

ANNUAL REPORT 2002-2003



PSMA Australia LIMITED



PSMA Australia LIMITED

ABN 23 089 912 710

Corporate directory

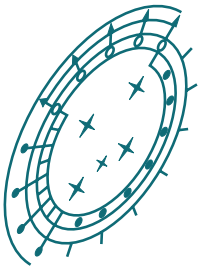
Chairman	Olaf Hedberg
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Secretary	Dan Paull
Executive Committee	Olaf Hedberg <i>Chairman</i> Peter Holland Martin Holmes
Board Audit Committee	Graeme Rush <i>Chairman</i> Desmond Mooney Victor Stephens

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ANNUAL REPORT 2002–2003



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 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; and
- 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

2002-03 has been a very pleasing year for PSMA Australia. In summary, it can be characterised as a year of transformation and growth for our organisation as we continue to settle into our new structure as a public company. Our achievements against the priorities set in our Annual Program for 2002-03 demonstrate that we are growing faster than expected in our capacity to deliver the outcomes desired by shareholders. This has been borne out by our decision to review and update our Strategic Plan during the year as we prepare to meet the ambitious projects detailed in the Annual Program for 2003-04.



The financial reports overleaf outline the strength of PSMA Australia's financial position. The resulting surplus is partly due to the transfer of the G-NAF Project into the coming financial year but also reflects a growing demand for national spatial datasets. The strategic decision by the Board to grow the PSMA Australia cash surplus has enabled PSMA Australia to now fully fund the G-NAF Project. This is something that could not have been contemplated as recently as 12 months ago. The company will rely heavily on retained earnings to fund the build of what is set to be our most ambitious and high-profile dataset yet.

This report includes a comprehensive account of activities undertaken during the 2002-03 financial year, which I need not recount here. However there are a few matters that I would like to highlight from the Chairman's perspective:

- The PSMA Australia Board of Directors is to be congratulated for its continuing dedication and enthusiasm towards our core business of building and distributing national datasets. During the past 12 months, Board members have recognised that their role is widening as the suite of PSMA Australia datasets expands.

- I would like to acknowledge the contributions of both Steve Jacoby and Stephen Ryan who retired from the Board during 2002–03 and also welcome Stephen Godfrey, Bruce Thompson and Ben Searle as new directors of the company.
- On behalf of the Board, I would like to extend my thanks to the CEO, Dan Paull, and the team in the national office, for their energy and commitment to the fulfilment of the PSMA Australia vision.
- Another group that deserves special recognition are those organisations that comprise the G-NAF Group. Without the co-operation and vision of the Australian Bureau of Statistics, Centrelink, Australia Post and the Australian Electoral Commission/ Electoral Council of Australia, the G-NAF would not have become a reality.
- An interesting aspect of the past 12 month’s activities has been the increasing level of awareness internationally in the PSMA Australia model. North America, as well as countries in Europe and Africa, have contacted PSMA Australia, keen to learn more about how we have been able to succeed in the integration and distribution of national datasets. All indications suggest that this level of interest and international activity generally is set to increase over the next 12 months.
- On a personal note, it was with great pleasure that I accepted the position of director and independent chairman of PSMA Australia upon my retirement from the role of General Manager, Information & Land Services (Department of Primary Industries, Water & Environment) in Tasmania. I’ve found that retirement has allowed me to commit greater time and energy to the role and I am enjoying it immensely.

I am confident that our achievements during 2002–03 have positioned PSMA Australia to meet what is set to be an ambitious and challenging coming 12 months.



Olaf Hedberg

CHAIRMAN

Objectives, achievables and deliverables 2002–03

FY 2002–03 OBJECTIVES

FY 2002–03 ACTIVITIES

Consolidate and refine maintenance and continual improvement protocols for national datasets.

Implement a data management environment for:

- roads
- points of interest, and
- cadastre.

Upgrade the hydrography dataset.

Deliver and assemble national datasets.

Examine feasibility of new datasets including:

- administrative boundaries
- national digital elevation model; and
- national tenure/land use dataset.

Develop and commence activity on a viable and robust Geocoded National Address File (G-NAF).

Develop a business model and seek funding sources.
Seek to strengthen stakeholder support and confidence in the project.
Examine dataset build options.
Prepare tender documentation and commence tender process for G-NAF data manager/s.
Examine possible data maintenance strategies.

Ensure PSMA Australia remains a significant player in the spatial information industry.

Undertake marketing and relationship activities, in accordance with the Communications and Relationships Plan Work Program 2002–2003 (Annual Program 2002–2003 Annexure B).

Establish protocols, procedures, and documentation essential for the good corporate governance of PSMA Australia Limited.

Produce and deliver online, a Governance Resource Manual that includes:

- the complete suite of company policies
- relevant legislative and regulatory documentation; and
- all planning and reporting documentation.

Develop and implement a Performance Management Program for the PSMA Australia national office.
Develop and implement PSMA Australia specific policies under the broad headings of: Risk Management; Privacy; Human Resources; Asset Management; and Financial Management.

Anticipate opportunities through a high level awareness of spatial knowledge usage, emerging technologies and standards.

Research scope for entry into wireless and internet applications market.
Monitor standards and technology development.
Anticipate, research and develop new dataset opportunities.
Develop protocols for cooperation with the education sector.
Support the establishment of the Spatial CRC.
Explore opportunities for collaborative partnerships.

FY 2002 – 03 DELIVERABLES

STATUS

Delivery of incremental roads updates to PSMA Australia clients. **Completed**

Improved attribution on the hydrography dataset. **Completed**

Review of Points of Interest data specification and maintenance completed. **Underway**

Assembly of at least one new national dataset. **Completed**

Appointment of data managers for topographic and cadastral datasets. **Completed**

Secure funding and data from stakeholders for G-NAF. **Completed**

Completion of demonstration G-NAF dataset of Tasmania for stakeholders. **Completed**

Appointment of data manager/s and commence G-NAF assembly. **Completed**

Establishment of a maintenance strategy. **Underway**

As listed in the Communications and Relationships Plan Work Program 2002–2003 (Annual Program 2002–2003 Annexure B). **Completed**

Corporate Governance Manual completed and maintenance regime implemented. **Completed**

Corporate Governance Manual available online. **Completed**

All necessary company policies developed and implemented. **Completed**

Implementation of a Performance Management Program. **Completed**

Proactively maintain high level awareness of new and changing technologies and their application to spatial information. **Underway**

Contribute to the CRC through membership of the SME Consortium. **Completed**

ASIBA membership

As a significant player in the industry and in support of the Action Agenda and the initiatives to flow from it, PSMA Australia applied for membership of the Australian Spatial Information Business Association (ASIBA) during the 2002–03 financial year. Since the company is wholly governments owned, it does not qualify for membership, however the ASIBA Board are reviewing this policy with a view to creating a special category of membership so that PSMA Australia can contribute to this forum. This review is still underway.

