ANZLIC
- OSDM Ongoing

A simplified data licence agreement that adequately protects PSMA Australia's IP. Completed

Copyright traps incorporated into the PSMA Australia datasets. Ongoing

Improved efficiency in VAR and partner management. Ongoing

A revised PSMA Australia Data Access and Pricing Policy. Completed

A G-NAF Access and Pricing Policy. Completed

Marketing and Communications Plan 2003–04:

- Data Custodian Strategy
- Government Agency Strategy. Ongoing

Stronger relationships with the OSDM and other relevant intra-government land information committees in each jurisdiction. Ongoing

Capitalising on the influence of Directors to heighten awareness of PSMA Australia across all levels of government. Ongoing

An OGC compliant website for: Ongoing

- schools/community groups access
- VARs and distributors.

2003–04 OBJECTIVES

2003–04 ACTIVITIES

Outcome 3: National spatial data supplier of choice

Ensure that PSMA Australia has quality VARs delivering quality products.

VAR Communication Strategy Activities including:

- VAR audits
- performance reviews
- Six monthly meetings
- pre-licensing qualification process.

Canvas VAR satisfaction with PSMA Australia data and encourage timely feedback from VARs on new data demands.

Strengthen and broaden the penetration and use of PSMA Australia Datasets within vertical markets.

Explore the possibility of establishing specialised distributors within other vertical markets.

To lift the profile of PSMA Australia in vertical industries.

Target key opportunities for publicity and communication in priority vertical markets.

To continue to effectively communicate the objectives of PSMA Australia to the spatial information industry.

Target key opportunities for publicity and communication in the spatial information industry.

Outcome 4: Innovative spatial information partnerships

To anticipate opportunities for growth and innovation through a high level awareness of spatial knowledge usage, emerging technologies and standards.

Forge partnerships with educational institutions.

Membership of Spatial Sciences Education and Skills Formation Advisory Committee.

Membership of the CRC via the SME consortium and participation in CRC activities.

Membership of University of New South Wales School of Surveying and Spatial Information Systems Advisory Board.

Active membership of ASIBA (Australian Spatial Information Business Association).

To enhance the understanding, broaden the use of spatial information and promote the development of the ASDI within the industry.

Presentations at key conferences/seminars.

Sponsorship of competitions.

Initiatives to support the application of spatial information at secondary school level.

2003–04 DELIVERABLES

2003–04 STATUS

VAR Performance Management Program:

- VAR Qualification Program.
- VAR Satisfaction Survey.

Ongoing

Greater use of the PSMA Australia datasets.

30% Increase in VARs

Marketing and Communications Plan 2003–04:

- Vertical Industry Strategy.

Ongoing

Sponsorship through partnership with VARs and vertical distributors.

Ongoing

Lift the profile of PSMA Australia in the Spatial Information Industry.

Ongoing

Marketing and Communications Plan 2003–04:

- Spatial Information Industry Strategy.
- Sponsorship through partnership with VARs.
- Utilise the CRC as a tool for promoting PSMA Australia.

Ongoing

Ongoing

Ongoing

A scholarship program to encourage tertiary students to undertake research projects in the spatial information field with an emphasis on innovation and potential.

Ongoing

Participation in the CRC research and demonstrator projects.

Ongoing

Membership of ASIBA.

Completed

ABS Census in Schools.

Completed

OGC compliant website.

Ongoing

2003–04 OBJECTIVES**2003–04 ACTIVITIES****Outcome 5: Good corporate governance and commercial sustainability**

To ensure the application of good corporate governance practices remains a priority for PSMA Australia.

Undertake an internal audit.
Directors continuing Professional Development activities.
Risk monitoring and reporting.

To continue improvement in the sound financial management of the organisation.

Income forecasting.
VAR Payment Scheduling.

To ensure alignment between the resourcing of PSMA Australia and the Activities and Deliverables contemplated in the Annual Program.

Review organisation structure and implement resourcing plan.
Continue staff training and personal development program.

Finalise implementation of a robust, efficient and complete Project Management Methodology.

Project Management training.
Project orientated financial management.

2003–04 DELIVERABLES**2003–04 STATUS**

An internal audit report.	Completed
Two presentations/training sessions to the PSMA Australia Board of Directors on aspects of good corporate governance/corporate law changes.	Ongoing
Risk Management Strategy.	Completed
Improved financial reporting.	Completed
Implementation of Job Costing Module.	Completed
Improved linkages between income forecasts and planned Activities and Deliverables.	Completed
PSMA Australia Resourcing Plan.	Ongoing
Informed, motivated, competent staff.	Ongoing
All projects on time and within budget.	Completed

Cooperative Research Centre for Spatial Information (CRC-SI)

In April 2004, PSMA Australia signed the Shareholders' and Unitholders' Agreement with 43 Pty Ltd to formalise PSMA Australia's participation and support of the CRC via this consortium of SMEs. 43 Pty Ltd has been praised by the CRC program as an innovative and practical way to include multiple industry players in a CRC.

A CRC-SI contact officer within PSMA Australia was appointed and an analysis of the potential opportunities for PSMA Australia to sponsor CRC-SI projects was undertaken. The outcome of this was a ranked order of the projects based on alignment of project goals with the PSMA Australia Strategic Plan and company objectives.

As a result of this analysis PSMA Australia has committed to the first project to be officially launched by the CRC, Project 3.3 'Access to Spatial Data'. PSMA Australia has also given some support to Project 3.2 'Data Integration, Modelling and Standards,' through the provision of sample data to enable research and development.

Emergency Management/Counter Terrorism

During 2003–04, ANZLIC took a lead role in the counter terrorism arena specifically in identifying how spatial information could be of significant assistance via the Conybeare Report. Following this lead, PSMA Australia has sought to establish relationships with the Science, Engineering and Technology Unit within the Department of Prime Minister and Cabinet, the Critical Infrastructure Protection Branch and Protective Security Coordination Centre of the Attorney-General's Department and the Defence Imagery and Geospatial Organisation within Department of Defence to ensure that key Australian government agencies have an understanding of the contribution that PSMA Australia can make to counter terrorism, infrastructure protection and emergency management across Australia. ANZLIC has acknowledged PSMA Australia's role in this area by including it in the ANZLIC Emergency Management/Counter Terrorism Working Group providing advice through the ANZLIC Council to the National Counter Terrorism Committee.

ASIBA Membership

In September 2003, ASIBA advised that PSMA Australia's membership of ASIBA was approved. This approval had required a change to ASIBA's membership rules and wording as previously wholly government owned corporations were not entitled to join the Association.

From PSMA Australia's perspective the decision was a significant one. ASIBA recognises the importance of the work performed by PSMA Australia and recognises that the organisation forms a significant part of the data supply chain within the Australian spatial information industry.

Audit Committee Report

The PSMA Australia Audit Committee seeks to ensure that the company's corporate governance process is beyond reproach. The committee is comprised of three company directors elected each year, and is assisted by the CEO and company staff. The committee arranges the annual financial audit of the company and has had four meetings and three out of session teleconferences in the past year.

