



PSMA

AUSTRALIA
LIMITED





PSMA AUSTRALIA LIMITED

ABN 23 089 912 710

CORPORATE DIRECTORY

Chairman

Olaf Hedberg

Chief Executive Officer

Daniel Paull

Registered office

Level 1, 115 Canberra Avenue
Griffith ACT 2603

Share registry

Level 1, 115 Canberra Avenue
Griffith ACT 2603

Auditors

Maxim Chartered Accountants
6 Oxley Street
Griffith ACT 2603

Solicitors

Deacons
Level 5, 1 Hobart Place
Canberra ACT 2601

Directors

Olaf Hedberg (Chairman)
Peter Holland (Deputy Chairman)
Michael Bradford
Stephen Godfrey
William Hirst
Martin Holmes
Desmond Mooney
Kym Nicolson
Mary O’Kane
Graeme Rush
Benjamin Searle
Victor Stephens
Bruce Thompson
Peter Tooley

Company Secretary

Daniel Paull

Executive Committee

Olaf Hedberg (Chairman)
Peter Holland
Martin Holmes
Daniel Paull

Board Audit Committee

Stephen Godfrey (Chairman)
Kym Nicolson
Michael Bradford

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CHAIRMAN'S FOREWORD

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The 2007/08 financial year has been strongly focused on implementing PSMA Australia's new strategic direction. This strategy is largely based on significant improvement to the supply chain that PSMA Australia manages in a number of key areas:

1. Further enhancements in existing datasets through investment in quality improvements and the addition of new attributes.
2. Introducing innovations that provide greater flexibility in the way data is extracted and delivered to Value Added Resellers (VARs) thereby reducing the handling costs for the VARs.
3. Establishing a new focus on strengthening the relationship with VARs by placing a higher emphasis on channel management. This will be achieved through the establishment of a separate wholly owned entity called PSMA Distribution.
4. Increasing the efficiency of the data maintenance process through further automation and more streamlined access to contributor data.

Based on the successes with G-NAF^(TM) and LYNX, this has been a year of many changes, and a number of new large projects have been commenced. It has been an important year to lay the foundation for the future

PSMA Australia that will stand strong and continue delivering value in a rapidly changing market place.

This investment in the future translated directly to an investment in people during the year and PSMA Australia had expanded its core team to 16 at year's end. The staff growth is significant and signals the importance placed on increasing the company's capacity to deliver the outcomes identified by the Board.

The year started out with PSMA Australia winning the US based Urban and Regional Information Systems Association (URISA) Enterprise System Award for the LYNX infrastructure. It was very pleasing for the system to be recognised and clearly shows that LYNX and its benefits are being recognised internationally. To further capitalise on this success, PSMA Australia has developed a LYNX future program during the year; a plan designed to develop LYNX even further and establish it as a world-leading SDI.

One of the main tasks during the year has been to design the LYNX future concept in such a way as to encourage active participation from Jurisdictions. I am very pleased to say that at the conclusion of the year, we believe that this has been achieved. There is strong support from all Jurisdictions and a number

have even offered existing services to kick-start the new LYNX initiative.

While there have been many new activities and challenges during the year, the core business remains strong. G-NAF^(TM) geocodes are now accurate to street level or better for 99.7% of records and more than 91% of the records are at parcel level. We experienced a strong growth in royalties resulting in a 28% increase during the year. This is being led by continued strong growth by G-NAF^(TM) sales and a resurgence of Transport & Topography as it begins to penetrate the significant Personal Navigation Market.

All-in-all it has been a successful and rewarding year and I commend to you this Annual Report for the financial year 2007/08.



Olaf Hedberg
Chairman of the Board
PSMA Australia Limited



THE CEO'S REPORT

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The year that passed has been the most eventful so far in the history of PSMA Australia. There have been expansions within all areas of the company. In short summary:

- the staff has increased to almost twice its number during the year
- the office has been refurbished to accommodate the new staff
- three new VARs have been signed up, an increase of 11%
- revenue is up by 20%
- a large international tender was submitted
- the LYNX future program has commenced and the first stage has been implemented
- a Land Tenure dataset has been developed
- new software for data management has been purchased and is being implemented, and
- a large number of presentations, both national and international have outlined the future direction of PSMA Australia. The responses have been very positive.

This annual report will highlight some of the above events and provide further illustrations of this successful year.

THE BUSINESS OF PSMA AUSTRALIA

The principal objectives of the company are to coordinate, assemble and deliver national datasets from data held by the states, territories and Commonwealth government, and to achieve the widest possible use of the PSMA Australia datasets. This is captured in the Vision and Mission statements:

PSMA AUSTRALIA'S VISION

To be recognised nationally and internationally as providing the authoritative foundations for enabling and shaping location based business solutions.

PSMA AUSTRALIA'S MISSION

The return of social, environmental and economic benefits through the provision of authoritative national location information, knowledge and services.

Spatial datasets will always be the core business of PSMA Australia. In the strategy developed last year the aim was to complement the data with services that provide higher value to the clients. This is indicated in the Vision and Mission above.

THE PSMA AUSTRALIA MODEL

PSMA Australia has a unique model of operation which has created the basis for the long term success that the organisation has experienced. The key parts of the model are:

- Partner
- Scope
- Manage
- Achieve

Partnering is done along the whole value chain, on both the supply and demand side, on the data management side, and with companies developing the data infrastructure. To manage these partnerships, a well developed scoping model is needed to make efficient management possible and to achieve the planned outcomes.

Significant interest has been generated by PSMA Australia’s success. Numerous organisations in Australia and internationally have expressed interest in the PSMA model, most significantly the Singapore Land Authority, EuroGeographics, the South African Government and the Canadian Government. PSMA

Australia has also been approached by a consultant to the World Bank in relation to assisting with a model for spatial data infrastructure for Nigeria.

CORPORATE GOVERNANCE

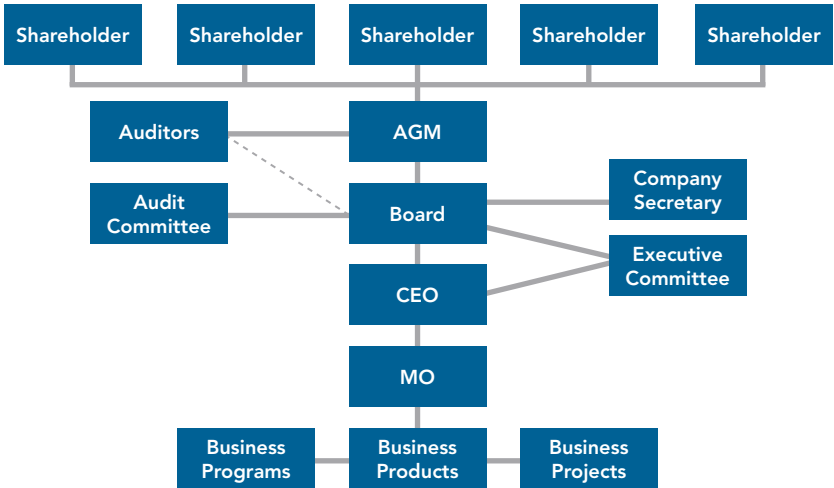
During the year the Board focused on the development of a more efficient distribution of the data and on the development of the LYNX infrastructure. This work has led to a new distribution model and to a project governance model for the LYNX project with a steering committee, a technical committee and a project manager reporting to the committees.

THE PSMA AUSTRALIA CORPORATE GOVERNANCE MODEL

PSMA Australia has a well developed governance model implemented to ensure that the company is managed in a professional and efficient way with full accountability on all levels.

The major components of the governance model are discussed below.

FIGURE 1: PSMA AUSTRALIA'S CORPORATE GOVERNANCE MODEL



ANNUAL GENERAL MEETING (AGM)

At the Annual General Meeting the shareholders undertake:

1. consideration of the annual financial report, directors' report and auditor's report
2. the election of directors
3. the appointment of the auditor, and
4. the fixing of the auditor's remuneration.

The business of the AGM also includes any other business which under the constitution or the Law ought to be transacted at an annual general meeting.

The Shareholders at the AGM are given an opportunity to ask questions about, or make comments on, the management of the Company. If the Company's auditor or the auditor's representative is at the meeting, the Shareholders are given an opportunity to ask the auditor or their representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

During the year, the Western Australian Government took up its share in PSMA Australia and is now a full shareholder together with the Commonwealth and all other States and Territories of Australia. The share was issued at the Board meeting in October 2007.

THE BOARD

THE ROLE OF THE BOARD

The Board is ultimately responsible for all matters relating to the running of PSMA Australia Limited. The Board is responsible for, and has the authority to determine, the policies, practices, management and operation of PSMA Australia Limited and shall do all such things as may be necessary to be done from time to time in order to carry out the objectives of the company. Without limiting this general role, the principal functions and responsibilities of the Board include:

- a. setting the short, medium and long term goals of the company
- b. providing directions in the context of the strategic needs of the company

- c. determining the policies governing the operations of PSMA Australia Limited
- d. appointing the Chief Executive Officer (CEO)
- e. approving the terms and conditions of employment of the CEO
- f. reviewing and providing feedback on the performance of the CEO to the Chairman, prior to his evaluation of the CEO
- g. endorsing the terms and conditions of employment for employees
- h. establishing and determining the powers and functions of all Committees of the Board
- i. approving major operating plans and monitoring the implementation framework
- j. approving the annual budget and long-term budgets
- k. approving all items of capital expenditure, and
- l. reviewing annual progress and performance in meeting the objectives of the company including reporting on the outcome of such reviews.