Cash management and investment strategy

The Cash Management Policy endorsed by the Executive Committee in May 2002 has proved to be an effective guide for the day-to-day management of PSMA Australia funds. Cash investments are currently producing a reasonable 4.7% rate of return, with funds immediately accessible for project spending against the approved budget. Whilst this return is modest, it does represent the net return and continues to provide significant flexibility.

Cooperative Research Centre for Spatial Information (CRC-SI)

PSMA Australia was involved in the preparation of a bid to the Commonwealth for the establishment of a CRC for Spatial Information (Centre). In December 2002 it was announced that the bid was successful. A key feature of the bid was the strong support from the private sector of the industry that is dominated by small to medium enterprises (SME).

After the CRC bid win was announced in December 2002, work commenced on how this SME group would actually interact with the Centre. Legally the most effective mechanism is the establishment of a Pty Limited company where all the consortium members are shareholders and jointly hold intellectual property. This concept was investigated and further developed. The final proposal enables the more than forty SMEs to interact with the Centre through the acquisition of units in a trust. The trust is

*The national office
has continued to
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financial content and
reporting functions*

then managed by a trust company especially created for the purpose. A representative SME company from each state holds a share and a directorship with the trust company. The unit trust holders are entitled to elect two of their number to participate on the Board of the CRC and ultimately direct the actions of the trustee.

PSMA Australia will be allocated units in the trust in proportion to the cash contribution made. At the conclusion of the financial year the \$20,000 contribution corresponded to approximately 13% of the total. PSMA Australia will not hold a share in the trust company nor will it hold a directorship with the trust company however PSMA Australia is eligible to nominate for one of the two positions on the Board of the CRC.

The legal agreements are expected to be executed during August 2003 and the CRC Board is planning its first meeting in September 2003 at which time the Centre should have commenced activity.

Custodial licence agreements

During the 2002–03 financial year the need to review the existing licence agreements with each of the jurisdictions became apparent. At the close of the financial year, the PSMA Australia CEO and management had commenced a review of the licence agreements and begun the process of renegotiating access to the variety of datasets necessary for PSMA Australia to continue to build and maintain existing and future national datasets.

Improvements in financial reporting

The national office has continued to develop and implement sound financial recording practices to improve financial content and reporting functions. The initiatives outlined below have improved the capacity to produce quality, appropriately detailed reports for management, the PSMA Australia Board and shareholders. These initiatives have improved efficiency in project management and assisted the auditors in preparing their financial reports.

- Establishment of a Value Added Reseller (VAR) database to track annual access and royalty payments, and to monitor VAR performance and VAR audits.
- The inclusion of a Budget Analysis spreadsheet for monthly and quarterly financial reporting, with additional focus on financial project forecasting.
- A central filing system for Administration, Finance, G-NAF project and corporate governance documentation.

Key roles and responsibilities of directors

PSMA Australia began its life building 'mapping' and 'land' datasets and the major skill base of the organisation comes from this background. As the organisation moves into its second decade, there is recognition of the need to extend the range of datasets that PSMA Australia has to offer. This will mean exploring and developing a whole new range of relationships with different data custodians within government and elsewhere.

One of PSMA Australia's key strengths is its directors and more specifically the direct link that the directors give the company to the jurisdictions beyond the mapping agencies. PSMA Australia will rise to the new challenge of building different and more diverse datasets and we are already beginning to explore new links and partnerships. The directors will assist with this process by providing the PSMA Australia national office with information about data custodians within each jurisdiction and providing introductions to the key decision makers within those organisations as the ministers delegated PSMA Australia representative.

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the mapping agencies.*

Legal counsel

In mid-December 2002 after a review of existing legal services, PSMA Australia determined it would go to market to seek a firm to provide legal advice for the organisation.

A legal services brief was drafted and four firms were asked to respond; Chamberlains, Hunt & Hunt, Deacons and Minter Ellison. These responses were short-listed to Hunt & Hunt and Deacons. These two firms' teams were interviewed and the decision was made to return to Deacons for our legal counsel predominately using the reputable team that they have established in Canberra. The primary contact at Deacons Canberra is the Managing Partner, David Toole who provided tax advice to PSMA Australia during the corporatisation process.

Refinement of Board meetings

Under the guidance of the Company Secretary and the Chairman of the Board, the PSMA Australia national office has sought throughout the year to improve the content and structure of Board meetings so as to maximise the benefit and outcomes they generate. By providing succinct objectives, background summaries and clear recommendations for Board consideration, PSMA Australia's directors continue to make informed decisions about the strategic directions PSMA Australia is taking. The 2002–03 Board meetings have provided very positive outcomes and clear progress towards our objectives. The timeframes for the Board meetings have shortened and the number of agenda items has increased, demonstrating a significant refinement in the efficiency and effectiveness of the meeting format and briefing notes.

*The revised
Strategic Plan is
better aligned and
more specific to the
strategic direction
outlined by
the PSMA
Australia Board.*

Risk management

The Australian Standard for Risk Management has been used as the basis for the development of a risk management program for PSMA Australia.

There are three key documents associated with the program;