PSMA Australia is a company that deals primarily with datasets. Consequently the appropriate management of the intellectual property associated with these datasets is of paramount importance to the company. The Audit Committee regularly reviews the management and licence arrangements used by the company to protect this valuable resource.

A rolling program of audits of PSMA Australia's value adding resellers has been established in order to ensure that VARs comply with licence conditions for data supplied by PSMA Australia.

PSMA Australia has devoted considerable efforts towards establishing appropriate policies, procedures and practices to ensure excellence in the corporate governance of the company. This year the Audit Committee commissioned an internal audit of the company. The audit confirmed the existence and use of appropriate controls, as well as highlighting where some improvements could be made. These improvements are presently being implemented.

PSMA Australia attempts to identify, categorise and manage all risks. The Audit Committee oversees the management of the risk register with the 'top ten risks' reported to each Board meeting.

With the assistance of PSMA Australia staff members, the Audit Committee has continuously improved the presentation of financial information so as to enhance the understanding of directors of the financial situation of the company.

The Audit Committee is pleased to advise that all appropriate corporate governance practices are in place and being used.

Internal Audit

The deliverables outlined in the 2003–04 Annual Program included an internal audit to ensure the application of sound corporate governance practices. Auditors Walter and Turnbull undertook a review of national office financial functions, effectiveness and efficiency for the period 1 July 2003 to 16 January 2004. The outcome of this was an Internal Audit Report (June 2004) which concluded that 'the overall daily operation practice is sound at PSMA Australia'. The report made several recommendations to further enhance current practices, including the creation of a Disaster Recovery Plan, a Financial Guidelines Policy and the instigation of enhanced password protection and an off-site backup facility for the PSMA Australia computer server. All Internal Audit Report recommendations have been reviewed by the PSMA Australia Audit Committee and the recommended policies and documentation will be complete by August 2004. The internal audit process and recent improvements in documentation provide a level of assurance that sound corporate governance practices are being applied and regularly monitored.

Financial Reporting

The PSMA Australia Job Costing Module was developed and implemented in July 2003 for operation within the PSMA Australia financial accounting system. All income and expense items were recorded within the module for the 2003–04 financial year, providing advanced monitoring, detailed reporting and tracking against the approved PSMA Australia Budget.

G-NAF financial requirements included customised reporting and rigorous monitoring to ensure funds availability against milestones and adherence to the G-NAF budget. This methodology proved most effective and will be incorporated into future PSMA Australia projects.

Business Case Framework

In the fourth quarter 2003–04, work commenced on the development of a business case framework. It is expected that this framework will be completed early in the new financial year so that the framework can be applied to all projects identified in the 2004–05 Annual Program. The intention of the business case framework is to provide a pathway for ideas to progress to outcomes and outputs as quickly as possible, ensuring that the risks are minimised and the benefits to stakeholders are maximised.

The framework will include an analysis of such things as situational assessment and problem statement, critical assumptions, options, resourcing, financial and stakeholder analysis, outcomes and outputs. The framework will provide PSMA Australia with a robust mechanism to define and assess new initiatives that dovetails with the newly implemented project management methodology and provides greater certainty to the directors and shareholders.

Project Management Methodology

During 2003–04, PSMA Australia focused considerable resources on the development and implementation of a project management methodology. This process commenced with an intensive two-day project management course for all staff in July 2003. This training was conducted by John Smyrk of Sigma Management Science. Mr Smyrk is a respected project management consultant, particularly to the public sector. In consultation with Mr Smyrk, the national office also spent considerable time developing and refining templates for project and stakeholder management plans as well as issues and risk registers.

The first major project to implement the new methodology was G-NAF. The results were very impressive, with the project being delivered on time and under budget, albeit with ambitious timeframes and outcomes.

The PSMA Australia national office has adopted a project management approach to all of its major activities which includes maintaining issues registers, developing gantt charts and articulating and documenting all activities in terms of outcomes and outputs.

Data development and management

G-NAF

On Tuesday 2 March 2004, the Geocoded National Address File (G-NAF) was launched by De-Anne Kelly MP, Parliamentary Secretary to the Minister for Transport and Regional Services at Parliament House in Canberra. The launch was a huge success and was the culmination of eight years' work by PSMA Australia and a range of stakeholders including the G-NAF Group (ABS, AEC, Australia Post, Centrelink and Telstra), ANZLIC, ICSM and the jurisdictions. One hundred and twenty people attended the launch and it received widespread media coverage including articles in the national newspapers.



G-NAF Build Project

Arguably, the creation and maintenance of a single authoritative geocoded database of reference in Australia for street address data is the most ambitious and highly anticipated project that PSMA Australia has undertaken. It was therefore critical that the project be well planned and well resourced to ensure that the delivery of G-NAF would meet expectations. A highly structured and well documented project planning methodology was implemented, with its major features outlined in the following pages.

Governance

G-NAF Steering Committee

The G-NAF Steering Committee consisted of:

- Ollie Hedberg (Chairman and Project Champion)
- Graeme Rush
- Vic Stephens
- Peter Holland
- Dan Paull
- John Smyrk (external Quality Consultant)

The steering committee met every six to eight weeks during 2003–04.

G-NAF Reference Group

The G-NAF Reference Group consisted of representatives of the G-NAF Group, and met every eight weeks during 2003–04. The success of this group can be demonstrated by the agreement of all members to continue to meet twice a year as key stakeholders in the G-NAF dataset. Members of the Reference Group are:

- David Farrell—Electoral Council of Australia
- Sue Sayer—Australian Electoral Commission
- Chris Reynolds—Australia Post
- Sonia Schecter—Centrelink
- Frank Blanchfield—Australia Bureau of Statistics.

G-NAF Technical Group

The Technical Group included technical specialists representing each of the data contributors.

Project Team

- Marni Bower, Project Manager
- Peter Richards, Team Leader, Technical
- Brett Tait, Team Leader, Distribution
- Samantha Black, Team Leader, Finance and Administration

Documentation

Well maintained documentation was a critical success factor for the G-NAF Build.