The Board carries out its activities through the CEO and delegates to that person specific powers and responsibilities.

BOARD STRUCTURE

In line with good governance principles, the Board of PSMA Australia believes that it is essential for its structure to reflect the need for independence, transparency and flexibility.

As such, the Board have during the year had twelve Directors (including the Chairperson) and three independent Directors. An independent Director is one who is not a nominee of a major shareholder and is not involved in the value chain of the organisation either upstream or downstream.

ACTIVITIES OF THE BOARD

During the year, the Board met three times as stated in the Directors' report. During these meetings the Board reviewed the Annual Program and Strategic Plan. The Board also reviewed the financial position and acted in

order to ascertain that there are efficient systems in place to follow-up and control the business and financial position. In connection therewith, the Audit Committee was responsible for preparing reports for the Board to assure the quality of the company's financial reporting and the annual report.

The Board's responsibilities are mainly undertaken at Board meetings and through meetings of the respective committees of the Board. The Board continuously evaluated the performance of the CEO, and in addition, the Chairman of the Board is in regular contact with the CEO in order to discuss on-going business and to ensure that the decisions taken by the Board are executed. Details of each Board member's age, education, main professional experience and other board memberships, is presented in the Directors' Report in this annual report.

THE EXECUTIVE COMMITTEE

The key function of the Executive Committee is to undertake key elements of the day-to-day management of PSMA Australia Limited and make decisions on behalf of the Board if necessary. The actions taken by the Executive Committee are binding and do not require ratification by the Board to be legally effective, however all decisions made by the Executive Committee need to be reported to the board. This includes, but is not limited to:

- reviewing and approving, outside the delegation levels of the CEO and the MO, capital expenditure
- reviewing key projects as required
- industrial relations
- human resources
- marketing
- compliance
- risk management
- quality assurance
- implementation of the Annual Program
- legal requirements including ongoing claims and litigation, and
- any other relevant matters requiring their determination in relation to management of the Company.

The Executive Committee comprises the Chairman of the Board, the Deputy Chairman, one board member and the CEO. The Chairman also chairs the Executive committee. During the 2007/08 financial year, members of the Executive Committee were:

Olaf Hedberg (Chairman)

Peter Holland (Deputy Chairman)

Martin Holmes

Daniel Paull (CEO)

The Executive Committee meets at least once between board meetings or as often as required, and action taken is reported to the Board at the Board Meeting. During the 2007/08 financial year, two meetings were held.

THE COMPANY SECRETARY

The role of the Company Secretary includes:

- a. ensuring that the Agenda and Board papers are forwarded to Directors prior to the Board meeting
- b. writing and maintaining the minutes of Board meetings
- c. ensuring all requirements of the ASIC are fully met
- d. ensuring all requirements of the ATO are fully met
- e. notifying the Directors of a meeting of the Board, and
- f. forming committees from time to time to assist in the orderly conduct and operation of the company.

Since 2001, CEO Daniel Paull has been the Company Secretary for PSMA Australia.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (CEO) is appointed by the Board and is responsible for the ongoing management of the company in accordance with the strategic policies and programs approved by the Board to achieve the agreed goals. Since 1999 Daniel Paull has been the CEO of PSMA Australia.

THE MANAGER OF OPERATIONS

The Manager of Operations (MO) is responsible for the implementation of the Annual Program and the operation of the Business. The MO reports to the CEO and to the Board on operational performance at each board meeting. Nickolas Littlewood was appointed MO in October 2007.

AUDIT COMMITTEE REPORT

The PSMA Australia Audit Committee has a documented charter approved by the Board and is tasked with ensuring the company's corporate governance and financial systems are appropriate, effective and accurate and comply with best practice. The Audit Committee also oversees and appraises the quality and performance of the internal and external control procedures. Particular regard is assigned to accounting and financial policies and practices, business policies and practices, and management and internal controls.

The Audit Committee oversees the annual financial audit of the company and the annual Value Added Resellers Audit Program. The Audit Program focus this year included the interpretation of licence agreements and royalty reporting compliance.

The Audit Committee actively manages the company's Risk Register by reviewing the full register at each quarterly meeting, and maintaining a watching brief on risk, privacy and intellectual property matters. A list of the 'top twelve' risks is reported to the PSMA Australia Board at each quarterly meeting to ensure known risks are being monitored and addressed.

In addition to the above mentioned, the responsibilities of the audit committee include:

- Recommendations for the appointment of external auditors and communication between management and the external auditors and assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor

provides an independence declaration in relation to the audit.

- Addressing the adequacy of the internal control framework.
- Monitoring compliance with the conflict of interest policy contained in the Corporate Governance Charter.
- Reviewing the annual, quarterly and concise financial reports and other financial information. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards, assessing whether the financial information is adequate for shareholder needs, and monitoring any significant violations of policy such as fraud or conflicts of interest.
- Providing advice to the Board in respect of whether the provision of non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*.
- Addressing any matters outstanding with auditors, the Australian Taxation Office, the Australian Securities and Investments Commission, and financial institutions.

The Audit Committee comprises three company directors elected each year. Employees cannot be members of the Committee, but the Chief Executive Officer, Manager of Operations and Finance Manager are invited to Audit Committee meetings at the discretion of the committee.

The members of the Audit Committee during the year were:

Stephen Godfrey (Chairman)

Michael Bradford (appointed 5/02/08)

Kym Nicholson

Graeme Rush (resigned 5/02/08)

The committee met three times during the year, and committee members' attendance records are disclosed in the table of directors' meetings on page 43. All meetings were duly minuted and action items were undertaken to completion.

RISK MANAGEMENT

All business operations involve risk, and managed risk-taking is a condition of maintaining a sustained favourable profitability. Risk may be due to events in the world and can affect a given industry or market but it can also be specific to a single company. PSMA Australia works daily to identify, measure and manage risk. In cases where the company can influence the likelihood that a risk-related event will occur, this is done. In cases in which such events are beyond the company's control, the aim is to minimise the consequences.

PSMA Australia works continuously with the risk management process. This work is included in the long term strategic planning, in the development of the Annual Program, and in the work on the risk register that is presented at each Board meeting. Financial risks are discussed on pages 61–63

EXTERNAL RELATED RISK

External related risks are the risks that are hardest to manage. For each of these risks a mitigation strategy is developed and managed to minimise the risk's impact on the business. These risks are monitored by the Board at each meeting and the risk register is kept up to date with the risks and the mitigation strategies.

COMPETITION

Increased competition in the market is one of the biggest risks faced. Major international corporations can enter the Australian market and price themselves to a strong market position. There are no formal barriers to entry, so basically a competitor can access the same raw data that PSMA Australia works with. To manage this risk, the main strategy is to keep the data at the highest possible quality, and at the same time keep the price at a low level. This will make the need for a new data supplier low and the cost of entry high for a new player.

PRICES MAY CHANGE

Technology is constantly developing, and what was technologically impossible to achieve a few years ago is now easy to achieve for many companies. This is especially true when it comes to data collection and management. The easy access to data and the collection of data puts a pressure on the price of the same data. Monitoring the technical development and adopting relevant technologies to increase the content, quality and time to market of PSMA Australia's data is the main strategy. The development of the LYNX infrastructure is part of this strategy.

GOVERNMENT REGULATION

PSMA Australia supply the market with Jurisdictional data built into national datasets. If there is a regulation in relation to a government's data that states that it should be free to access, a major re-development of the business model will be needed. In such an event, PSMA Australia would need to seek funding from government instead of being self funded.

Another risk is if the Jurisdictions stop collecting data. For this there is no mitigation. However, the ownership structure of PSMA Australia ensures a very close contact with the Jurisdictions and a fair warning should be received if this should be the case.

OPERATIONAL RISK

THE PROFITABILITY DEPENDS ON THE PRODUCTS

PSMA Australia's long-term profitability depends on the Company's ability to successfully launch and market its new products. Product life cycles continue to shorten, putting increased focus on the success of the product development. It is very important to meet and exceed customer expectations to be competitive in established markets and to be able to expand into additional markets and/or product segments.

RELIANCE ON SUPPLIERS

PSMA Australia has a wide net of suppliers in Australia. The data is however fundamentally sourced from the Jurisdictions and it is absolutely critical to the business. A close relationship is fostered with all data suppliers to ensure high quality, timely deliveries of data for each release. The constitution of the Board with representatives from all Jurisdictions makes liaison with the data supplying agencies possible.

RISK RELATED TO HUMAN CAPITAL

A decisive factor for the realisation of the PSMA Australia's vision is the employees and their knowledge and competence. Future development depends on the company's ability to maintain its position as an attractive employer. To this end, PSMA Australia strives for a work environment in which energy, passion and respect for the individual are guiding principles.

An aerial photograph of a city, likely New York City, showing a dense grid of skyscrapers and buildings. The image is overlaid with large, semi-transparent geometric shapes: a white curved shape in the upper left, a light blue curved shape in the middle, and a solid dark blue shape in the bottom right corner. The text 'REVIEW OF OPERATIONS' is printed in white, bold, uppercase letters within the dark blue shape.

REVIEW OF OPERATIONS



OBJECTIVES AND DELIVERABLES 2007/08

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THE FOLLOWING JIGSAW STRUCTURE CLEARLY DEFINES THE MAJOR ELEMENTS OF PSMA AUSTRALIA'S BUSINESS AS WELL AS ASSISTING IN TASK PLANNING AND THE DEVELOPMENT OF THE ANNUAL BUDGET AND ANNUAL RESOURCE PLAN. THIS STRUCTURE IS USED IN THIS ANNUAL REPORT AS WELL.