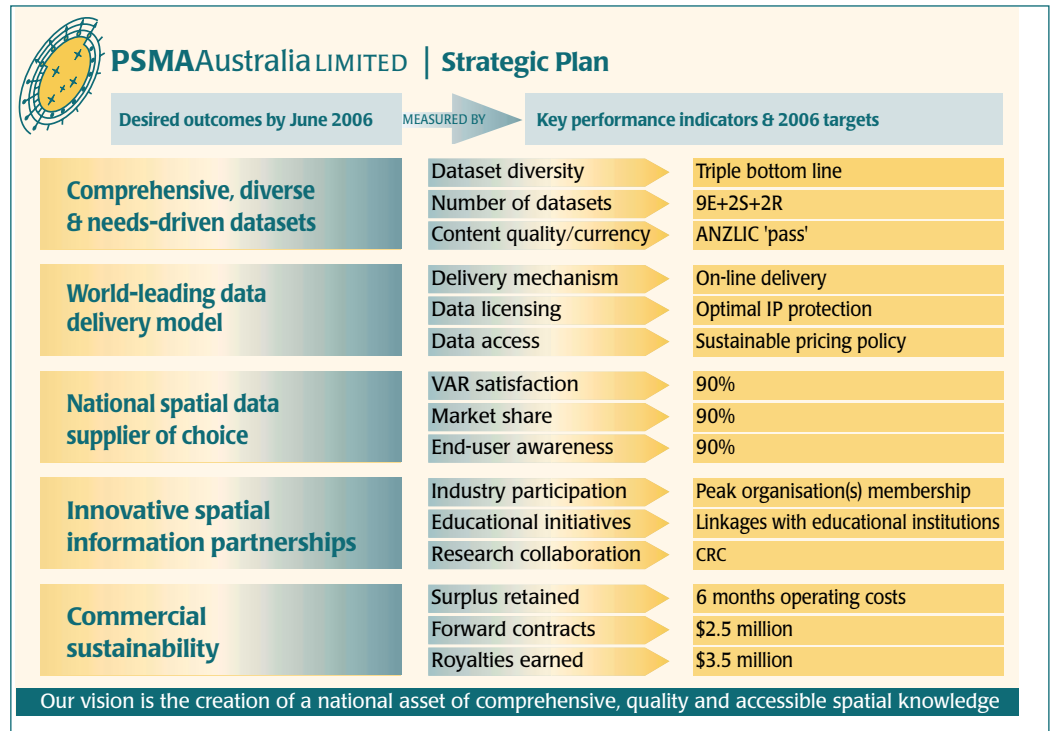
- 1** An overarching policy that articulates responsibilities, processes and monitoring and review.
- 2** A strategy document that provides a methodology for the implementation of a six-step risk management program.
- 3** The Risk Register

Some 60 risks have been identified in the Risk Register, most with already established mitigation strategies in place. The Register is reviewed and updated regularly both by the national office as well as the Audit Committee. The Board has resolved that the top 12, or most topical risks, are to be tabled at each Board meeting.

Strategic Plan

Following on from feedback received at the November 2002 Board meeting, and in preparation for the development of the Annual Program 2003–04, the PSMA Australia national office, in conjunction with the PSMA Australia Board, revised the Strategic Plan for 2002–06. The revised Plan which was endorsed by the Board at the February 2003 Board meeting, is better aligned and more specific to the strategic direction outlined by the PSMA Australia Board. The updated Strategic Plan has been used as the basis for the development of the Annual Program 2003–04.

Figure 1: Strategic Plan 2002–06



Administrative Boundaries dataset

In April 2003, the National Administrative Boundaries dataset was released to VARS. This dataset contains the following themes:

- suburb/locality boundaries
- local government areas
- state electoral districts
- Commonwealth electoral districts
- state electoral boundaries
- Australian Bureau of Statistics collector districts, statistical local areas and urban centre localities for the 2001 Census.

Cadlite update

PSMA Australia is continuing the assembly of a Cadlite dataset from available datasets and releases this dataset once every 12 months. The last release of this dataset was in October 2002. The current Cadlite contract with MapInfo has been extended for a further 12 months and the next release of Cadlite will be in October 2003. The October release will feature incremental update capability.

Data quality assurance

During 2002–03, data quality assurance (QA) has been identified as an area for PSMA Australia to improve upon. Visual checks have been highlighted as being inadequate to maintain a high quality dataset.

A process of QA has now been implemented before data is accepted from data managers and before data is released to VARS. An automated reporting process has been developed which verifies data more extensively than the current visual checks.

Quality assurance procedures have been built by an external consultant to carry out QA on the roads layer of the ROSD (Detailed). The next stage of the QA process will be to build a generic QA procedure so that the national office can test and report on any dataset within any data model.

G-NAF

PSMA Australia has been collaborating with as many as 15 government agencies and organisations over several years to develop a methodology that would deliver an authoritative geocoded national address file (G-NAF) to Australia.

The G-NAF feasibility study was completed in May 2001 and was considered to be a significant success with each of the aims comprehensively met.

The study confirmed that the G-NAF could be built; it devised a robust methodology and generated a methodical data model. It further determined that the methods, technology and software now available had the capacity to significantly reduce costs and for the first time the G-NAF Group were given an estimate for the G-NAF build that seemed achievable — two million dollars and 24 months.

There were however still many unknowns. In an attempt to test and refine the methodology, to reduce the project risks and to better determine the likely costs of the G-NAF build, PSMA Australia decided in December 2002 to conduct a pilot project applying the G-NAF methodology to the whole of Western Australia — 10% of addresses nationally and ten times as many addresses as the feasibility study. This project also proved very successful in meeting the set objectives and increasing PSMA Australia's confidence in the process and the costing.

To this point, the research and development costs had been jointly shared by the G-NAF Group. PSMA Australia commissioned a business case analysis into the G-NAF to explore a variety of funding options. Three government agencies, Electoral Council of Australia, Australian Bureau of Statistics and Centrelink expressed a willingness to at least partially fund the development. However, after considerable negotiations the parties were unable to settle on a contractual arrangement which both protected the PSMA Australia shareholders (all themselves government agencies) and fully complied with Commonwealth Government procurement guidelines.

The approach finally settled upon was for the build and maintenance of the G-NAF to be wholly funded by PSMA Australia.

*Work on the
G-NAF will
commence as planned
on 1 July 2003 and
G-NAF is scheduled
for delivery to
PSMA Australia
by 30 November 2003*

On 3 May 2003 the request for tenders to build the G-NAF was published. Tenders closed on 30 May 2003. The evaluation committee made a recommendation to the June meeting of the PSMA Australia Board and contract negotiation commenced shortly thereafter. Work on the G-NAF will commence as planned on 1 July 2003 and G-NAF is scheduled for delivery to PSMA Australia by 30 November 2003. Once received, PSMA Australia will perform a range of quality assurance tests and seek feedback from each of the contributors on the final content and structure of the G-NAF. The dataset will then be released to the market at the beginning of 2004.

Updates will immediately commence on a quarterly basis until June 2005, after which they will be available on a monthly basis. Dependant on market demand, the availability of monthly updates may be pushed back or brought forward.

During the G-NAF build, the existing PSMA Australia Data Access and Pricing Policy will be reviewed and enhanced to include the G-NAF. At this stage the nature of the access is envisaged to be similar to that currently established for other PSMA Australia datasets. A price will be determined in line with PSMA Australia policy, that is, price, access and licensing should not be a barrier to access.