Documentation included:

- Project plan
- Gantt charts for all outputs
- Issues register (tracked over 100 issues during the life of the project)
- Risk register
- Project Manager reports and Project budget reports delivered at each G-NAF Steering Committee meeting

Outputs

During the project initiation phase, five project outputs were identified. The outputs encapsulated all project deliverables and were managed concurrently to ensure delivery to market of the G-NAF dataset by the 2nd March 2004 deadline. Listed below are the five project outputs and their sub-outputs:

1 Dataset	<ul style="list-style-type: none">■ Software■ Data structure■ User guide■ Data■ Data delivery mechanism■ Acceptance testing■ G-NAF update No. 1
2 Business Unit	<ul style="list-style-type: none">■ Charter■ Organisation model (following analysis and a report to the G-NAF Steering Committee it was determined that a separate business unit is not necessary for the ongoing management of G-NAF)■ Maintenance processes■ Operational website (g-naf.com.au)
3 Data Exchange and Maintenance	<ul style="list-style-type: none">■ Exchange of data protocols (Custodians)■ Maintenance protocols (Data Manager)
4 Distribution Strategy	<ul style="list-style-type: none">■ Clients/VAR agreements■ Promotional campaign■ Product development strategy■ Pricing, access and distribution policy■ Rollout strategy
5 Jurisdiction Licensing	<ul style="list-style-type: none">■ Data share agreements

Results

The five outputs of the G-NAF Build Project were delivered on-time and under budget. From a project management perspective, the G-NAF Build Project quality consultant, John Smyrk made the following observations of the project:

- By all accepted criteria, the G-NAF project has been managed outstandingly well.
- From the outset, in response to the advisor's recommendations, all stakeholders displayed a willingness to enhance the framework of management surrounding the project.
- Not only was the quality of initial baseline work extremely high (for example establishment of the issues and risk registers), but that standard was maintained throughout the management of the project.
- Both the project team and the steering committee handled their 'above-the-line' responsibilities in a thoroughly professional manner.
- The workshop was approached with honesty and, as a result, despite the pleasing results, opportunities have been identified for future improvement.
- The advisor rates the management of this project amongst the best of those in which he has been involved.

Results *continued*

A G-NAF Build Project closure workshop, facilitated by John Smryk, and attended by the G-NAF Steering Committee and project manager, was held in May 2004. Whilst the project was very successful, the closure workshop assisted in identifying a number of learnings/weaknesses which need to be considered in the planning and execution of future projects, including:

- A thorough business case process is necessary for all projects, which includes:
 - a more thorough and holistic exploratory phase
 - a more detailed definition of project outputs and quality specifications.
- Care needs to be taken not to set unrealistic or overly ambitious timeframes, and a philosophy of 'under promise and over deliver' is important in project planning.
- More time needs to be spent on project resource planning. During the G-NAF Build Project, the project team were placed under 'extraordinary pressure' and processes such as assessing the full impact of a project on the entire organisation are critical to the project planning phase.
- Relationships between PSMA Australia and relevant technical groups require more thorough articulation and improved stakeholder management by the national office.

New Dataset Maintenance Schedule

The G-NAF project has driven the need to revise the PSMA Australia maintenance schedule for the 2004–05 financial year and beyond. Commencing in June 2004, PSMA Australia implemented a new maintenance schedule which will see G-NAF, Transport & Topography, CadLite and Administrative Boundaries datasets updated and released on a quarterly basis. The capacity of the jurisdictions to supply quarterly updates of their datasets, together with the market's demand for a greater frequency of updates will be monitored during 2004–05.

Transport and Topography

There were two releases of the Transport and Topography dataset during 2004–05. During this time, considerable enhancements to the dataset were made, particularly by improving the road hierarchies in South Australia and Western Australia. The June 2004 update to the road centreline layer of this dataset focused on fixing anomalies in the Queensland roads data as well as making improvements to content in the Northern Territory. Other states were improved by adding road names where they were not previously recorded. An added benefit from G-NAF has been the ability to derive improvements to the road centreline layer through the complex spatial and textual validation process that is undertaken during the creation and maintenance of G-NAF.

CadLite

In the two releases of CadLite during 2003–04, steady improvements in content and structure were realised. PSMA Australia has also obtained cadastre data for Jervis Bay, Lord Howe Island, as well as the external territories of Cocos Islands and Christmas Island, and incorporated this data into CadLite. The G-NAF build project motivated the search and inclusion of this additional data.

Administrative Boundaries

Prior to the creation of G-NAF, the Administrative Boundaries dataset was released annually, with the last release in June 2004. Consistent with the new data maintenance schedule, Administrative Boundaries will now be released on a quarterly basis. The greatest activity within this dataset has been in the suburbs/localities layer, with some states now having close to full coverage where previously coverage was limited to urban areas. Local Government Areas in some states have also undergone significant changes which are set to continue into 2004–05.

Points of Interest

A new Points of Interest (POI) dataset will be released by PSMA Australia in August 2004. This follows the redevelopment and expansion of the POI dataset specification in March 2004 and the appointment of a POI data manager to undertake the build of this new dataset. To enhance the POI data that the jurisdictions were able to supply to PSMA Australia, the data manager completed a comprehensive data capture process to ensure consistent, comprehensive POI data across the country. The POI build also took advantage of G-NAF for the validation of addresses and allocation of geocodes.

Users will see considerable improvement in the new POI dataset as compared to the existing database which was developed in 1996. The POI Dataset will be updated and released on an annual basis.

Land Usage

A Land Usage dataset was scheduled for development in the 2003–04 financial year. This dataset progressed to the stage of a workshop to scope the type of information that should go into such a dataset. The Land Usage dataset working group convened in Canberra on 21 August 2003 for this workshop, and considered the specification for this dataset and the types of data to be included. A draft report including recommendations was presented to the PSMA Australia Board on 22 September 2003 and the project was endorsed. Recommendations included preparing a business case and project management structure, identifying current data holdings and seeking assistance from all PSMA Australia directors to identify jurisdictional contacts for further data requirements.

Research was also undertaken by the national office into the existence of land use data beyond the mapping agencies and identified that there are at least two national sources that maintain elements of land use data that could be integrated into a national Land Usage dataset.

Due to the G-NAF focus and time constraints, the project has been delayed and resources have been set aside in 2004–05 to undertake a business case into the development of this dataset.

Quality Assurance

In partnership with the ABS, PSMA Australia developed a comprehensive quality assurance (QA) program during 2003–04. In summary the new program will see QA activities divided into three parts on the basis of the errors and data issues that may arise and the difficulty in identifying and fixing them. The three categories being:

- QA Category 1 — Data file structure and metadata
- QA Category 2 — Spatial data structure
- QA Category 3 — Data content — accuracy and currency

PSMA Australia will set benchmarks relating to these three categories and provide metadata statements that indicate the outcomes of tests undertaken within these

three categories. With a move to quarterly dataset releases and the additional resourcing required to undertake this enhanced QA program, PSMA Australia is presently considering the outsourcing of QA to a QA data manager. Such an appointment would be via a competitive tendering process.

Metadata

In the final months of the 2003–04 financial year, PSMA Australia conducted a review of existing metadata standards. After considering the alternatives available, PSMA Australia has determined that all metadata will adhere to the *ANZLIC Metadata Guidelines: Core metadata elements for geographic data in Australia and New Zealand, Version 2, February 2001*. This decision was made for the following reasons:

- the international metadata standard ISO19115 will not be completed for some time
- the ANZLIC metadata guidelines are the required standard for ASDD nodes and PSMA Australia intends to add a node in the near future, and
- PSMA Australia believes these guidelines will ensure that metadata is more than adequate for its intended purpose.

PSMA Australia metadata will be distributed with every supply of data to VARS and Partners. The metadata will be delivered in XML and be compliant with the ANZLIC Metadata Guidelines including all ANZLIC Level 0 metadata elements. PSMA Australia metadata is also available via the PSMA Australia website.