FIGURE 2: JIGSAW STRUCTURE SHOWING THE MAJOR ELEMENTS OF PSMA AUSTRALIA'S BUSINESS.





PROGRAM: ORGANISATIONAL MANAGEMENT AND IMPROVEMENT

ORGANISATIONAL
MANAGEMENT AND
IMPROVEMENT

Objectives

To ensure the robustness and sustainability of the Company through the ongoing management and resourcing of best practice corporate governance and financial systems, policies, processes and people.

To enhance PSMA Australia’s business processes, outputs and user satisfaction through the adoption of an integrated Quality Management and Continuous Improvement Framework.

Stakeholders

PSMA Australia Shareholders, Board, Staff, partners and customers

PSMA AUSTRALIA STRATEGIC PLAN 2007–2010

The implementation of the strategic plan is underway. The Annual Program was built on the Strategic Plan and several new initiatives were started during the financial year based on the new strategy. The most notable were:

- Development of new datasets and enrichment of the existing ones. During the year PSMA Australia has developed a new Land Tenure dataset and enriched the POI dataset. Business cases and preparations began for several other datasets. This is in addition to the normal maintenance and improvement of the datasets.
- The evolution of the LYNX infrastructure is moving fast and the first enhancement is being implemented. All stakeholders on the supply side have demonstrated strong commitment to the project and a presentation to the VARs and clients is planned early in the 2008/09 financial year.
- A thorough investigation was performed during the year on how to best improve the distribution arrangements of PSMA Australia so as to deliver better service to the VAR network and assist them in extending the take-up of location based

products and services across all markets. To achieve the necessary focus, the Board chose to prepare the establishment of a fully owned subsidiary – PSMA Distribution Pty Limited. This subsidiary will manage all existing and new VAR while PSMA Australia will focus on data maintenance processes and the relationships with suppliers, data managers and technology partners. Also, the pricing and licensing review is fully prepared and will commence at the beginning of the 2008/09 financial year.

PSMA Australia stands stronger by the end of this year than ever before. With the changes and projects that have commenced during this year and are due to finish during 2008/09, many of the objectives in the strategic plan will be achieved.

DISTRIBUTION MODEL

A major project during the 2007/08 financial year was the investigation of the most suitable distribution model for PSMA Australia. The result of this investigation was to establish a wholly owned subsidiary for the sales and distribution of product. The documentation for PSMA Distribution Pty Limited was prepared during the year and at the May Board meeting the Board approved the establishment of the subsidiary at the start of the 2008/09 financial year.

There was much focus on the governance of PSMA Distribution and alignment with PSMA Australia's business strategy to provide a strengthening of sales and an increase in the use of PSMA Australia datasets. The first major task of PSMA Distribution will be to investigate how the market sells data and to model channels to market and implement strategies to avoid channel conflicts. The model looks very promising and PSMA Australia has high hopes for the 2008/09 financial year.

PSMA AUSTRALIA HUMAN RESOURCE REVIEW (AS OF 30 JUNE 2008)

PSMA Australia has experienced bigger than normal staff movements, which is a direct reflection of the growth of PSMA Australia activities. The current staff of PSMA Australia are encompassed in the below organisation structure with accompanying roles and titles.

STAFF APPOINTMENTS:

Kathleen Aikins – Administrative Assistant

Mitra Banerjee - Senior Project Manager

Michael Dixon – Senior Project Manager

Nicholas Littlewood – Manager Operations

Caroline Owen – Business Program Manager

Gerry Stanley – Strategic Relationship & Contracts Manager

Lorraine Simpson – Administrative Assistant

Chan Truong – Marketing and Communications Coordinator

Angela Wilson – Project Manager

Neil Wilson – Project Officer

RESIGNATIONS:

Kathleen Aikins – Administrative Assistant

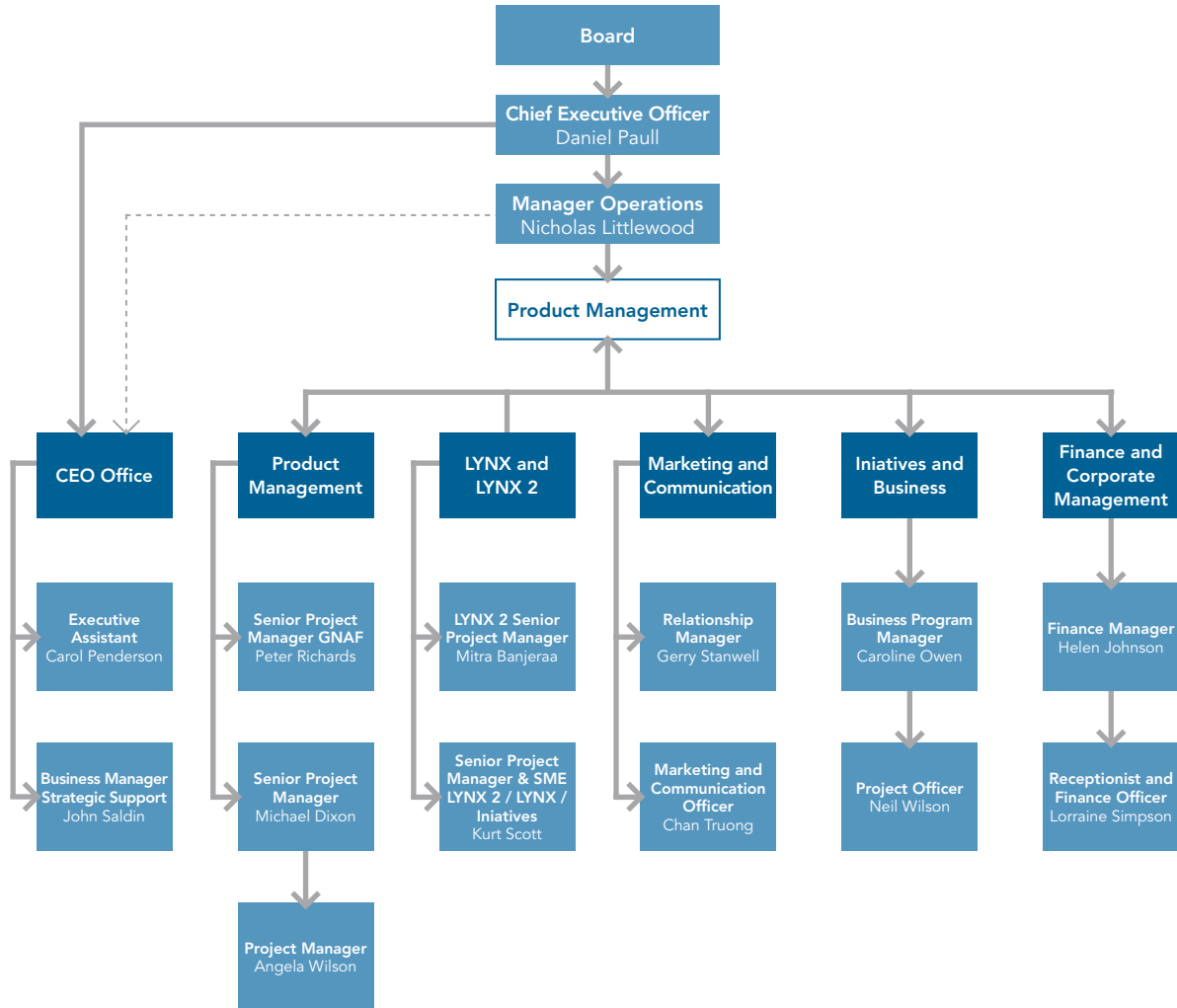
Siva Chinniah – Project Manager

Theodora Koripas – Marketing and Communications Coordinator

PSMA Australia also participated in the development of two University interns; both worked with PSMA Australia for periods over their holidays and undertook training and mentoring in the Spatial Industry.

2007/08 ORGANISATIONAL STRUCTURE

FIGURE 3: ORGANISATION OF PSMA AUSTRALIA



The organisational structure is a direct reflection of PSMA Australia focusing on the product management/research and development/business continuity and opportunity based business activities. It is also reflected in the financial and operational procedures (including a project based planning methodology) for reporting.

OCCUPATIONAL HEALTH AND SAFETY REVIEW

PSMA Australia has undertaken a significant review of OH&S procedures that include, but are not limited to, the following:

- travel policy
- fire safety
- first aid and incidence reporting, and
- carbon footprint.

These have been documented in the PSMA Australia policy manual and have been implemented via change management activities including workshops.

IT STRATEGY & POLICY

Though significant work has been undertaken by PSMA Australia in the development of an IT strategy and policy, it is still to be finalised with an anticipated date being the end of December 2008. The primary focus has been to achieve a position of leadership and competitive advantage. Hence it is important that PSMA Australia has an effective strategic plan for the use of information technology in all PSMA Australia core business and administration activities.

The requirement for an IT strategy and policy is necessitated by the need to:

- link IT investment decisions with the Strategic Plan and new business opportunities
- use technology as a strategic asset
- accelerate of technological advances
- establish a position of technology leadership that is consistent with PSMA Australia's strengths

- support change initiatives, and
- explore new developments that will address the challenge to PSMA Australia over the next three years.

MANAGEMENT SYSTEM FOR QUALITY

PSMA Australia made considerable progress towards implementing its Management System for Quality (MSQ) during the second half of the financial year. The system is designed to support business management through an integrated quality management and continuous improvement framework which overarches all business processes. The MSQ promotes a whole-of-business focus on enhanced customer value and continuous improvement, compliant with ISO9001 standard.

The MSQ comprises two main components:

- Business Policy, which provides a framework for business activity, and
- Business Process Mapping, which provides a structured and quality approved process for achieving better business outputs.