Land classification

PSMA Australia has been planning to build a tenure dataset for some time. Until recently PSMA Australia had been keen for ANZLIC/ICSM to define tenure definitions and a data model in order that PSMA Australia could build a compliant dataset. In July 2002 it became clear that the data model would still be some way off as there has been considerable difficulty in achieving national definitions for tenure types. At the July 2002 meeting of ANZLIC, PSMA Australia suggested that it pursue a 'pragmatic' tenure solution driven by market needs. ANZLIC and ICSM endorsed this approach. As a result PSMA Australia planned and held a Tenure Workshop in Canberra in early November 2002, facilitated by Henry Houghton, to seek both supplier and user feedback on a proposed pragmatic tenure dataset model. Feedback from the users at this workshop was disappointing.

Subsequently, the Board entered into discussions in relation to the merits of several proposals put to them by the CEO. It was ultimately decided that the best way to advance the development of this dataset was through the establishment of a working party of directors to examine the market needs and translate those needs into a data model that could be accepted and fulfilled by all jurisdictions. The working party agreed to meet in Canberra on 21 August 2003.

ROSD(Detailed) enhancements

Roads, railways and airports

During 2002–03, the roads, airport and railways layers of the ROSD(Detailed) were rebuilt.


LogicaCMG, the roads data manager, delivered the first release of the roads layer in early January 2003 which was subsequently released to VARs. There were some errors in the translation of data from the jurisdiction data models to the PSMA Australia data model, which were resolved and the roads dataset was re-released with suburb/locality attribution on each road segment in June 2003. This feature allows for enhanced searching for roads in specific localities.

The first incremental update for the roads layer is scheduled to be released in November 2003.

In April 2003, the jurisdictions supplied new data for railways and airports for integration and release with the first incremental update for roads. These two layers have had extra attribution added in the on going process of improving all PSMA Australia datasets.

Hydrographic layer update

In the past, the classification of the hydrographic layer in the ROSD(Detailed) has lacked sufficient aspatial information to form a consistent classification across the whole of the continent. During 2002–03, PSMA Australia updated this layer and added a perennality attribute to facilitate a more structured classification.



Further to this, the hydrographic layer has never had water as a polygon feature. This represented a problem in the production of hard copy maps and as a feature for enhancing internet mapping. As part of the hydrographic layer update, this was overcome by taking the coastline, lakes and two-sided river features and generating closed polygon features with the associated feature names.

All of the work undertaken on the hydrographic layer was undertaken by a sub-contractor, NGIS in Western Australia.

Business development and management

ABS Census in Schools

PSMA Australia supported a Census in Schools initiative proposed by the ABS. The program is expected to be rolled out to schools over the next 12 months.

Licensing activities

PSMA Australia signed eight new VARs during 2002–03, effectively doubling the number of organisations licensing PSMA Australia datasets. These organisations are:

Organisation	Data Licensed	Access Type	Market
PMP Software	ROSD (Detailed)	Limited	Census analysis product
Magenta Technologies	ROSD (Detailed)	Limited	Tracking products
Internav Tracking Services	ROSD (Detailed)	Limited	Mobile asset management
Multimap (first wholly overseas VAR)	ROSD (Detailed)	Limited	Application Service Provider
Boyce Industries	ROSD (Detailed)	Limited	Tracking & routing products
Omnilink	ROSD (Detailed) & Cadlite	Full	Application Service Provider
ManlyMultimedia	ROSD (Detailed) & Cadlite	Limited	Routing products
Virtual Map (Australia)	ROSD (Detailed)	Limited	Application Service Provider

There continues to be a strong level of enquiry from prospective VARs. Enquiries from potential VARs and end users is steady, and would currently average three to four enquiries per week.

Licensing enhancements

Concurrent user licensing

During 2002–03, PSMA Australia introduced a concurrent user licensing model to its Pricing and Access Policy. Concurrent user licensing is designed for organisations wanting ubiquitous data access, who are prepared to limit access to a particular number of users at any one time.

Cadlite pricing

PSMA Australia released a new pricing policy for Cadlite in early May 2003. The new policy is in response to market demands and allows VARs to on-licence Cadlite in minimum 100,000 parcel lots for all jurisdictions with the exception of Western Australia.

Cad Lite sales continue to strengthen, with a 100% increase in licensing activity during 2002–03. It is expected that demand for Cadlite will increase with the release of G-NAF.

Marketing and sponsorship

The following marketing and sponsorship activities were undertaken by PSMA Australia during the 2002–03 financial year:

- PSMA Australia placed full page advertorials in *Position Magazine*, and regular news items in *Spatial Business Online*.
- PSMA Australia placed full page advertorials in the *Local Government Yearbook* as well as the *Commonwealth Works Directory*.
- AURISA Conference, Adelaide, 2003 — PSMA Australia sponsored the gala dinner.
- PSMA Australia sponsored the Geospatial Standards Workshop.
- PSMA Australia in conjunction with ABS provided sponsorship for the International Learning Quest 2003, a program to encourage students to develop websites and share online content.

In association with both ABS and MapInfo, PSMA Australia provided prizes for a GIS in schools competition.

- In conjunction with MapInfo, PSMA Australia provided royalty free mapping data to the Salvation Army to assist in the planning of their annual door knock appeal.
- In association with both ABS and MapInfo, PSMA Australia provided prizes for a GIS in schools competition.
- Articles on both PSMA Australia generally and G-NAF more specifically appeared in both *Position Magazine* and the *Australia Financial Review* during 2002–03.

Redevelopment of corporate image

In early 2002–03, a considerable amount of time was spent on revising the PSMA Australia logo/image, to coincide with the relocation to new premises and the printing of the annual program and annual report.

This revision included a range of logo formats, new stationery and business cards, presentation folders, building signage and imagery for display on the website.

A limited range of corporate promotional items were also developed for distribution by the national office and Board members.

Geotec Event 2003

The CEO of PSMA Australia attended the Geotec Event in Vancouver in March 2003. The theme of the conference was ‘A Spirit of Collaboration’. This coupled with the host nation’s success in its Spatial Data Infrastructure initiatives inevitably lead the conference down the path of exploring successes in related areas.

The conference had nine parallel sessions over the three days. They were as diverse as Public Policy, Environment, Utilities, Education, First Nations, Geospatial Data and GIS Development. The focus for PSMA Australia was on the Geospatial Data stream. The majority of the speakers were from North America, however there were speakers from the United Kingdom, Hong Kong, Malaysia, Japan, South Korea, China, Austria and Australia.

The CEO of PSMA Australia presented a paper on the history, structure and vision of PSMA Australia. This was extremely well received and generated considerable interest in the success of PSMA Australia. The CEO was also invited to participate in an international forum with leaders in the United Kingdom, the United States of America and Canada to discuss the status and challenges in Spatial Data Infrastructures around the world.