Data Supply Agreements

Due to the impending expiring of the existing data supply agreements with the jurisdictions in December 2007, and the critical importance of ensuring ongoing and long term supply of data to clients, 2003–04 saw negotiations commence with the jurisdictions on the signing of new data supply agreements. A new agreement was drafted to incorporate both Topography and Cadastre into a single agreement. In response to a growing need, for many jurisdictions, the agreement also strengthens PSMA Australia's capacity to pursue intellectual property breaches on behalf of, and under the guidance of the jurisdictions.

As at 30 June 2004, agreements had been signed with Northern Territory, Queensland and Tasmania. All remaining jurisdictions were close to finalising their agreements and it was expected that all would be completed by the end of the first quarter 2004–05.

During 2003–04, PSMA Australia also signed ground breaking data sharing agreements with all jurisdictions, Australia Post and the Australian Electoral Commission for the sharing of address data for the build and ongoing maintenance of G-NAF.

Data Warehouse Manager

During 2003–04, a considerable amount of work was completed on the investigation of a web based interface to provide access to PSMA Australia data. At the close of the 2003–04 a project plan was being developed for a PSMA Australia ‘data warehouse’ to provide for the movement of data between jurisdictions, data managers and PSMA Australia clients. The project has been included in the 2004–05 Annual Program and will be one of the significant outputs for the coming year.

Integrated Data Model

G-NAF introduced, or at least increased, the need to review the PSMA Australia data management environment with respect to integrating the various data models. Since G-NAF relies on many of the other PSMA Australia datasets, there is a high degree of interaction between them. This interaction leads to inefficiencies when aspects of the datasets that are the same are duplicated across datasets. Integration removes the duplication and any chance of mismatch between duplicated information. Furthermore integration of the data models facilitates a greater degree of cross-dataset analysis enhancing the maintenance process for all datasets.

Once the model is defined there will be a single integrated data model that will describe all the data held by PSMA Australia. Each dataset can then be defined in terms of a profile of the integrated model with the capacity to include and exclude various features and attributes as required. This has benefits for both data delivery

as well as data maintenance. It also means that PSMA Australia can continue to maintain the policy of multiple data managers even with an integrated data model.

There was much research and discussion within the national office and Technical Committee during 2003–04 on understanding the benefits and outcomes of an integrated data model and it was agreed that the integration of the PSMA Australia data models during the first quarter of 2004–05 will form the initial step in the development of the PSMA Australia data warehouse concept.

Error Tracking System

In cooperation with the ABS, PSMA Australia has developed an online Error Tracking System to enable the ABS to record data errors as they perceive them. The system then notifies PSMA Australia that an error has been identified, and provides a mechanism for a quick response including updates on the status of the issue and the expected time of supply of data incorporating the correction. There is great potential for this system to be expanded to include access for all VARs, thus providing a useful tool that will continue to enhance PSMA Australia datasets and contribute to a greater level of data quality.

Business development and management

Licensing Activities

PSMA Australia signed five new VARs during 2003–04, bringing the total number of VARs to 21. These organisations are listed below, with new VARs shown in bold:

Organisation	Data licensed	Access type
Australian Corporate Content	Transport and Topography G-NAF CadLite	Full
MapInfo	Transport and Topography G-NAF CadLite	Full
MapData Sciences	Transport and Topography G-NAF CadLite	Full
Navigate	Transport and Topography G-NAF CadLite	Full
Omnilink	Transport and Topography G-NAF CadLite	Full
Amristar	Transport and Topography	Embedded
Boyce Industries	Transport and Topography	Embedded
Explore Australia	Transport and Topography	Embedded
Magellan GPS Systems	Transport and Topography	Embedded
Magenta Technologies	Transport and Topography	Embedded
Manly Multimedia	Transport and Topography G-NAF	Embedded
Multimap	Transport and Topography	Embedded
Pathfinder Solutions	Transport and Topography G-NAF	Embedded

Organisation	Data licensed	Access type
PMP Software	Transport & Topography	Embedded
Pacific Micromarketing	Transport & Topography	Embedded
RP Data	CadLite Transport & Topography	Embedded
SmartBlue	Transport & Topography	Embedded
Terrapages	Transport & Topography G-NAF CadLite	Embedded
Transtech Consulting	Transport & Topography	Embedded
Virtual Map (Australia)	Transport & Topography	Embedded
Webmap	CadLite	Embedded

There continues to be a strong level of enquiry from VARs and prospective VARs regarding G-NAF. PSMA Australia has signed licence agreements for G-NAF with eight VARs. Enquiries from potential VARs and end users have increased, and would currently average seven to eight enquiries per week.

Licensing Enhancements

PSMA Australia engaged Deacons Lawyers to rewrite the VAR licence agreement and this was completed in December 2003. The new licence agreement has been used for all new VARs and approximately half of the existing VARs have been transferred over to it. The new agreement is more comprehensive yet shorter, more user friendly and contains the revised PSMA Australia Pricing and Access Policy. The new agreement also allows selected full access VARs the ability to on sell PSMA Australia raw data to embedded access VARs as well as end users.

PSMA Australia is currently in the process of moving all existing licence agreements to a financial year basis for ease of reporting and invoicing. Currently one third of the VARs have moved to a financial year reporting time period.

Western Australia VAR Audits

Deloitte were engaged to undertake the VAR audit program for Western Australian (WA) VARS Magellan GPS Systems and Internav Tracking Services Pty Ltd for the period 1 July 2002 to 30 June 2003. Audit methodology included testing quarterly royalty reports, invoices, and invoice payments made in relation to VAR licence agreement terms.

WA VAR audit outcomes reported by Deloitte in December 2003 provided an assurance of overall compliance with royalty reporting, and recommended further monitoring of timely payments, as per the VAR payment policy instigated in August 2003. Business observations included the anticipation of steady growth for both VARS.

Ongoing VAR Audit Program

Further VAR audits are planned for the July–December 2004 period, and will include VAR G-NAF royalty auditing.

Websites

The PSMA Australia website has been revised and updated to include:

- a comprehensive list of all VARS, with corporate summaries, product and service descriptions, and contact details
- quick access to licensed data suppliers
- accurate representation of available datasets
- dataset release dates for 2004–05
- most recent metadata statements
- new case studies, and
- detailed list of frequently asked questions.

A separate website exclusively for G-NAF was built in 2003 and went live in September 2003. The website includes the history, development and distribution

details of the G-NAF dataset, relevant technical documents, a mechanism for users to register their interest in the dataset, and a G-NAF media kit.

The Corporate Governance Resource Library secure website has been updated and now provides PSMA Australia directors with access to a variety of documents to assist them in fulfilling the responsibilities and obligations of their role.

The value of these websites will continue to be enhanced through regular updates and maintenance.

ABS Contract Management

In recognition of the importance of the ABS data supply contract to PSMA Australia and a focus on improving client management, PSMA Australia and ABS have implemented a program of meetings scheduled every six weeks. The purpose of these meetings is to move beyond the day to day technical communication between the two organisations and instead take a more strategic and informative approach to the management of the contract. These meetings have been running since February 2004 and are proving to be an excellent contract management tool. Significant outcomes already achieved have been the new QA Program and the Error Tracking System.