Business Process Mapping was completed in June 2008 providing PSMA with comprehensive documentation of the current business processes. This also enabled improvement in areas where processes could be refined. The process maps will be reviewed and continuously improved as processes change within PSMA Australia's operations.

Policy analysis and development continues with a number of policies already implemented in PSMA Australia's daily operations. The complete implementation of MSQ and associated improvements are on schedule to be completed before December 2008.

An ISO certification report will be written at the completion of the MSQ implementation and the conduct of an internal audit.



PROGRAM: CAPABILITY DEVELOPMENT

CAPABILITY
DEVELOPMENT

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Objectives

To research and develop new opportunities and initiatives related to achieving PSMA Australia strategic outcomes, determine suitability and feasibility and implement those approved by the Board.

Stakeholders

PSMA Australia Shareholders, Jurisdictions, Data Managers, VARs and Clients

MESH BLOCKS

Mesh Blocks are the Australian Bureau of Statistic's new micro level breakdown of geographic boundaries. They are small areas of about 30–60 dwellings, designed specifically for statistical data dissemination. The Mesh Blocks are designed to enable accurate time series analysis of the statistical data.

Mesh Block boundaries as defined by the ABS were released as part of the Administrative Boundaries dataset for the first time in the May 2008 release. The proposed vertical alignment with other administrative

boundaries datasets was not completed, however scope exists within PSMA Australia's future work program should this requirement be reconsidered. Also as part of the May 2008 release, each G-NAF^(TM) 'parcel level' geocoded address and some 'street level' geocodes addresses were allocated Mesh Block identifiers to assist ABS and other organisations with enumerative tasks. Business rules developed in conjunction with the ABS have been used to determine which 'street level' geocoded address will be allocated a Mesh Block identifier. No 'locality only' geocoded addresses have been allocated a Mesh Block identifier.

IMAGERY COORDINATION

This project has been discussed informally throughout the year in VAR meetings to ascertain the value of putting in more work. To date it has been found that the establishment of a reasonable cost, high resolution, national imagery dataset that is kept reasonably current would be well supported by VARs.

Potential partner investigations have started with the possibility of partnering with Australia's largest high resolution imagery provider. The next stage will be discussions with Jurisdictions to ascertain their current activities and how this project could impact upon them. A business case has been developed after discussions with the Jurisdictions outlining a proposed way forward and the creation of a market needs analysis.

SERVICES ACCESSIBILITY AND REMOTENESS MODEL FOR AUSTRALIA

At the February 2008 Meeting, the Board was advised that the scope of the aforementioned project had changed due to a reluctance of the Australian Bureau of Statistics (ABS) to change the Australian Remoteness Index of Australia (ARIA) methodology. As a result, the scope and name of the project was changed to measuring the Australian Standard Distance Ratios.

PSMA Australia recognises the importance of the development of an Australian Standard Distance Ratio dataset. During the year the collation of a definitive set of goals and objectives was developed and explored, with changes occurring in the scope defining these goals and objectives.

Initial investigations have used the PSMA Australia Points of Interest (POI) dataset to map Post Offices (PO) across Australia. As development continues it has become apparent that the POs of the POI dataset are an inadequate source for locational

information on POs. The ABS has a geographical classification called Urban Centres and Localities (UC/L). A Locality is a cluster of population of 200 or more people, i.e. a small country town, and an Urban Centre (UC) is a cluster of population of more than 1,000 people. Population counts and characteristics for each UC/L are collected at the Census so UC/L are a very useful way to study towns as opposed to local government areas or other administrative areas which may consist of more than one town or may dissect larger towns. By overlaying POI POs with the boundaries of UC/Ls we can examine the relationship between POs and urban concentrations. The project is on target.

LAND TENURE AND NATIONAL PLANNING ZONES INDEX (NPZI) INCLUDING LAND USAGE

In October 2007 National Land and Water Resource Audit (NLWRA) approached PSMA Australia to build a national Land Tenure dataset. This proposal was accepted by the Board and the project was started in December. NLWRA organised a workshop to create a national classification scheme for land tenure. This workshop created a broad basis of input and it also clarified the needs of the stakeholders in the project.

Once the scheme was endorsed by the stakeholders, PSMA Australia liaised with the Jurisdictions to access their land tenure data. Most Jurisdictions were very helpful and assisted with the translation from the Jurisdiction's classification to the national scheme. Test data was released for comments in early May and the main dataset was released on 23 June.

While there still is a need for a planning zone index and a land use dataset, these will be built as layers together with the land tenure. The opportunity with the land tenure dataset created a new prioritisation and it was decided to postpone the NPZI and Land Usage datasets until Land Tenure was finalised.

CRC-SI (COOPERATIVE RESEARCH CENTRE FOR SPATIAL INFORMATION)

PSMA Australia participates in the CRC-SI via 43PL, a consortium of small to medium-sized spatial industry organisations. PSMA Australia is the largest contributor to 43PL and its interest is represented in the form of units in a trust managed by the company.

PSMA Australia has during the year been participating in three CRC-SI projects:

- **Project 3.2—Intelligent geocoding**

The overall aim of this project is to achieve automated integration of addresses and spatial location by intelligent geocoding processes and algorithms. The project could offer address matching and geocoding advances. This could provide PSMA Australia with a more flexible, robust and accurate mechanism for maintaining G-NAF^(TM). This project concluded during the year.

- **Project 3.3—Access to spatial data**

This project developed a formal model of context for spatial information services on the Web or mobile services, particularly in the domain of way finding services. A formal model of context allows the derivation of information needs, and in that way guiding geographic data discovery, access, and delivery. The model contains user group ontologies: formalised mental concepts of location, orientation and activity. Such ontologies can be used to enrich the keyword-based search. The model interprets information requests for their context, searches for context-relevant information, and delivers information in context-adapted modes. It was implemented and tested in an agent-based approach, where the agent advised the user and tailored information. The project concluded during the year.

- **Project 6.2—Demonstrator project: Location Position Device (iii-Loka)**

It has been recognised that new and lucrative wireless Location Based Services (LBS) will need continuous and consistent positioning to meet

user expectations. This project aims to build an integrated LBS positioning platform on a technical, administrative and business base to support lucrative and new LBS'. The goal is a cost effective device that works with a mobile phone delivering consistent, continuous and accurate positions to the mobile phone for LBS'. While the design specifications phase will define the cost of the unit it is expected to be compatible with like units.

PSMA Australia continues to participate in and support both the CRC-SI and 43PL as this is an important opportunity to contribute to the development of the spatial information industry in Australia.



PROGRAM: PRODUCT AND SERVICE IMPROVEMENT

PRODUCT
AND SERVICE
IMPROVEMENT

23

Objectives

To refine, improve and extend existing products and services to reflect evolving market demands, to build market confidence and broaden the understanding and usage of the information.

Stakeholders

Shareholders, Jurisdictions, Data Managers, VARs and Clients

QUARTERLY DATASET MAINTENANCE PROGRAM

During the 2007/08 financial year the quarterly maintenance schedule continued with the addition of a minor release primarily to cater for the revised Queensland Local Government Area Boundaries. The core program is based on four pre-determined release dates throughout the year to provide data contributors and clients with greater certainty for business planning processes. The additional release was scheduled to allow clients earlier access to this data than would otherwise be possible. The quarterly maintenance schedule will continue through the coming year. The LYNX system has demonstrated that it has the capacity to deal with the large volumes of data well and provides a high degree of certainty

for clients that data will be delivered in a timely manner. Additional quality assurance checks have been added into LYNX with the aim of producing higher quality products for the spatial market.

CadLite[™] AND PROPERTY DATASET ENHANCEMENTS

The enhancement of the CadLite[™] dataset continued to focus on the improvement of data quality, accuracy and attribution. Work has continued with the Jurisdictions to ensure that the most recent cadastral information is included as soon as practicable. The completion of the Land Tenure pilot dataset demonstrated the capacity to successfully expand

the CadLite™ attribution to provide additional potential for the current dataset. Strata information in the form of CAD POINT data for NSW has now been included to bring it into line with the other Jurisdictions.

TRANSPORT THEME ENHANCEMENTS

Over the past year work continued with Jurisdictions to improve the quality of data within the various transport themes. In particular the relationship between individual datasets has been used to identify roads that may for instance have been unnamed or had a name not consistent with information contained within associated address points. Each Jurisdiction has been provided with the various records affected and has been proactive in undertaking correction programs, with the enhanced information already flowing back into the relevant transport themes.

Additional transport hierarchy classes and road suffix types have been included to reflect the changes that have been introduced by the Jurisdictions and efforts are continuing to source additional attribution to make the transport themes applicable for a wider number of applications.

TOWNS' DATA

In 2006 the PSMA Australia office completed work on the Towns' database (Towns' data). Towns' data aids in the distinction between locality polygons and any township with the same name contained within that locality. It is included as part of the Administrative Boundaries dataset. Initial steps have been taken to update the Towns dataset post the 2006 Census by, in particular, updating population counts and the rural remote classification. PSMA Australia is awaiting the finalisation of the relevant Australian Bureau of Statistics product before the update can be completed.

ADMINISTRATIVE BOUNDARIES DATASET ENHANCEMENTS

Over the 2007/08 financial year, efforts continued to improve the quality, accuracy, coverage and attribution of the Administrative Boundaries dataset. The Australian Bureau of Statistics' Mesh Blocks have been added as a new dataset and new content has been identified for the State Electoral Boundaries theme. Investigations have continued into the prospect of developing an automated maintenance system for the Administrative Boundaries dataset and there is an expectation that more tangible results will materialise in the 2008/09 financial year.