From the PSMA Australia perspective the greatest value came from interactions with key players in the geospatial information industry in Canada, the United Kingdom and the United States of America. Spending time with these people, investigating what they had achieved, looking at where they hoped to go and what problems they had encountered greatly assisted in refining PSMA Australia's position in the Australian Spatial Data Infrastructure and what approach we should be taking in the future.

VAR communication strategy

The Communications and Relationships Plan Work Program 2002–03 included the development of an annual program of VAR meetings as a deliverable. Following feedback from VARs and in view of the PSMA Australia's Risk Management Strategy, a VAR communication strategy was developed to both maximise communications and minimise the risks associated with licensing data to VARs.

The Strategy has the following components:

- Each VAR will be audited once every two years, or prior to the expiration of a licence agreement for single year licencees.
- An annual performance review will be undertaken with each VAR, and backed-up by a six-monthly visit.
- These visits will be supplemented by regular articles in *Spatial Business Online* as well as quarterly updates in *Position Magazine*.

*www.pasma.com.au
provides an entry
point for prospective
VARs and other
interested parties to
the business of
PSMA Australia*

VAR audits

In accordance with the VAR communication strategy, PSMA Australia engaged Deloitte Touche Tohmatsu to undertake the VAR Audit Program for New South Wales and Victorian VARs for the period 1/1/02 to 30/12/02. Audit scope included the testing of quarterly royalty reports, invoicing and royalty payments in relation to VAR licence agreements.

Outcomes reported by Deloitte in April 2003 included the discovery and subsequent payment of \$7,700 in non reported royalty fees, and an assurance of overall compliance with royalty reporting. Further recommendations provided an opportunity to create a VAR payment policy (see below).

Further VAR audits are planned for the January–December 2003 period.

The feedback from VARs on the introduction of VAR audits has been very positive, and many are considering the adoption of a similar mechanism for their clients.

VAR payment policy

Following the outcomes of the VAR audits during 2002–03, and as part of the VAR communication strategy, the national office developed a VAR payment policy, detailing PSMA Australia’s terms of trading. The policy is intended to be discretionary, but does provide VARs with a framework within which to operate. Input for the policy was received from both the Executive and Audit Committees, and there was also a consultation phase for VARs to comment on the policy. This policy is set for implementation in August 2003.

VAR database

During 2002–03, PSMA Australia contracted the development of a database to manage the VAR licensing regime. The VAR database contains automatic reminder features for both VARs as well as PSMA Australia relating to payment of annual access fees and royalties. The database also records royalties and generates a range of reports. Following the successful implementation of the VAR database, a second module was developed for the database to manage data supplier agreements.

Website

The new PSMA Australia website, incorporating new branding and look and feel, was completed in March 2003. The website incorporates enhanced features for users including:

- a mapping demonstration of PSMA Australia data using an SVG Viewer;
- metadata statements
- case studies
- frequently asked questions

National office

HR policy

One of the deliverables endorsed in the Annual Program 2002–03 was the development and implementation of all necessary company policies. An area identified as requiring further policy development was employment and employee related policies.

Since incorporation, there has been a range of ad hoc and unwritten policies in this area. During 2002–03, the national office developed an Employee Manual to both better articulate these policies and identify and describe other policies that fall within the employer's duty of care.

The Employee Manual includes an acknowledgement page for employees to sign and confirm acceptance of its contents. The PSMA Australia Employee Manual has been provided to all new and existing staff.

Human resources

PSMA Australia has set down an ambitious work program for 2003–04 with expenditure at \$3 million — twice the 2002–03 expenditure. A significant proportion of this is G-NAF and resources need to be made available to support the significant investment to be made during the 2003–04 financial year. In order to better meet the demands of next year, in June 2003, the CEO implemented a restructure of the organisation to achieve greater efficiencies with the resources available.

The CEO has been involved in a leadership forum which is an ongoing program of learning and professional development for chief executives and business owners. The program is based around monthly half-day meetings of approximately 10 chief executives and provides a forum for discussion of members' opportunities and issues in a challenging and supportive environment. The power of the forum comes from the combined brain power, skills and experiences of the members, who provide an unbiased viewpoint and recommendations to the members to include in their decision making. A skilled business coach facilitates the forum.

Every three to four months the forum is a seminar with a high-calibre visiting speaker providing a workshop on topics relevant to the group. The workshop format

Every three to four months the forum is a seminar with a high-calibre visiting speaker providing a workshop on topics relevant to the group.

ensures that members leave with tools they can apply to their business. Members may invite key staff members and associates to the seminar.

Office facilities

PSMA Australia signed an underlease on part of level 1 (240m²), 115 Canberra Avenue, Griffith ACT. The underlease is with the current tenants and will expire on 29 February 2004 (approximately 18 months). A second lease has been negotiated and signed with the building owner. This lease will commence on 1 March 2004 and continue for five years with a further five-year option potentially taking the lease to 28 February 2014.

The move took place on 29 August 2002 and the office executed the move without interruption to operations.

Performance management program

One of the deliverables identified in the Annual Program 2002–03 was the implementation of a Performance Management Program.

In conjunction with this, the national office took the opportunity to broaden the scope of this deliverable to include other necessary remuneration related policies, namely:

- Annual Position Assessment
- CPI Adjustments
- Allowances.

The Performance Management Program was approved by the Board at the November 2002 Board meeting and implemented soon thereafter. 2003–04 will see the implementation of the first full year cycle of the program.

The principal reference materials used in the development of this program were sourced from existing, successful programs and structures currently operating within government organisations.

Financial report

for the period

1 July 2002 – 30 June 2003



Directors' report

The directors present their report together with the financial statements of PSMA Australia Limited for the period 1 July 2002 to 30 June 2003 and the auditor's report thereon.

Directors

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

- Peter Gardner
- Stephen Godfrey
- Olaf Hedberg
- Peter Holland
- Martin Holmes
- Steven Jacoby (retiring director, VIC)
- Desmond Mooney
- Graeme Rush
- Stephen Ryan (retiring director, ACT)
- Benjamin Searle (alternate director, ACT)
- Victor Stephens
- Bruce Thompson (alternate director, VIC)

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 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 \$1,569,854 for the period 1 July 2002 to 30 June 2003.

Dividends

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2002 to 30 June 2003.

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 2002–03.

Significant changes in 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 2003–04 and in the Review of Operations section of the PSMA Australia Limited Annual Report 2002–03. In the opinion of the directors, disclosure of any further information on likely developments in operations would be unreasonably prejudicial to the interests of the company.