Cambridge Conference 2003

Chairman Ollie Hedberg, Deputy Chairman, Peter Holland and Marketing Director Martin Holmes, represented PSMA Australia at the Cambridge Conference in the UK in July 2003. The major theme of the conference was 'spatial data infrastructures'. Mr Hedberg presented a paper on the PSMA Australia model which received huge accolades and generated significant interest. Many delegates requested one on one meetings with the PSMA Australia representatives to learn more about the model and its implementation. The Cambridge Conference highlighted that Australia, through the efforts of ANZLIC and PSMA Australia is one of only a few countries that not only talks about SDIs, but also delivers integrated data in a sustainable way.

Whilst in the UK, Messrs Hedberg and Holmes also took the opportunity to meet with representatives from MultiMap (PSMA Australia's first overseas based VAR) and QAS (a UK based company with an Australian subsidiary considering licensing G-NAF).

GeoTec Event 2004

Director, Ben Searle and Operations Manager, Marni Bower represented PSMA Australia at the GeoTec Event in Toronto Canada in March 2004. The theme of the conference was 'Pathways to Integration'. Marni Bower delivered two papers at the conference:

- An International Perspective on the NSDI (panel presentation with representatives from Canada, USA and Australia)
- A Geocoded National Address File for Australia: The G-NAF What, Why, Who and When.

Both presentations were extremely well received and there is growing recognition and appreciation of the PSMA Australia model on the international stage. The benefits of a self funding and sustainable body focused on the implementation of an NSDI were obvious to both government and private sector representatives at the conference.

The G-NAF paper generated significant interest and discussion about how a dataset of such scale and complexity was successfully brought to market. Subsequent to the conference, there has been ongoing contact with a number of organisations that were represented at the conference, in regards to access to G-NAF and the PSMA Australia model.

National Office

Human resources

Three new staff members were recruited into the PSMA Australian national office during 2003-04, bringing the total number of employees to seven.

The new employees are:

- Brett Tait, Partner Manager
- Dianne Brooks, Administration Assistant
- Lauren Mills, Project Officer (business analysis)

Even at a small scale, such rapid growth in staffing requires close management and a HR review was commissioned by the Board in June 2004 to ensure that the structure of PSMA Australia is adequate to take the organisation into the future. The review is expected to be completed in August 2004.

Board Room

The PSMA Australia Board determined that PSMA Australia would hold three Board meetings in Canberra each year where practicable (June 2003 Board meeting). In order to facilitate Board meetings on site, a purpose built board room was commissioned when additional floor space adjacent to the national office became available.

The board room was completed in June 2004 and comfortably accommodates up to 18 people, with office facilities for the Chairman or visiting directors. Recent additional fit-outs include an audio visual system and large format projection screen for multi-media presentations. The facility is fully operational and is now utilised for a range of meetings, with considerable savings in external venue hire and meeting catering expected to be made over time.

Information Technology (IT) Developments

IT backup and security in the PSMA Australia office environment has been reviewed and new backup software and hardware was installed in March 2004.

Back-up procedures for network data have been upgraded from a weekly off-site removal of back-up tapes to a daily occurrence. This will ensure that in the event of loss or damage to the server, a maximum of 24 hours worth of data would be lost.

Changes have been made to the rules governing user passwords to make the system as robust as possible against illegal entry to the PSMA Australia network.

During the year all PSMA Australia personal computers (PC) were replaced. It was determined that the new PCs should be purchased rather than leased due to the cost savings incurred. A three year cycle of replacement has been implemented for all PCs.

Financial report

for the period

1 July 2003–30 June 2004



Directors' report

The directors present their report together with the financial statements of PSMA Australia Limited for the period 1 July 2003 to 30 June 2004.

Directors

The names of directors in office at any time during or since the end of the financial year are:

- Peter Gardner
- Stephen Godfrey
- Olaf Hedberg
- Peter Holland
- Martin Holmes
- Desmond Mooney
- Graeme Rush
- Benjamin Searle
- Victor Stephens
- Bruce Thompson

Principal activities

The principal objectives of the company are to coordinate, assemble and deliver national datasets from data held by the states, territories and Commonwealth governments and achieve the widest possible use of the PSMA Australia datasets.

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

Operating results

The company earned an operating profit of \$1,221,408 for the period 1 July 2003 to 30 June 2004.

Dividends

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2003 to 30 June 2004.

Review of operations

An analysis of operations for the financial year is set out in the Review of Operations section of the PSMA Australia Limited Annual Report 2003–04.

Significant changes in the state of affairs

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

After balance date events

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

Future developments

Future developments which may affect the operations of the company in subsequent financial years are in the PSMA Australia Limited Annual Program 2004–05.

Information on directors

Name	Peter Gardner
Age	55
Qualification	Bachelor of Economics, Bachelor of Arts
Experience	1999–present: Director Environmental Information, Department for Environment & Heritage, South Australia 1992–1998: State Government Statistician, Australian Bureau of Statistics, South Australia 1970–1992: Various positions in Commonwealth Government including Northern Territory Statistician and Director Australian Bureau of Statistics, Canberra

Name	Stephen Godfrey
Age	50
Qualification	Bachelor of Arts
Experience	2002–present: General Manager, Information and Land Services Division, Department of Primary Industries, Water & Environment, Tasmania

Name	Olaf Hedberg
Age	66
Experience	2002–present: Information Management and Land Administration Consultant 1991–2002 General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania
Special responsibilities	Chairman and member of the Executive Committee

Name	Peter Holland
Age	50
Qualifications	Bachelor of Surveying, Graduate Diploma in Computing Studies
Experience	2001–present: General Manager, National Mapping Division, Geoscience Australia 1996–2001: General Manager, AUSLIG
Special responsibilities	Deputy Chairman & member of the Executive Committee

Name	Martin Holmes
Age	58
Qualifications	Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management
Experience	1999–Present: Executive Director, Client Services, Department of State Development and Innovation, Queensland 1997–1998: Director, Marketing & Corporate Communications, Department of Public Works & Housing, Queensland 1994–1997: Marketing Director, Department of Natural Resources, Queensland
Special responsibilities	Marketing Director & member of the Executive Committee

Name	Desmond Mooney
Age	53
Qualifications	MBA, B SURV (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer
Experience	2003–present: Deputy Director General, Department of Lands, and General Manager, Land and Property Information, New South Wales 2001–2002: General Manager, Land and Property Information, New South Wales 1999–2000: Executive Director Management Services, New South Wales Police Services 1990–1998: General Manager, Land Information Centre, New South Wales
Special responsibilities	Audit Committee Member

Name	Graeme Rush
Age	54
Qualifications	Bachelor of Surveying
Experience	2002–present: General Manager, Land Management and Use, Department of Natural Resources, Mines and Energy, Queensland 2000–2001: General Manager, Land Management and Use, Department of Natural Resources and Mines, Queensland 1996–2000: General Manager, Land Information Management, Department of Natural Resources, Queensland
Special responsibilities	Audit Committee Chairman