POINTS OF INTEREST (POI) REDEVELOPMENT

In the second half of the financial year, PSMA Australia undertook various activities to revitalise the POI dataset, and ultimately:

- update the current POIs
- capture additional POIs, and
- develop a partnership to offer a Business POI dataset.

Capture officers were contracted over a period of five months to PSMA Australia to locate POI data through various activities capturing approximately 40,000 POIs, predominantly in the areas of accommodation and restaurants.

In the fourth quarter of the financial year, a business case was created to explore options for the update and ongoing maintenance of the Cultural POI dataset. The business case presented three options, with the recommendation that the dataset be updated without any business listings with a separate decision for the delivery of a business or hospitality POI Dataset. The Business POIs were kept separate from the Cultural POIs to:

- differentiate between current and expected pricing
- capture method and costs, and
- honour previous PSMA Australia support of a generic Cultural POI dataset, and as an additional benefit, highlight the company's community service.

Activities are ongoing in exploring avenues where PSMA Australia can obtain meaningful data by leveraging off existing relationships, and ultimately employing more efficient and effective methods of capturing data.

POSTCODES

After collaboration with Australia Post the first release of Postcode data was delivered in February 2007. Since then the dataset has been updated quarterly in line with PSMA Australia's release schedule. Work has continued to refine processing methodologies in conjunction with Australia Post to ensure the continual improvement of the product.

G-NAF^(TM)

The G-NAF^(TM) dataset content across all states and territories has improved as a result of the updates received from data contributors this financial year. Following is a description of specific improvements to G-NAF^(TM) that have been achieved during the financial year.

Nationally, G-NAF^(TM) continued with the trend of the past updates with a further incremental improvement in the match rates in most of the States and Territories. The contributors, Australia Post, Australian Electoral Commission (AEC) and the Jurisdictions, increased their collective contribution of addresses to G-NAF^(TM) by some 54,000 notwithstanding a reduction in the contribution by the Jurisdictions of 34,000. This reduction in contribution by the Jurisdictions collectively, being a direct result of a fall in contribution from NSW and minimal contribution by Queensland.

Notwithstanding these additional 54,000 addresses, the number of principal addresses fell by 28,000. This reduction is as a result of improved matching of addresses in most States as reflected by the increase in 'confidence 2' addresses¹ of 43,500. This is 55.9% of all principal addresses in G-NAF^(TM) and an increase of 0.5% on the previous update. 'Confidence 1' and 'Confidence 0' addresses fell by 5,000 and 66,000 respectively from the previous update.

The number of addresses geocoded only at street locality fell by 36,000 and the addresses geocoded at locality only fell by 6,400. Locality only address now represent 0.04% of all principal addresses. Street locality addresses represent 8.6% of the addresses. Further reductions in the geocodes of these addresses continue to be the major focus of the improvements in G-NAF^(TM). Property level geocoded addresses are now at 91% nationally.

There has been continued movement of property level geocodes as the Jurisdictions spatially upgrade their spatial datasets and relocate property geocodes as part of a consistency improvement process within some States in terms of the geocode placement (e.g. centre of parcel, front of parcel). In NSW alone, some 1.8 million geocodes have been moved within the parcel.

All address site geocoded addresses have been assigned a Mesh Block code thus linking these addresses to the ABS Mesh Block dataset. Street locality geocoded addresses have also been assigned a Mesh Block code but only where the street locality line is wholly within the Mesh Block.

Overall G-NAF^(TM) has progressed very well during the year and an increase in the accuracy and number of addresses is obvious during the year.

¹ A 'confidence 2' address is an address that matches in the data from all three data suppliers. 'Confidence 1' has a match in two of the supplied datasets and 'Confidence 0' does not have a match in the other datasets at all.



PROGRAM: VALUE NETWORK MANAGEMENT

VALUE
NETWORK
MANAGEMENT

26

Objectives

To manage the end-to-end infrastructure maintenance to ensure the timely delivery of services, updated datasets and metadata to PSMA Australia clients as part of a flexible and robust value network.

Stakeholders

Jurisdictions, VARs, Data Managers, Board, Clients, End Users

LYNX

PSMA Australia continues to value the relationship with Geometry and their management of LYNX. This relationship is continually fostered to support the growth and functionality of LYNX as part of PSMA Australia's core business, and PSMA Australia staff have undertaken several trips to Hobart to consult Geometry on LYNX functionality and to manage the LYNX infrastructure. PSMA Australia also agreed to sponsor a Geometry staff member in Radius Studio to increase the range of knowledge and future application of Radius Studio to LYNX functions.

OPERATIONS

LYNX has been operational for 23 months, and has experienced eight automated data releases to PSMA Australia's Value Added Resellers, Data Managers and Custodians. During this time the LYNX system has been functioning without system error, however, some human interaction errors have occurred. As such over the past 12 months a number of minor change requests have been carried out within LYNX to increase the functionality of the system for users. These change requests have been implemented based on client feedback and the technical need for certain changes. The change requests are consistent with the future strategy of LYNX and will ensure that all future enhancements are carried out successfully. LYNX is now firmly entrenched within PSMA

Australia's business and will continue to grow and refine the company's data delivery process.

LYNX FUTURE PROGRAM

PSMA Australia has undertaken a program to develop LYNX to the next level. In consultation with Geomatic Technologies (GT) a first step was taken with the development of a Software Architecture. This LYNX future program includes several projects and is based on a Service Oriented Architecture (SOA) approach. The architecture is based on the business requirements derived from the strategic plan and it outlines where PSMA Australia envisages the next generation of LYNX. The basis for the development is the changing technological environment and the impact this has on the core business. The architecture was delivered by GT in May of 2008. Currently the architecture plan is undergoing a due diligence assessment by BECA Technologies in Melbourne.

As part of the development, a number of workshops were conducted with the Jurisdictions that briefed them on the LYNX future program. These workshops also provided feedback on Jurisdictional business requirements. The response was very positive from all Jurisdictions to the LYNX future program.

A steering committee and a technical reference group were established during the year to ensure sound governance of, and full technical support to, this project.

THE STEERING COMMITTEE COMPRISES:

Victor Stephens – Director, PSMA Australia (Chair)

Daniel Paull – Chief Executive Officer, PSMA Australia (Deputy Chair)

Olaf Hedberg – Chairman, PSMA Australia

Benjamin Searle – Director, PSMA Australia

Michael Bradford – Director, PSMA Australia

Bruce Thompson – Director, PSMA Australia

THE TECHNICAL REFERENCE GROUP COMPRISES:

Pedro Harris – Chief Information and Technology Officer, Land & Property Information, NSW Department of Lands

Glenn Ashe – Chief Information Officer, Information Services Branch, Geoscience Australia

Stuart Fletcher – Manager Spatial Operations, Information & Lands Services Division, Department of Primary Industries and Water, TAS

Daniel Paull – Chief Executive Officer, PSMA Australia Limited

Mike Hampson – A/Manager Application Services, Information Management Division, Landgate, WA

A communication plan was endorsed by the Board in May 2008 and implementation commenced in June 2008. This plan comprises an identified target audience and key messages that promote the development of LYNX. Furthermore a change management plan was adopted as part of this plan to promote the concept, and identify issues both from a jurisdictional and client focal point.

LYNX SEARCH FRAMEWORK TRIAL IN TASMANIA

The LYNX Search Framework (LSF) was designed to provide LYNX web services and infrastructure to the Jurisdictions. The LSF is a subset of the LYNX future program solution and had been identified as the first stage in the development.

Final services provided by the LSF include:

- address validation – based on G-NAF (™)
- geocoding
- reverse geocoding, and
- function management.

As the LSF progresses, each of these services can be provided through numerous solutions enabled by the LYNX Architecture that allow the Jurisdictions to have a choice of solutions. The initial LSF is a web access version being tested in Tasmania during the end of the 2007/08 financial year.



PROGRAM: RELATIONSHIP MANAGEMENT

RELATIONSHIP
MANAGEMENT

Objectives	To establish and maintain healthy and productive relationships with all stakeholders who contribute to PSMA Australia delivering its strategic outcomes.
Stakeholders	Shareholders, Jurisdictions, Data Managers, VARs and Clients

VERTICAL INDUSTRY PROGRAM (VIP)

This program has continued to operate in a sporadic way due to a number of separate projects being undertaken to support this program, including:

- development, resourcing and implementation of a new distribution model
- development of a robust marketing and communications plan to support PSMA Australia, and
- undertaking of an external market research project.

Even though this project has not had a strong structure or resourcing, there have been a number of activities undertaken to assist VARs in vertical market areas. These include:

- working with VARs to secure Secondary VAR relationships
- provision of support and further information on product abilities to enhance VAR models, and
- investigation into attributes that can be added to current datasets to provide openings into new markets or strengthen the position in current markets.

PARTNERSHIP PROGRAM

The Partnership program is worked on by a number of staff within PSMA Australia and in particular the:

- Chief Executive Officer
- Relationship Manager, and
- Senior Project Managers.

The key activity during this period was the removal of day to day partnership and relationship requirements between the CEO and all VARs, and the strategic direction and forward planning for all medium to small VARs. The successful implementation of this has provided the CEO with the opportunity to focus on PSMA Australia's strategic direction and the building of high level relationships and support by Jurisdictions, industry bodies and key Australian Government departments.

The partnering with VARs has focused on gaining a better understanding of their business and their use of PSMA Australia's Datasets. This information has been used to direct the implementation of marketing and communications plans and the new distribution model, including new licensing, reporting and auditing for all VARs.