Information on directors

Name Peter Gardner

Age 54

Qualifications Bachelor of Economics, Bachelor of Arts (Political Science)

Experience 1999–present: Director Environmental and Geographic Information, Department for Environment and Heritage, South Australia (SA)
1992–1998: State Government Statistician Australian Bureau of Statistics, SA

Name Stephen Godfrey (Director since Sept 2002)

Age 49

Qualifications Bachelor of Arts

Experience 2002–present: General Manager, Information & Land Services Division, Department of Primary Industries, Water & Environment, Tasmania

Name Olaf Hedberg

Age 65

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	49
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 and member of the Executive Committee

Name	Martin Holmes
Age	57
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, Corporate Management, Department of State Development, Queensland (QLD) 1997–1998: Director, Marketing and Corporate Communications, Department of Public Works and Housing, QLD 1994–1997: Marketing Director, Department of Natural Resources, QLD
Special responsibilities	Marketing Director and member of the Executive Committee

Name	Steven Jacoby (retiring Director, Victoria)
Age	41
Qualifications	Bachelor of Applied Science (Cartography), Masters Surveying Science
Experience	2003–present: General Manager, Information Policy, Strategic Directions, Department of Natural Resources and Mines, QLD 1999–2003: Director Land Information Group, Department Natural Resources and Environment (DNRE), Victoria (VIC) 1997–1998: Director Geospatial Information, DNRE, VIC

Name	Des 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 (NSW) 2001–2002: General Manager, Land and Property Information, NSW 1999–2000: Executive Director Management Services, NSW Police Service 1990–1998: General Manager, Land Information Centre, NSW
Special responsibilities	Audit Committee Member

Name	Graeme Rush
Age	53
Qualifications	Bachelor of Surveying
Experience	2002–present: General Manager, Land Management and Use, Department of Natural Resources and Mines, QLD 2000–2001: General Manager, Land Management and Use, QLD 1996–2000: General Manager, Land Information Management, QLD
Special responsibilities	Audit Committee Chairman

Name	Stephen Ryan (retiring Director, Australian Capital Territory)
Age	48
Qualifications	Bachelor of Arts
Experience	2003–present: Director, Property Branch, City Operations, Department of Urban Services, Australian Capital Territory (ACT) 2001–2002: Director, Territory Planning, Department of Urban Services, ACT 1999–2001: Director Land Information and Building Services, Department of Urban Services, ACT

Name Ben Searle (Director since Nov 2002)
Age 48
Qualifications Bachelor of Science (Geography)
Honorary Associate, Faculty of Information Technology, University of Technology, NSW
Experience 2002–present: Information Manager, Department of Planning & Land Management,
Department of Urban Services, ACT

Name Vic Stephens
Age 56
Qualifications BA Hons (Geography), MSc Econ (Urban and Regional Planning),
Grad Dip Management
Experience 2001–present: Director, Land Information, Department of Infrastructure,
Planning & Environment, Northern Territory (NT)
1995–2001: Assistant Secretary Land Information, Department of Lands,
Planning & Environment (DLPE), NT
1998: A/Deputy and A/Assistant Secretary Water Resources and A/Assistant
Secretary Natural Resources DLPE, NT
1996: A/Director Infrastructure Services, Division of Communications and
Information Technology, Department of Transport and Works, NT
Special responsibilities Audit Committee Member

Name Bruce Thompson (Director since Feb 2003)
Age 45
Qualifications Bachelor of Design Studies
Experience 2003–present: Director, Land Information Group,
Department of Sustainability & Environment, VIC

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	4	4	3
Martin Holmes	4	4		
Steven Jacoby	4	3		
Desmond Mooney	4	4	4	4
Graeme Rush	4	4	4	4
Stephen Ryan	4	1		
Benjamin Searle	3	3		
Victor Stephens	4	4	4	1
Bruce Thompson	2	2		

Indemnifying officer 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 \$5,559 to CGU Professional Risk Insurance in respect of a Directors' & Officers Liability Insurance Policy. The policy covers the directors and officers of the company.

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 or expense to defend legal proceedings.

Options

No options were granted over uninsured shares or interest during the period 1 July 2002 to 30 June 2003.

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.

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.

Signed in accordance with a resolution of the directors:



OLAF HEDBERG
CHAIRMAN

Dated this 27th day of August 2003.

Auditors' report



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 2003 as set out on pages 36 to 48. 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 as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of their operations and their cashflows.

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 2003 and of its performance and cashflows for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Shane Bellchambers
Registered Company Auditor
WalterTurnbull

Canberra, ACT
27 August 2003

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DISCLAIMER OF LIABILITY

INDEPENDENT MEMBER

MEMBERSHIP INFORMATION

MEMBERSHIP INFORMATION

MEMBERSHIP INFORMATION

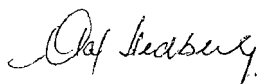
MEMBERSHIP INFORMATION

Declaration by directors

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 36 to 54 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 2003 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—Chairman



Peter Holland—Deputy Chairman

Dated this 27th day of August, 2003.

Financial reports and notes

for the period
1 July 2002 to
30 June 2003

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

Statement of financial performance for the year ended 30 June 2003

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	3,166,278	1,882,292
Employee benefits expense		(293,099)	(234,287)
Depreciation expenses	3	(19,615)	(13,702)
Bad and doubtful debt expense	3	(200)	—
Other expenses from ordinary activities		(1,283,510)	(1,145,153)
Profit from ordinary activities before income tax expense	3	1,569,854	489,150
Income tax expense relating to ordinary activities		—	—
Net profit from ordinary activities after income tax expense attributed to members of the company		1,569,854	489,150
Total changes in equity other than those resulting from transactions with owners as owners		1,569,854	489,150

Statement of financial performance for the year ended 30 June 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	4	2,507,973	1,135,554
Receivables	5	718,719	1,289,071
Other	6	12,872	—
Total current assets		3,239,564	2,424,625
NON-CURRENT ASSETS			
Property, plant and equipment	7	56,622	29,236
Total non-current assets		56,622	29,236
Total assets		3,296,186	2,453,861
CURRENT LIABILITIES			
Payables	8	54,552	100,560
Provisions	9	6,834	11,401
Other liabilities	10	384,807	1,061,762
Total current liabilities		446,193	1,173,723
Total liabilities		446,193	1,173,723
Net assets		2,849,993	1,280,138
EQUITY			
Contributed equity	11	8	8
Retained profits	12	2,849,985	1,280,130
Total equity		2,849,993	1,280,138