Name	Ben Searle
Age	49
Qualifications	Bachelor of Science (Geography)
Experience	2002–present: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory

Name	Victor Stephens
Age	57
Qualifications	B A Hons (Geography), MSc Econ (Urban & Regional Planning), Grad Dip Management
Experience	2001–present: Senior Director, Land Information, Department of Infrastructure, Planning and Environment, Northern Territory 1995–2001: Assistant Secretary Land Information, Department of Lands, Planning and Environment, Northern Territory
Special responsibilities	Audit Committee Member

Name	Bruce Thompson
Age	46
Qualifications	Bachelor of Design Studies
Experience	2004–present: Director, Spatial Information Infrastructure, Department of Sustainability and Environment, Victoria 2003: Director, Land Information Group, Department of Sustainability and Environment, Victoria

Directors' benefits

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

Meetings of directors

The number of directors' meetings held and attended by each of the persons holding office as directors of the company at the date of this report are:

Name	Directors' meetings		Audit Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Gardner	4	4		
Stephen Godfrey	4	4		
Olaf Hedberg	4	4		
Peter Holland	4	3		
Martin Holmes	4	4		
Des Mooney	4	4	7	6
Graeme Rush	4	3*	7	7
Ben Searle	4	3		
Vic Stephens	4	4	7	7
Bruce Thompson	4	3		

* Graeme Rush was unable to attend the 22nd September Board Meeting and Mr Steve Jacoby attended the meeting on his behalf.

Indemnifying officers or auditor

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

- During the year, the company paid a premium of \$4864.95 to CGU Professional Risk Insurance in respect of a Directors' and Officers Liability Insurance Policy. The policy covers the directors and officers of the company.
- During the year, the company paid a premium of \$10,240 to General Insurance Brokers in respect of a Professional Indemnity insurance policy.

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

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

Options

No options were granted over uninsured shares or interest during the period 1 July 2003 to 30 June 2004.

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.

Proceeding on behalf of the Company

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

Signed in accordance with a resolution of the directors:



OLAF HEDBERG
CHAIRMAN

Dated this 13th day of August 2004.

Auditors' report



WALTERTURNBULL
your extra asset

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

Scope

We have audited the financial report of PSMA Australia Limited for the year ended 30 June 2004 as set out on pages 42 to 58. The directors of the company are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

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

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

Audit Opinion

In our opinion, the financial report presents fairly in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2004 and of its performance and cashflows for the year ended on that date, and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001, and
- (b) other mandatory professional reporting requirements in Australia.

Peter Sheville
Registered Company Auditor
Walter Turnbull

Canberra, ACT
16th August, 2004

WalterTurnbull Building
44 Sydney Avenue
Barton ACT 2600
GPO Box 1955
Canberra ACT 2601
Tel 02 6247 6200
Fax 02 6257 6655
www.walterturnbull.com.au
walterturnbull@walterturnbull.com.au
A division of
WalterTurnbull Pty Ltd
ABN 97 099 740 879

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Declaration by directors

The directors of the Company declare that:

- 1 the financial statements and notes, as set out on pages 42 to 58 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001, and
 - b) give a true and fair view of the Company's financial position as at 30 June 2004 and of its performance for the year ended on that date
- 2 in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Olaf Hedberg—Director



Peter Holland—Director

Dated this 13th day of August 2004

Financial reports and notes

for the period
1 July 2003 to
30 June 2004

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

Statement of financial performance for the year ended 30 June 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	2,807,286	3,166,278
Employee benefits expense		(286,911)	(293,099)
Depreciation and amortisation expenses	3	(70,733)	(19,615)
Bad and doubtful debt expense	3	(9,287)	(200)
Other expenses from ordinary activities		(1,218,947)	(1,283,510)
Profit from ordinary activities		1,221,408	1,569,854

Statement of financial performance for the year ended 30 June 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4	2,751,648	2,507,973
Receivables	5	767,083	718,719
Other	6	3,226	12,872
Total Current Assets		3,521,957	3,239,564
NON-CURRENT ASSETS			
Property, plant and equipment	7	112,715	56,622
Intangible assets	8	1,026,904	—
Total Non-Current Assets		1,139,619	56,622
Total Assets		4,661,576	3,296,186
CURRENT LIABILITIES			
Payables	9	486,343	439,359
Provisions	10	14,117	6,834
Interest bearing liability	13	7,919	—
Other—income in advance		60,952	—
Total Current Liabilities		569,331	446,193

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

Statement of financial performance for the year ended 30 June 2004

	Note	2004 \$	2003 \$
NON-CURRENT LIABILITIES			
Interest bearing liability	13	20,844	—
Total Non-Current Liabilities		20,844	—
Total Liabilities		590,175	446,193
Net Assets		4,071,401	2,849,993
EQUITY			
Contributed equity	11	8	8
Retained profits	12	4,071,393	2,849,985
Total Equity		4,071,401	2,849,993

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

Statement of cash flows for the year ended 30 June 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,909,560	3,557,447
Payments to suppliers and employees		(1,567,395)	(2,248,361)
Interest received		132,763	84,219
GST remitted to the ATO		(73,805)	26,115
Net cash provided by operating activities	15(b)	1,401,123	1,419,420
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,181	1,300
Payment for property, plant and equipment		(113,315)	(48,301)
Payment for Intangibles		(1,062,314)	—
Net cash used in investing activities		(1,157,448)	(47,001)
Net increase in cash held		243,675	1,372,419
Cash at beginning of the financial year		2,507,973	1,135,554
Cash at end of the financial year	15(a)	2,751,648	2,507,973

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

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for PSMA Australia Limited as an individual entity. PSMA Australia is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

a Income tax

The Company is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

b Property, plant and equipment

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

IT equipment/furniture and equipment

Items of IT equipment purchased since incorporation, have been capitalised where their cost exceeded \$1,500. These items have been depreciated over their estimated useful economic lives.

Depreciation

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

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation rate
IT Equipment	25 – 33.33%
Furniture and Equipment	20%
Motor Vehicles	18.75%

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

c Leases

Lease of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but no legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including guaranteed residual value.

Leased assets are depreciated on a diminishing value basis over the useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

d Research and development

Research and development costs are charged to profit from ordinary activities as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial sale has commenced.

e Intangibles

Datasets

Datasets developed using intellectual property owned by PSMA Australia are valued in the accounts at cost of development and are amortised over the period in which their benefits are expected to be realised.

It is the intention of PSMA Australia to revalue intangibles in line with accounting standards.

f Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount plus related on-costs. Other 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.

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

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

g Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.

h Revenue

Royalties from the sale of spatial data is recognised upon receipt of a royalty report from value added resellers detailing the number of sales for the period.

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

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

All revenue is stated net of the amounts of goods and services tax (GST).

i 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. Receivables and payables on the Statement of Financial Position are shown inclusive of GST.

j Adoption of Australian equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

PSMA Australia is currently assessing the implications of adopting Australian Equivalents to the International Financial Reporting Standards for their business processes and accounting policies and procedures. An accounting firm has been contracted to advise and provide advice, documentation and procedural guidelines for this adoption.