IMPLEMENTATION AND MAINTENANCE OF AN ENTERPRISE CLIENT RELATIONSHIP MANAGEMENT SYSTEM

During the year ACT! Customer Relation Management (CRM) system was installed and implemented. This was expected to integrate and strengthen the business processes associated with managing and caring for client relationships. Staff training was arranged in September. There have been maintenance issues during the year and with the new distribution model coming in and changing the VAR relationships, a review of the CRM system will be performed.

INTERNATIONAL BENCHMARKING AND COLLABORATIONS

An international benchmark study of LYNX, comparing it to other systems, was performed during the year. The study compared technical solutions and platforms and the capabilities of the different systems. The systems compared were The National Map (USA), Geobase (Canada) and OS MasterMap (UK). Also a dialogue was started with these agencies for future infrastructure development.

PSMA Australia has during the year been approached by Singapore Land Authority (SLA) for a mutual knowledge exchange. Director NG Siau Yong from Land Asset Management Services, SLA visited PSMA Australia in December. Further contacts were pursued with Ordnance Survey in the UK through a visit by the CEO during the year.

NATIONAL ADDRESS MANAGEMENT FRAMEWORK (NAMF)

The National Address Management Framework (NAMF) Steering Committee comprises Warwick Watkins, Neil Williams, Bruce Thompson (ANZLIC), Jane Tredwell (Cross-Jurisdictional Chief Information Officers' Committee) and Liz Marchant (Australian Government Information Management Office). The project is owned by ANZLIC, with Bruce Thompson nominated as Project Director.

This initiative is important to PSMA Australia as G-NAF ^(TM) has been identified as a key reference dataset to underpin the framework. With the completion of the framework due towards the end of 2007 and its rollout in 2008, demand for G-NAF ^(TM) is expected to surge. Increased use will also increase demand for content quality and frequency of updates.

The Online and Communication Council (OCC) has agreed to the development of a National Address Management Framework comprised of:

- a single authoritative address dataset
- a national standard for address data storage and interchange, and
- national standards for web services that support common address related functions.

Development also included a communications plan, proof of concept and case studies supporting NAMF which would include implementation implications for agencies and Jurisdictions. The technical framework, communications plan, proof of concept and privacy review documents (the NAMF package) were forwarded to PSMA Australia on 10 June 2008 giving the company the opportunity to comment prior to final publication.

The Council endorsed the ongoing progress of NAMF and that the Cross Jurisdictional Chief Information Officers' Committee (CJCIOC), in partnership with PSMA Australia and ANZLIC – the Spatial Information Council, continue to work together to finalise it.

MARKET RESEARCH

During 2007 PSMA Australia undertook a market research project that provided key stakeholders with the ability to comment on PSMA Australia's services, and in particular LYNX. Many of the comments were very positive with recognition that the initial setup glitches had been fixed and that data access was streamlined through it. However when looking toward the future, the comments were based on support of the current LYNX infrastructure, particularly the need for more regular updates and better error reporting mechanisms.

LICENSING ACTIVITIES

PSMA Australia signed up three new Value Added Resellers during this financial year. One of these is a full access reseller that had previously been a client of a VAR and is focused on broadband telecommunications providers and utilities companies. The other two are embedded access resellers focused on property valuations and integrated location intelligence services.

A total of 31 active Value Added Reseller licenses were held by PSMA Australia at the end of the financial period. There are also a number of end user license agreements, two research agreements, and 15 trial & development agreements that were undertaken.

VALUE ADDED RESELLER QUALIFICATION AND MANAGEMENT FRAMEWORK

The Value Added Reseller qualification and management framework continues to provide an effective mechanism to vet potential VARs and provide a level of surety that new VARs will provide high quality services that have a market need.

Implementing the framework has enabled PSMA Australia to:

- have certainty that resellers can meet their financial obligations as a PSMA Australia Value Added Reseller, decreasing the likelihood of entering into licence agreements with bad debtors
- appropriately qualify organisations prior to sign-up as Value Added Resellers
- better manage issues and identify and resolve underlying problems, and
- improve the availability of human resources through better monitoring and management of physical resources.

NEW ZEALAND NATIONAL ADDRESS REGISTER

In November 2007 the New Zealand Police released a Request For Proposal (RFP) for a National Address Register (NAR). This RFP basically asked for New Zealand versions of G-NAF^(TM), Transport and Topography (T&T) and LYNX for the use of the whole of the New Zealand government. Based on the similarities with PSMA Australia's existing operations a decision was made to submit a proposal.

After thorough research regarding the New Zealand spatial data market, PSMA Australia formed a consortium with Critchlow, backed by GT, Geometry and LogicaCMG. A substantial amount of work was put into the RFP and it was delivered to the NZ Police on 8 February 2008. PSMA Australia's proposal was one of three selected from the five submissions that were invited to make a presentation to the steering committee for further evaluation.

Unfortunately the RFP process was terminated by the steering committee. Formally the reason was that all the proposals were too expensive. Information received after the process had been terminated was that PSMA Australia's proposal had the lowest price. The range of the three proposals varied between NZ\$ 9 M and NZ\$ 48 M. Much knowledge was accumulated during the RFP process and the proposal is a good summary of the whole of today's operations. Also, a solid relationship was established with Critchlow.



PROGRAM: MARKETING

RELATIONSHIP MARKETING

32

Objectives

To implement a comprehensive program of marketing and communication activities that raises the profile of PSMA Australia.

Stakeholders

Jurisdictions, VARs, Data Managers, Board, Clients and End Users

VERTICAL INDUSTRY PROGRAM MARKETING ACTIVITIES

During this period a number of activities were undertaken to prepare PSMA Australia to actively and proactively promote the Company and its data and services within vertical markets, as well as in the general community.

Activities have included market research, conference research and VAR feedback, that has been included in not only the Marketing and Communications Strategy, but also within specific implementation plans. An example of this will be the inclusion of numerous VAR and End User case studies on the new website.

SPONSORSHIPS

PSMA Australia sponsored a number of events and groups during the reporting period. These include:

- **43PL** – Performance Growth
- **ASPEA Awards** – Silver Sponsor, presentation of Spatial Student Awards (Undergraduate/Graduate Project & Postgraduate Research Project)
- **Cambridge Conference 2008** (UK)
- **SEGS07** – Sponsorship of the Cocktail Party at the 2007 Spatially Enabled Government Summit
- **Wallis Forum** – Keynote Introductions for Google and Microsoft
- **Student support** - Data provision to three PhD students towards their thesis work within the spatial area

- **Institute of Child Health Research** - Data provided at no charge to support the research
- **Heart Foundation** – Participation with clients in the annual Golf day, and staff team participation in the Corporate Cricket Challenge, and
- **Team LYNX** – Touch football sponsorship with a strong Australian Government exposure.

2007/08 MARKETING AND COMMUNICATIONS PROGRAM

At the end of 2007, after a number of staff changes, an extensive Marketing and Communications Strategy for PSMA Australia was developed and approved by the PSMA Australia Board. This strategy includes a number of implementation plans to prepare PSMA Australia for the broad promotion of its data and services both directly to the market and through the new distribution model.

Key underlying activities currently underway that will be completed early in the next period include:

- development of an End User and VAR Data Access focused website
- design and implementation of a new corporate image to better position PSMA Australia to promote its products and services
- implementation of an external communications plan that includes the new distribution model, and
- implementation of an internal communication plan centred on an intranet site linking the activities of separate sections and functions of PSMA Australia.

The activities that have been completed during this period include:

- the distribution of a new electronic newsletter for VARs and another of PSMA Directors
- development, distribution and review of proposals for the new website, and
- development, distribution and review of proposals for the development of a new corporate image.

DATA ACCESS AND PRICING POLICY REVIEW

An investigation was carried out on the changes in the pricing and licensing over the past five years, and where the alignment of this was in relation to feedback that had been received from the annual VAR telephone surveys. This investigation showed that any changes were based on reactive necessity to allow a pricing model for a new product or service and that very little had changed in the initial model.

Following discussions with senior PSMA Australia staff, a business case was presented and approved leading to the development of a project plan that is currently underway. Key aspects of the project are:

- the engagement of an external consultant to provide potential models and national and international research
- development of a robust brief of outcomes required to support PSMA Australia's Strategic Plan and potential use of its data and services in the future, and
- provision of advice in regard to Trade Practices Act compliance.



An aerial photograph of a city, likely New York City, showing a dense grid of skyscrapers and buildings. The image is overlaid with large, semi-transparent teal and white shapes that create a modern, abstract design. The teal shapes are primarily in the lower right and middle right areas, while a large white shape is in the upper left. The overall aesthetic is clean and professional.

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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CORPORATE DIRECTORY

Chairman	Olaf Hedberg AM
Chief Executive Officer	Daniel Paull
Registered Office	Level 1, 115 Canberra Avenue Griffith ACT 2603
Principal Place of Business	Level 1, 115 Canberra Avenue Griffith ACT 2603
Share Register	Level 1, 115 Canberra Avenue Griffith ACT 2603
Auditors	Maxim Chartered Accountants 6 Oxley Street Griffith ACT 2603
Solicitors	Deacons Level 5 / 1 Hobart Place Canberra ACT 2601
Bankers	National Australia Bank Limited 39 Wollongong Street Fyshwick ACT 2609
Directors	Michael Bradford Stephen Godfrey Olaf Hedberg AM (chairman) William Hirst Peter Holland Martin Holmes Desmond Mooney Kym Nicolson Mary O’Kane Graeme Rush Benjamin Searle Victor Stephens Bruce Thompson Peter Tooley
Company Secretary	Daniel Paull
Executive Committee	Olaf Hedberg AM (chairman) Peter Holland Martin Holmes Daniel Paull
Board Audit Committee	Stephen Godfrey (chairman) Kym Nicolson Michael Bradford

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

The directors present their report together with the financial report of PSMA Australia Limited for the financial year ended 30 June 2008 and the auditor's report thereon.