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

Statement of cash flows for the period 1 July 2002 to 30 June 2003

	Note	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,557,447	2,105,087
Payments to suppliers and employees		(2,248,361)	(1,660,238)
Interest received		84,219	29,498
GST remitted to the ATO		26,115	(73,879)
Net cash provided by operating activities	15(b)	1,419,420	400,468
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,300	—
Payment for property, plant and equipment		(48,301)	(22,460)
Net cash used in investing activities		(47,001)	(22,460)
Net increase in cash held		1,372,419	378,008
Cash at beginning of the financial year		1,135,554	757,546
Cash at end of the financial year	15(a)	2,507,973	1,135,554

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

Notes to and forming part of the financial statements

for the period
1 July 2002 to
30 June 2003

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, other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for PSMA Australia Limited. 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 & 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 is 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%

**Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003**

c) 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 the amount expected to be paid when the liability is settled plus related on-costs. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

d) 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.

e) Revenue

Royalties from the licensing of spatial data is recognised upon receipt of a royalty report from value added resellers detailing the number of their 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).

f) 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.

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

2 Revenue

	2003	2002
	\$	\$
OPERATING ACTIVITIES:		
Interest	84,219	29,498
Royalties	2,293,123	1,235,732
Access fees	204,050	607,200
Miscellaneous Income	24,809	9,862
ABS Data Supply Fees	500,000	—
Other	58,077	—
	<u>3,164,278</u>	<u>1,882,292</u>
NON-OPERATING ACTIVITIES:		
Net gain on disposal of plant and equipment	2,000	—
Total revenue	<u><u>3,166,278</u></u>	<u><u>1,882,292</u></u>

3 Profit from ordinary activities

Profit from ordinary activities before income tax has been determined after:

(a) Expenses

Depreciation of property, plant and equipment	19,615	13,702
Remuneration of auditor:		
– Auditing or reviewing the financial report	7,363	7,380
– Other services	—	1,000
Total remuneration of auditor	<u>7,363</u>	<u>8,380</u>
Bad and doubtful debts	200	—
Rental expense on operating leases:		
– office space	53,876	15,895
– company car	7,406	6,789
Total rental expense on operating leases	<u>61,282</u>	<u>22,684</u>

(b) Revenue and net gains

Net gain on disposal of plant and equipment	<u>613</u>	<u>—</u>
--	------------	----------

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

4 Cash assets	2003	2002
	\$	\$
Cash at bank	431,434	385,955
Deposits at call	2,076,539	749,599
	<u>2,507,973</u>	<u>1,135,554</u>
5 Receivables		
CURRENT		
Trade debtors	718,719	1,276,482
Less: provision for doubtful debts	—	—
	<u>718,719</u>	<u>1,276,482</u>
Sundry debtors	—	2,985
Amount owing from LPI NSW	—	9,604
	<u>718,719</u>	<u>1,289,071</u>
6 Other assets		
Prepayments	<u>12,872</u>	<u>—</u>
7 Property, plant and equipment		
IT Equipment – at cost	64,130	54,801
Less: accumulated depreciation	(39,986)	(25,565)
	<u>24,144</u>	<u>29,236</u>
Furniture and equipment	37,671	—
Less: accumulated depreciation	(5,193)	—
	<u>32,478</u>	<u>—</u>
Total property, plant and equipment	<u>56,622</u>	<u>29,236</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

a) Movements in carrying amounts

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

	<i>IT equipment</i>	<i>Furniture & equipment</i>	<i>Total</i>
	\$	\$	\$
Balance at beginning of year	54,801	-	54,801
Additions	10,630	37,671	48,301
Disposals	(1,300)	-	(1,300)
Accumulated depreciation at beginning of year	(25,565)	-	(25,565)
Depreciation expense	<u>(14,422)</u>	<u>(5,193)</u>	<u>(19,615)</u>
Carrying amount at end of year	<u>24,144</u>	<u>32,478</u>	<u>56,622</u>

8 Payables

	2003	2002
	\$	\$
CURRENT:		
Trade Creditors	<u>54,552</u>	<u>100,560</u>
	<u>54,552</u>	<u>100,560</u>

9 Provisions

CURRENT		
Employee Benefits	<u>6,834</u>	<u>11,401</u>
Number of employees at year end	<u>4</u>	<u>3</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

10 Other current liabilities

	2003 \$	2002 \$
Topo licence fee	213,863	113,469
Cadastral licence fee	95,742	35,812
GST collected	70,345	115,678
GST paid	(10,446)	(9,034)
PAYG withholding	8,100	4,486
Superannuation payable	7,203	1,351
G-NAF Sponsorship	—	800,000
	<u>384,807</u>	<u>1,061,762</u>

11 Contributed equity

8 fully paid ordinary shares	<u>8</u>	<u>8</u>
(a) Fully paid ordinary shares		
At the beginning of the reporting period	8	8
Shares issued during the year	<u>—</u>	<u>—</u>
At reporting date	<u>8</u>	<u>8</u>

12 Retained profits

Retained profits at the beginning of the financial year	1,280,130	723,800
Net profit attributable to the members of the Company	1,569,855	489,150
Transfer from Agency	<u>—</u>	<u>67,180</u>
Retained profits at the end of the financial year	<u>2,849,985</u>	<u>1,280,130</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

13 Leasing commitments

	2003	2002
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for, but not capitalised in the financial statements, payable:		
– not later than 1 year	61,120	12,174
– later than 1 year but no later than 5 years	318,641	617
– later than 5 years	75,249	–
Total lease commitments	<u>455,010</u>	<u>12,791</u>

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

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	431,434	385,955
At call deposits with financial institutions	2,076,539	749,599
	<u>2,507,973</u>	<u>1,135,554</u>

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

(b) Reconciliation of cash flows from operations with profit from ordinary activities	2003	2002
	\$	\$
Profit from ordinary activities:	1,569,854	489,150
Non-cash flows in profit from ordinary activities		
Depreciation	19,615	13,702
Transfer from Agency	–	67,181
Change in assets and liabilities		
(Increase)/ decrease in receivables	568,942	(998,263)
(Increase)/ decrease in prepayments	(12,872)	–
Increase/ (decrease) in payables	(91,342)	(240,928)
Increase/ (decrease) in provisions	(4,567)	7,864
Increase/ (decrease) in other liabilities	(630,210)	1,061,762
Cash flows from operations	<u>1,419,420</u>	<u>400,468</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.

16 Related party transactions

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

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

During the year ended 30 June 2003, remuneration of \$28,000 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.