The PSMA Australia Audit Committee has been advised of the requirement for disclosure, and will oversee the management of this transition. PSMA Australia stakeholders will be kept informed of the impacts new standards may have on business and accounting procedures.

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

Impairment of assets

At this time the PSMA Australia Directors are of the opinion that the key difference in accounting policies which may arise from the adoption of IFRS is the Impairment of Assets. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use.

Research and development expenditure

Pending standard AASB138: Intangible Assets further requires that costs associated with research be expensed in the period in which they are incurred. In terms of current policy, research costs are capitalised to the statement of financial position where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover these deferred costs. This is in line with current policy.

PSMA Australia will continue to actively work with its accounting advisors to determine the full ramifications of the adoption of the IFRS.

2 Revenue	2004	2003
	\$	\$
Operating activities:		
■ Interest	132,763	84,219
■ Royalties	1,790,755	2,293,123
■ Access fees	322,017	204,050
■ Miscellaneous Income	2,514	24,809
■ ABS Data Supply Fees	500,000	500,000
■ Other	59,237	58,077
	<u>2,807,286</u>	<u>3,164,278</u>
Non-operating activities:		
■ Net gain on disposal of plant and equipment	—	2,000
	<u>—</u>	<u>2,000</u>
Total revenue	<u>2,807,286</u>	<u>3,166,278</u>

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

3 Profit from ordinary activities	2004	2003
	\$	\$
Profit from ordinary activities before income tax has been determined after:		
a Expenses		
Depreciation of property, plant and equipment	35,323	19,615
Amortisation of intangibles	35,410	—
Total	70,733	19,615
Remuneration of auditor:		
■ auditing or reviewing the financial report	6,700	7,363
■ other services	4,300	—
Total remuneration of auditor	11,000	7,363
Loss on disposal of plant and equipment	3,718	—
Bad and doubtful debts	9,287	200
Rental expense on operating leases:		
■ office space	65,200	53,876
■ company car	617	7,406
Total rental expense on operating leases	65,817	61,282
b Revenue and Net Gains		
Net gain on disposal of plant and equipment	—	613

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

	2004	2003
	\$	\$
4 Cash assets		
Cash at bank	321,875	431,434
Deposits at call	2,429,773	2,076,539
	<u>2,751,648</u>	<u>2,507,973</u>
5 Receivables		
CURRENT		
Trade debtors	767,083	718,719
Less: provision for doubtful debts	—	—
	<u>767,083</u>	<u>718,719</u>
	—	—
	<u>767,083</u>	<u>718,719</u>
6 Other assets		
Prepayments	<u>3,226</u>	<u>12,872</u>

Notes to
and forming
part of the
financial
statements

for the period
1 July 2003 to
30 June 2004

7 Property, plant and equipment	2004	2003
	\$	\$
IT Equipment—at cost	93,243	64,130
Less: accumulated depreciation	(57,100)	(39,986)
	36,143	24,144
Furniture and Equipment	44,018	37,671
Less: accumulated depreciation	(13,107)	(5,193)
	30,911	32,478
Leased Motor Vehicles	34,278	—
Less: accumulated depreciation	(5,547)	—
	28,731	—
Motor Vehicles – at cost	20,837	—
Less: accumulated depreciation	(3,907)	—
	16,930	—
Total property, plant and equipment	112,715	56,622

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

a Movements in carrying amounts

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

	IT equipment \$	Furniture & Equipment \$	Leased MV \$	Motor Vehicle \$	Total \$
Balance at beginning of year	64,130	37,671	–	–	101,801
Additions	29,114	6,347	34,277	43,577	113,315
Disposals	–	–	–	(21,899)	(21,899)
Accumulated depreciation at beginning of year	(39,987)	(5,193)	–	–	(45,180)
Depreciation expense	(17,114)	(7,914)	(5,546)	(4,748)	(35,322)
Carrying amount at end of year	<u>36,143</u>	<u>30,911</u>	<u>28,731</u>	<u>16,930</u>	<u>112,715</u>

8 Intangibles

	2004 \$	2003 \$
G-NAF (Geocoded National Address File)	1,062,314	–
Less: accumulated amortisation	(35,410)	–
	<u>1,026,904</u>	<u>–</u>

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

9 Payables	2004	2003
	\$	\$
CURRENT		
Trade Creditors	191,380	129,754
Accruals:		
Topo licence fee	185,320	214,276
Cadastral licence fee	103,893	95,329
G-NAF licence fee	5,750	–
Total Accruals	294,963	309,605
	486,343	439,359

10 Provisions

CURRENT

Employee Benefits	14,117	6,834
Number of employees at year end	7	4

11 Contributed equity

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

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

12 Retained profits	2004	2003
	\$	\$
Retained profits at the beginning of the financial year	2,849,985	1,280,130
Net profit attributable to the members of the company	1,221,408	1,569,855
Retained profits at end of financial year	4,071,393	–

13 Leasing commitments

a Finance lease commitments

Payable

■ not later than 1 year	7,919	–
■ later than 1 year but no later than 5 years	20,844	–
■ later than 5 years	–	–
Total lease commitments	28,763	–
Less future finance charges	2,569	–
	26,194	–

The motor vehicle is a non-cancellable lease with a two year term, with rent payable monthly in arrears. An option exists for a final payment of residual value at the end of the lease term.

b Operating Lease Commitments

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

■ not later than 1 year	64,099	61,120
■ later than 1 year but no later than 5 years	254,057	318,641
■ later than 5 years	–	75,249
Total operating lease commitments	318,156	455,010

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

14 Segment reporting

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

15 Statement of Cash Flows

a Reconciliation of cash	2004	2003
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:	\$	\$
■ Cash on hand	321,875	431,434
■ At call deposits with financial institutions	2,429,773	2,076,539
	<u>2,751,648</u>	<u>2,507,973</u>
b Reconciliation of Cash Flows from Operations with Profit from ordinary activities		
Profit from ordinary activities:	1,221,408	1,569,854
Non-cash flows in profit from ordinary activities		
■ Depreciation/Amortisation	70,733	19,615
■ Loss on disposal of assets	3,718	–
Change in assets and liabilities	(49,918)	568,942
■ (Increase)/(decrease) in prepayments	9,646	(12,872)
■ Increase/(decrease) in payables	50,206	(91,342)
■ Increase/(decrease) in income in advance	60,952	–
■ Increase/(decrease) in provisions	7,283	(4,567)
■ Increase/(decrease) in other liabilities	27,095	(630,210)
Cash flows from operations	<u>1,401,123</u>	<u>1,419,420</u>

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

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

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

16 Related party transactions

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

Peter Gardner
Stephen Godfrey
Olaf Hedberg
Peter Holland
Martin Holmes
Desmond Mooney
Graeme Rush
Benjamin Searle
Victor Stephens
Bruce Thompson

During the year ended 30 June 2004, remuneration of \$48,000 was paid to Olaf Hedberg in his capacity as Chairman of PSMA Australia Limited.