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1 DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name:	Michael Bradford
Age:	43
Qualifications and Experience:	Bachelor of Surveying, Master of Management Studies (Project Management) 2006–present: Executive Director , Information Access, Landgate, Western Australia
Special Responsibilities:	Company Director appointed to the Board on 16/10/07, member of Audit Committee
Name:	Stephen Godfrey
Age:	54
Qualifications and Experience:	Bachelor of Arts 2002–present: General Manager, Information & Land Services Division, Department of Primary Industries and Water, Tasmania
Special Responsibilities:	Company Director, Audit Committee Chairman
Name:	Olaf Hedberg AM
Age:	70
Qualifications and Experience:	Chairman of Victorian Spatial Council, Member of the Department of Lands Advisory Board 2008: Awarded Member of the Order of Australia for service to the spatial information industry within Tasmania and nationally, particularly through contributions to a range of public sector agencies 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:	Independent Company Director, Chairman of the Board, Chairman of the Executive Committee
Name:	William Hirst
Age:	56
Qualifications and Experience:	Bachelor of Surveying, Master of Surveying Science, Graduate Diploma of Management Current: Chief Surveyor of ACT 1997–2007: Manager, Maritime Boundaries and Advice, Geoscience Australia 1994–1997: IT / R&D Manager, Australian Surveying and Land Information Group (AUSLIG)
Special Responsibilities:	Company Director

Name:	Peter Holland
Age:	54
Qualifications and Experience:	Bachelor of Surveying, Graduate Diploma in Computing Studies 2005–present: General Manager, Spatial Information Advice and Facilitation Branch, Geoscience Australia 2001–2005: General Manager, National Mapping Division, Geoscience Australia 1996–2001: General Manager - AUSLIG
Special Responsibilities:	Company Director, Deputy Chairman of the Board, and member of the Executive Committee. On extended leave from 31 October 2007
Name:	Martin Holmes
Age:	62
Qualifications and Experience:	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, FAICD Current: Assistant Director General, Department of Tourism, Regional Development and Industry, Queensland
Special Responsibilities:	Independent Company Director, Marketing Director, member of the Executive Committee
Name:	Desmond Mooney
Age:	58
Qualifications and Experience:	Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer, FAIM, FAICD, JP. 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:	Company Director

Name:	Kym Nicolson
Age:	51
Qualifications and Experience:	<p>Bachelor of Science.(Hons), Ph.D., University of Adelaide</p> <p>2008–present: Executive Director, People and Strategy, Department of Environment and Heritage, South Australia</p> <p>2005–2008: Director, Environmental Information Directorate, Department for Environment and Heritage, South Australia</p> <p>2002–2005: Manager, Environmental Information Analysis Branch, Department for Environment and Heritage, South Australia</p>
Special Responsibilities:	Company Director, Audit Committee member
Name:	Mary O’Kane
Age:	53
Qualifications and Experience:	<p>Bachelor of Science (Qld), Ph.D (ANU), Hon D.Univ (CQU), FTSE, FIEAust, CPEng</p> <p>2001–present: company director and executive chair, Mary O’Kane & Assoc Pty Ltd</p> <p>2007–present: Chair, Cooperative Research Centre for Spatial Information (CRC SI)</p> <p>1996–2001: Vice-Chancellor, President, Rector, The University of Adelaide</p>
Special Responsibilities:	Independent Company Director appointed to Board 16 October 2007
Name:	Graeme Rush
Age:	59
Qualifications and Experience:	<p>Bachelor of Surveying</p> <p>2002–retirement on 23/05/08: General Manager, Land Management and Use, Department of Natural Resources and Water, Queensland.</p> <p>2000–2001: General Manager, Land Management and Use, Queensland</p> <p>1996–2000: General Manager, Land Information Management, Queensland</p>
Special Responsibilities:	Company Director. Retired from Board
Name:	Benjamin Searle
Age:	53
Qualifications and Experience:	<p>Bachelor of Science (Geography)</p> <p>2007–present: General Manager, Australian Government Office of Spatial Data Management</p> <p>2002–2007: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory</p>
Special Responsibilities:	Alternate Company Director for Peter Holland appointed 31 October 2007

Name: **Victor Stephens**

Age: 61

Qualifications and Experience: Bachelor of Arts (Hons) (Geography), Master of Science Econ (Urban and Regional Planning), Graduate Diploma Management

2001–present: Senior Director, Land Information, Department of Planning and Infrastructure, Northern Territory

1995–2001: Assistant Secretary, Land Information, Department of Lands, Planning and Environment, Northern Territory

Special Responsibilities: Company Director

Name: **Bruce Thompson**

Age: 50

Qualifications and Experience: Bachelor of Design Studies, Master of Business Information Technology

Current: Director and Deputy Chief Information Officer - Spatial Information Infrastructure, Department of Sustainability and Environment, Victoria

2003: Director, Land Information Group, Department of Sustainability and Environment, Victoria

Deputy Chair CRC for Spatial Information Governing Board

Special Responsibilities: Company Director

Name: **Peter Tooley**

Age: 57

Qualifications and Experience: Bachelor of Business, Registered Valuer

2008–present: General Manager, Information Policy, Department of Natural Resources and Water, Queensland

2000–2008: General Manager, Land Information, Department of Natural Resources and Water, Queensland

Special Responsibilities: Alternate Company Director for Graeme Rush, appointed May 2008

2 COMPANY SECRETARY

Name:	Daniel Paull
Age:	37
Qualifications and Experience:	Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Certificate of Competency – Board of Surveyors NSW, 1999–present: Chief Executive Officer, PSMA Australia. Appointed Company Secretary 20 June 2001
Special Responsibilities:	CEO of PSMA Australia Ltd, Company Secretary, Public Officer

3 DIRECTORS' MEETINGS

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

	Directors Meetings	Audit Committee	Executive Committee
Number of meetings held	3	3	2
Michael Bradford	3	1	
Stephen Godfrey	3	3	
Olaf Hedberg AM (c)	3		2
William Hirst	3		
Peter Holland	0		1
Martin Holmes	2		2
Desmond Mooney	2		
Kym Nicolson	2	2	
Mary O'Kane	2		
Graeme Rush	2	2	
Benjamin Searle	2		1
Victor Stephens	3		
Bruce Thompson	3		
Peter Tooley	2		

4 REMUNERATION OF DIRECTORS

No director of the company has received or become entitled to receive a benefit not shown in the financial statements by reason of a contract made by the company with a director or with a firm of which any director is a member, or with a company in which any director has a substantial financial interest. Transactions with related parties have been disclosed in Note 23.

5 COMMITTEES OF THE BOARD

At the date of this report, the company had an Audit Committee and an Executive Committee.

Members acting on the committees of the board during the year were

Executive Committee:	Audit Committee:
Olaf Hedberg AM (chairman)	Stephen Godfrey (chairman)
Peter Holland	Michael Bradford (appointed 5/02/08)
Martin Holmes	Kym Nicolson
Benjamin Searle	Graeme Rush (resigned 5/02/08)

6 CONFLICT OF INTEREST

Directors must keep the board informed, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the board believes that a significant conflict exists for a director on a board matter, the director concerned will not receive the relevant board papers and will not be present at the meeting while the item is considered.

7 RISK MANAGEMENT

The Company takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the company's objectives and activities are aligned with the risks and opportunities identified by the board.

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

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

8 PRINCIPAL ACTIVITIES

The principal objectives of the company during the year were to coordinate, assemble and deliver national datasets from data held by the states, territories and Commonwealth governments and to 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.

9 REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Review of Operations section on pages **13-33** of the PSMA Australia Limited Annual Report 2007-2008.

10 PERFORMANCE MANAGEMENT

Management and the board monitor the Company's overall performance from the implementation of the mission statement and strategic plan through to the performance of the company against its annual program and financial budgets.

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

11 OPERATING RESULTS

The Company earned an operating profit of \$924,165.26 for the financial year from 1 July 2007 to 30 June 2008. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

45

12 DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2007 to 30 June 2008.

13 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

14 EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report, actions and events have been undertaken by the directors of the Company that will significantly affect the operations of the Company, the results of those operations, and the state of affairs of the Company in future financial years.

15 FUTURE DEVELOPMENTS

Future developments which may affect the operations of the company in subsequent financial years as summarised in the Strategic Plan section in the Review of Operations on pages **16-33** of the PSMA Australia Limited Annual Report 2007-08.

16 OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2007 to 30 June 2008. 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.

17 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

During or since the end of financial year the Company has paid or agreed to pay insurance premiums of \$10,090 to Vero Professional Risk Insurance in respect of an Associations Liability Insurance Policy that specifically covers Directors' and Officers Liability, Professional Indemnity and Employment Practices.

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

- indemnified or made any relevant agreement for indemnifying against a liability 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.

18 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.

19 AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 75 and forms part of the directors' report for the financial year ended 30 June 2008

This report is made in accordance with a resolution of the directors:



Olaf Hedberg

Chairman, PSMA Australia Limited

Dated at Canberra this 3rd day of September 2008.