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

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 classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate %		Floating interest rate \$		Non interest bearing \$		Total \$	
	2003	2002	2003	2002	2003	2002	2003	2002
Financial assets								
Cash	4.8%	5.25%	2,507,973	1,135,554	—	—	2,507,973	1,135,554
Receivables	—	—	—	—	718,719	1,304,648	718,719	1,304,648
Total	n/a	n/a	2,507,973	1,135,554	718,719	1,304,648	3,226,692	2,440,202
Financial liabilities								
Payables	—	—	—	—	54,552	67,755	54,552	67,755
Total	n/a	n/a	—	—	54,552	67,755	54,552	67,755

(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, 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 company's financial assets and financial liabilities are carried in the statement of financial position at amounts that approximate their net fair value. The carrying value of all financial assets and financial liabilities are reviewed to ensure they are not in excess of their fair value.

**Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003**

18 Company details

The registered office of the company is:

PSMA Australia Limited

Level 1, 115 Canberra Avenue

Griffith ACT 2603

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

**DISCLAIMER OF OPINION
TO THE MEMBERS OF
PSMA AUSTRALIA LIMITED**

The additional financial data presented on pages 50 to 54 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 2003.

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.



Shane Bellchambers
Registered Company Auditor
WalterTurnbull

Canberra, ACT
27 August, 2003



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AUSTRALIAN COMPANY NO. 1212121212
WalterTurnbull Pty Ltd
ABN 12 12121212

DISCLAIMER OF OPINION
REGISTERED COMPANY AUDITOR
MEMBERS OF PSMA AUSTRALIA LIMITED
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Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

**Detailed income and expenditure statement
for the year ended 30 June 2003**

	2003	2002
	\$	\$
REVENUE		
Bank interest	84,219	29,498
Boyce Ind annual access fee	4,900	—
Boyce Ind royalties	11,460	—
Internav access fee	5,000	—
Internav royalties	120	—
Map Data Sciences annual access fee	37,500	15,000
Map Data Sciences royalties	181,882	10,000
Multimap.com annual access fee	5,000	—
Pathfinder Solutions annual access fee	3,750	7,500
Pathfinder Solutions royalties	9,000	6,000
Navigate royalties	23,000	12,500
Navigate annual access fee	22,500	30,000
Magenta Tech annual access fee	5,000	—
Magenta Tech Royalties	8,000	—
MapInfo royalties	1,169,202	1,003,522
Manly Multimedia annual access fee	5,000	—
MapInfo annual access fee	18,750	—
Map IQ access fee	31,650	—
Transtech royalties	4,651	27,000
PMP Software annual access fee	5,000	—
PMP Software royalties	16,127	—

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

	2003	2002
	\$	\$
Pacific Micro annual access fee	7,500	4,000
Pacific Micro royalties	62,000	–
RP Data annual access fee	52,500	–
RP Data royalties	40,687	–
Magellan royalties	188,987	80,045
Geospend royalties	–	11,400
ABS licence and supply of MSD	500,000	125,000
ABS royalties	578,007	85,265
ABS annual access fee	–	205,000
ABS access fee – 2001	–	220,000
Test and development licence	1,400	700
Licence breach/Penalty income	18,300	–
Amount owing from LPI NSW	–	9,604
Miscellaneous income	43,550	258
Reimbursement income	952	–
01/02 GST Adjustment	20,684	–
Total revenue	3,166,278	1,882,292

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

	2003	2002
	\$	\$
EXPENDITURE		
Spatial CRC	–	11,527
Miscellaneous expense	1,713	403
Wages and salaries	268,974	150,653
Wages and salaries – 2001	–	71,590
Employer Superannuation	24,125	12,044
Human Resources –other	43,438	–
Travel allowance	–	14,392
Travel allowance – 2001	–	1,148
Provision transfers	–	7,864
Company car – LPI 777	–	1,460
Company car – LPI 777 – 2001	–	2,968
Lease St George car	7,406	6,789
Company car – petrol	3,398	2,059
Car/service/miscellaneous	1,935	564
Advertising and promotion	31,462	17,835
Sponsorship	–	13,120
Travel (domestic)	83,894	54,922
Travel (domestic) – 2001	–	26,507
Travel (international)	2,526	18,520
Car Hire/Parking/Taxi fees	5,108	–
Minor equipment	3,106	4,100
Insurance	15,197	11,116
Staff training and professional development	6,328	2,704
Office space rental	53,876	15,895
Office Relocate/Refurbishment	27,124	–

Notes to and forming
part of the financial
statements for the
period 1 July 2002
to 30 June 2003

	2003	2002
	\$	\$
Cleaning office	2,411	763
Electricity	6,276	1,672
Security	120	–
Fees for service	9,930	20,852
Fees for service 2001	–	46,574
Legal fees	57,484	75,696
Legal fees 2001	–	35,048
Accounting/finance/audit fees	26,288	29,184
Accounting/finance/audit fees – 2001	–	9,091
G-NAF	140,181	45,129
G-NAF – 2001	–	80,458
MSD development/enhancements	–	50,895
Cadlite	–	83,810
Cadlite – 2001	–	42,434
ROSD	–	46,961
ROSD licence fee	–	43,293
ROSD licence fee – 2001	–	14,797
Accommodation	23,713	26,916
Hire—boardroom	1,499	810
Stationery	2,112	2,555
Car reimbursement	8,169	4,461
Printing	–	4,324
Photocopy	753	1,383
Postage/courier/freight	1,508	1,291

Notes to and forming
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statements for the
period 1 July 2002
to 30 June 2003

	2003	2002
	\$	\$
Telephones: teleconference/fax	148	342
Telephones: mobile	2,894	443
Telephones : office	5,735	6,893
Web hosting/internet access	1,374	3,079
Meals	21,554	17,993
Marketing and Communications	26,723	—
Petty cash reimbursements	563	1,066
Software/maintenance/licence	7,616	2,410
IT computer hardware	1,659	2,773
Fringe Benefits Tax	12,574	3,750
Fringe Benefits Tax – 2001	—	10,178
Bank charges/stamp duty	2,735	2,535
Fee for service	—	177
Depreciation	19,615	13,702
Bad Debts	200	—
Royalties expense – Topo	232,180	132,219
Royalties expense – Cad	77,838	17,063
QLD Cadastre	49,296	—
Topographic SD Hydro/Roads/Dataset	205,308	—
Cadastral and Land Information	54,126	—
Small Data Projects	14,232	—
Payments to Land & Property Information for services relating to 2000/2001 financial year	—	61,943
Total expenses	1,596,424	1,393,142
Operating profit/ (loss)	1,569,854	489,150





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