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

17 Financial instruments

a Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate		Non interest bearing		Total	
	%	%	\$	\$	\$	\$	\$	\$
	2004	2003	2004	2003	2004	2003	2004	2003
Financial assets								
Cash	5.15%	4.8%	2,751,648	2,507,973	–	–	2,751,648	2,507,973
Receivables	–	–	–	–	898,335	718,719	898,335	718,719
Total	n/a	n/a	2,751,648	2,507,973	898,335	718,719	3,649,983	3,226,692
Financial Liabilities								
Payables	–	–	–	–	104,758	54,552	104,758	54,552
Total	n/a	n/a	–	–	104,758	54,552	104,758	54,552

Notes to and forming part of the financial statements

for the period
1 July 2003 to
30 June 2004

b Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to 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.

c 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.

18 Company details

The registered office of the company is:

PSMA Australia Limited
Level 1, 115 Canberra Avenue
Griffith ACT 2603

DISCLAIMER OF OPINION
TO THE MEMBERS OF
PSMA AUSTRALIA LIMITED

The additional financial data presented on pages 60 to 63 is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2004.

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than PSMA Australia Limited) in respect of such data, including any errors or omissions therein however caused.



Peter Sheville
Registered Company Auditor
WalterTurnbull

Canberra, ACT
16th August, 2004

WalterTurnbull Building
44 Sydney Avenue
Barton ACT 2600
GPO Box 1955
Canberra ACT 2601
Tel 02 6247 6200
Fax 02 6257 6655
www.walturn.com.au
walterturnbull@walturn.com.au
A division of
WalterTurnbull Pty Ltd
ABN 97 099 740 879

BUSINESS ADVISORY SERVICES
ASSURANCE SERVICES
MANAGEMENT CONSULTING
FINANCIAL PLANNING
INSOLVENCY SERVICES
ACCOUNTING SOLUTIONS



Detailed income and expenditure statement for the year ended 30 June 2004

	2004	2003
	\$	\$
REVENUE		
Bank interest	132,763	84,219
Boyce Ind annual access fee	3,750	4,900
Boyce Ind royalties	13,751	11,460
Internav access fee	934	5,000
Internav royalties	10,054	120
Map Data Sciences annual access fee	22,500	37,500
Map Data Sciences royalties	260,492	181,882
Multimap.com annual fee	1,563	5,000
Multimap.com royalties	4,400	–
Pathfinder Solutions annual access fee	3,540	3,750
Pathfinder Solutions royalties	12,000	9,000
Navigate royalties	27,500	23,000
Navigate annual access fee	6,015	22,500
Magenta Tech. Access fee	–	5,000
Magenta Royalties	11,065	8,000
MapInfo royalties	1,136,094	1,169,202
Manly Multimedia access fee	4,166	5,000
Manly Multimedia royalties	10,200	–
MapInfo annual access fee	14,153	18,750
Map IQ access fee	4,091	31,650
Map IQ access fee	8,333	–
Transtech royalties	2,197	4,651
PMP Software access fee	2,812	5,000
PMP Software royalties	–	16,127

**Detailed income and
expenditure statement
for the year ended
30 June 2004
continued**

	2004	2003
	\$	\$
<i>REVENUE continued</i>		
Pacific Micro access fee	5,208	7,500
Pacific Micro royalties	65,500	62,000
RP Data annual access fee	3,750	52,500
RP Data royalties	22,500	40,687
Magellan royalties	180,029	188,987
Omnilink Access Fee	30,500	–
ABS licence and supply of MSD	500,000	500,000
ABS royalties	16,369	578,007
ABS royalties – CData in schools	163,076	–
Virtual Map Annual Access Fee	5,625	–
New VAR's (03/04 Budget)	15,482	–
Explore Australia	9,091	–
RP CADLite Royalties	7,500	–
New VAR Royalties	28,532	–
G-NAF Royalty	57,500	–
Test and development licence	500	1,400
Licence breach/Penalty income	–	18,300
Amount owing from LPI NSW	–	–
Miscellaneous income	2,514	43,550
Reimbursement income	1,237	952
01/02 GST Adjustment	–	20,684
Total revenue	2,807,286	3,166,278

**Detailed income and
expenditure statement
for the year ended
30 June 2004
continued**

EXPENDITURE

	2004	2003
	\$	\$
Spatial CRC	20,000	–
Board miscellaneous expenses	4,108	–
Miscellaneous expense	1,016	1,713
Wages and salaries	264,686	268,974
Employer Superannuation	22,225	24,125
Human Resources: other	66,446	43,438
Loss on disposal	3,718	–
Interest Expense for leased MV	2,031	–
Lease St George car	617	7,406
Company car—petrol	4,297	3,398
Car/service/miscellaneous	4,297	1,935
Advertising and promotion	27,234	31,462
Travel (domestic)	105,176	83,894
Travel (international)	29,677	2,526
Car Hire/Parking/Taxi fees	8,039	5,108
Minor equipment	3,912	3,106
Insurance	23,425	15,197
Staff training and professional development	10,406	6,328
Office space rental	65,200	53,876
Office Relocate/Refurbishment	8,285	27,124
Cleaning office	1,969	2,411
Electricity	7,760	6,276
Security	468	120
Fees for service	16,070	9,930
Legal fees	41,025	57,484
Accounting/finance/audit fees	20,512	26,288
G-NAF	–	140,181
Accommodation	34,049	23,713
Hire-boardroom 1	1,359	1,499
Stationery	2,888	2,112

**Detailed income and
expenditure statement
for the year ended
30 June 2004
continued**

EXPENDITURE *continued*

	2004	2003
	\$	\$
Printing	5,447	8,169
Data transfer media	987	–
Photocopy	2,482	753
Postage/courier/freight	2,099	1,508
Telephones: teleconference/fax	1,132	148
Telephones: mobile	2,930	2,894
Telephones: office	6,865	5,735
Web hosting/internet access	741	1,374
Meals	32,432	21,554
Marketing and Communications	28,856	26,723
Petty cash reimbursements	–	563
Software/maintenance/licence	8,740	7,616
IT computer hardware	1,669	1,659
Fringe Benefits Tax	11,915	12,574
Bank charges/stamp duty	1,668	2,735
Depreciation	35,323	19,615
Amortisation	35,410	–
Bad Debts	9,287	200
Royalties expense: Topo	185,320	232,180
Royalties expense: Cad	103,893	77,838
Royalties expense: GNAF	5,750	–
Other access fees	4,810	–
QLD Cadastre	55,653	49,296
Topographic SD Hydro/Roads/Dataset	77,432	205,308
Cadastral and Land Information	59,500	54,126
Small Data Projects	29,260	14,232
ABS CData 2001 refund	75,382	–
Total expenses	1,585,878	1,596,424
Operating profit/(loss)	1,221,408	1,569,854



PSMA Australia LIMITED

ABN 23 089 912 710

LEVEL 1, 115 CANBERRA AVENUE
GRIFFITH ACT 2603 AUSTRALIA

telephone +61 (0)2 6295 7033

facsimile +61 (0)2 6295 7756

email enquiries@psma.com.au

web www.pasma.com.au