DIRECTORS' DECLARATION

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

1. In the opinion of the directors of PSMA Australia Limited:
 - a. the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
 - b. the financial report also complies with International Financial Reporting Standards as disclosed in notes 2.1 and 3.13
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Olaf Hedberg

Chairman, PSMA Australia Limited

Dated at Canberra this 3rd day of September 2008



Bruce Thompson

Director, PSMA Australia Limited

Dated at Canberra this 3rd day of September 2008

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
REVENUE			
Services revenue		1,145,814	1,133,014
Royalties		4,003,411	3,146,004
Interest		430,181	324,430
Other income	7	218,521	74,209
Total Revenues from ordinary activities	7	5,797,927	4,677,657
Employee benefits expense		(1,354,506)	(964,664)
Depreciation and amortisation expenses	3.3.3	(72,190)	(55,679)
Other expenses		(3,447,066)	(2,908,411)
Profit attributable to members	8	924,165	748,903
Dividends per share (cents)		0.0	0.0

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	5,890,101	4,707,550
Trade and other receivables	4.4	1,666,598	1,301,601
Total current assets		7,556,699	6,009,151
Non-current assets			
Financial assets	13	500,000	1,000,000
Property, plant and equipment	11	202,033	75,921
Intangible assets	12	1,778,931	1,468,217
Total non-current assets		2,480,964	2,544,138
TOTAL ASSETS		10,037,663	8,553,289
LIABILITIES			
Current liabilities			
Trade and other payables	19	2,673,773	2,124,051
Total current liabilities		2,673,773	2,124,051
Non-current liabilities			
Provisions	18	34,072	23,586
Total non-current liabilities		34,072	23,586
TOTAL LIABILITIES		2,707,845	2,147,637
NET ASSETS		7,329,818	6,405,652
EQUITY			
Issued capital	16	9	8
Retained earnings and reserves	16	7,329,809	6,405,644
TOTAL EQUITY		7,329,818	6,405,652

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
Cash flows			
Receipts from customers		5,029,958	4,363,355
Payments to suppliers and employees		(4,268,573)	(3,704,528)
Interest received		430,181	324,430
Net cash provided by operating activities	15.2	1,191,566	983,257
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	-
Purchase of property, plant and equipment	11.1	(198,302)	(19,729)
Net cash provided by investing activities		(198,302)	(19,729)
Net increase in cash held		682,551	824,127
Cash at beginning of year		5,707,550	4,883,423
Cash at end of year	15.1,13	6,390,101	5,707,550

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Share Capital ordinary	Retained Earnings	R&D Reserve
		\$	\$	\$
Balance at 1 July 2006		8	5,156,741	500,000
Profit attributable to members			748,903	
Balance at 30 June 2007		8	5,905,644	500,000
Profit attributable to members			924,165	
New share issued		1		
Balance at 30 June 2008	16	9	6,829,809	500,000

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 REPORTING ENTITY

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

The address of the Company's registered office is Level 1 / 115 Canberra Avenue, Griffith ACT 2603.

The financial statements are for the year ended 30 June 2008

The nature of the operations and principal activities of the Company during the year were to coordinate, assemble and deliver national datasets from data held by the states, territories and Commonwealth governments and to achieve the widest possible use of the PSMA Australia datasets.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Interpretations and other authoritative pronouncements adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements of PSMA Australia Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 3 September 2008.

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, though estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

are described in the following notes:

- note 12 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 18 – provision accounts
- note 20 – valuation of financial instruments

2.4.1 IMPAIRMENT

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

2.4.2 KEY ESTIMATES – IMPAIRMENT

The current policy is to determine the recoverable amount of an asset on the basis of the discounted net cash flows that will be received from the asset's use. It is unlikely that impairments will be recognised in the short term.

Impairment testing as at July 2008 confirmed no impairment of the G-NAF Geocoded National Address File, or the LYNX Data Logistics Facility as disclosed in the entity's financial statements.

The company determines whether intangibles with indefinite useful lives are impaired on at least an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 FINANCIAL INSTRUMENTS

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

3.1.1 CASH AND CASH EQUIVALENTS

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

3.1.2 RECEIVABLES

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

3.1.3 KEY JUDGEMENT – PROVISION FOR IMPAIRMENT OF RECEIVABLES

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

3.1.4 HELD-TO-MATURITY INVESTMENTS

These investments have fixed maturities, and it's the Company's intention to hold these investments to maturity. Any held-to-maturity investments are measured at amortised cost using the effective interest rate method.

3.1.5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

An financial asset is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

3.1.6 FINANCIAL LIABILITIES

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

3.2 SHARE CAPITAL

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

3.3 PROPERTY, PLANT AND EQUIPMENT

3.3.1 RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

3.3.2 PLANT AND EQUIPMENT

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

3.3.3 DEPRECIATION

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

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

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

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

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

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

3.4 INTANGIBLE ASSETS

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

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

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

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

3.5 IMPAIRMENT OF ASSETS

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.6 EMPLOYEE BENEFITS

3.6.1 LONG-TERM EMPLOYEE BENEFITS

The Company's net obligation in respect of long-term employee benefits is the amount of the future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Provision is made in the Company's liability for employee benefits at balance date and benefits payable later than one year have been measured at the present value of the estimated future cash flow, and the discount rate is the yield at the reporting date of government bonds that have maturity dates approximating the terms of the Company's obligations.

3.6.2 SHORT-TERM EMPLOYEE BENEFITS

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, and are calculated as undiscounted amounts based on the remuneration wages and salary rates that the Company expects to pay as at reporting date including related on-costs such as workers' compensation insurance and payroll tax.

3.7 PROVISIONS

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

- the Company has a present legal or constructive obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting future cash flows using a current rate that reflects the risk specific to the liability.

3.8 REVENUE RECOGNITION

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

3.9 LEASES

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

3.10 INCOME TAX

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

3.11 GOODS AND SERVICES TAX (GST)

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

- where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- for receivables and payables which are shown inclusive of GST.

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

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

3.12 RESEARCH AND DEVELOPMENT

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

An intangible asset arising from development expenditure on an internal project is recognised only when the company can demonstrate

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete, and its ability to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the development, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

In the financial year ended 30 June 2008, an additional \$27,927.27 of development expenditure for the data logistics facility called LYNX was recognised by the company as an intangible asset with an indefinite useful life.

The existing G-NAF intangible asset was revalued by the addition of \$282,786.55 being for enhancements to the database other than the maintenance costs during the reporting period.

3.13 CHANGES IN ACCOUNTING POLICY

The following are Australian Accounting Standards have been issued or amended which may impact the Company. They are available for early adoption, but have not been applied in preparation of the financial statements at reporting date.

Standards affected	Application date of standard
AASB101: Presentation of Financial Statements –revised standard	Effective for annual reporting periods beginning on or after 1 January 2009
AASB123: Borrowing Costs	Effective for annual reporting periods beginning on or after 1 January 2009

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

The application of AASB101 and AASB123 will not affect the recognition or measurement of transactions and events in the financial statements, but will change the disclosures presently made in relation to the Company's financial instruments and the objectives, policies and processes for managing capital.

These standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be in the Company's annual reporting period beginning 1 July 2008.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

4 DETERMINATIONS OF FAIR VALUES

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

4.1 PLANT AND EQUIPMENT

The fair value of plant, equipment, furniture and fittings is based on quoted market prices for similar items.

4.2 INTANGIBLE ASSETS

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

4.3 INVESTMENTS IN EQUITY AND DEBT SECURITIES

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

4.4 TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

5 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

5.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and investment securities. The maximum exposure to credit risk for recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial report

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

5.1.1 TRADE AND OTHER RECEIVABLES

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

5.1.2 INVESTMENTS

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

5.2 LIQUIDITY RISK

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

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

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

	weighted average effective interest rate %		fixed interest rate			
			maturing within 1 year		maturing in 1-5 years	
	2008	2007	2008	2007	2008	2007
FINANCIAL ASSETS						
Cash						
Receivables	-	-				
Investments			5,307,813	3,897,338	500,000	1,000,000
	n/a	n/a	3,897,338	-	1,000,000	-
FINANCIAL LIABILITIES						
Payables	-	-	-	-		
Total	n/a	n/a	n/a	n/a	n/a	n/a

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

	floating interest rate %		non interest bearing		total	
	2008	2007	2008	2007	2008	2007
FINANCIAL ASSETS						
Cash	582,288	810,212	-	-	582,288	810,212
Receivables	-	-	1,666,597	1,301,601	1,666,597	1,301,601
Investments					5,807,813	4,897,338
	582,288	810,222	1,666,597	1,301,601	8,056,698	7,009,151
FINANCIAL LIABILITIES						
Payables	-	-	2,457,426	1,742,297	2,457,426	1,742,297
Total	n/a	n/a	2,457,426	1,742,297	2,457,426	1,742,297

5.3 MARKET RISK

The Company's principal exposure to market risk is in 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 credit risk. The Company's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to raise interest for the Company's operations.

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

5.4 CAPITAL MANAGEMENT

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

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

There are no changes in the management approach to capital management during the year

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

6 SEGMENT REPORTING

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

7 REVENUE AND OTHER INCOME

	2008	2007
	\$	\$
SERVICES REVENUE		
VAR Access fees	382,814	417,979
Corporate Access Fees	715,600	662,025
G-NAF Data Exchange	47,400	53,010
Total services revenue	1,145,814	1,133,014
Royalties	4,003,411	3,146,004
Interest	430,181	324,430
OTHER INCOME		
Rental sublease and reimbursables	83,883	62,204
Consulting	134,500	-
Miscellaneous	138	12,005
Total other income	218,521	74,209
Total revenue	5,797,927	4,677,657

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

8 PROFIT ATTRIBUTABLE TO MEMBERS

PROFIT FROM ORDINARY ACTIVITIES AFTER:

	2008	2007
	\$	\$
OTHER EXPENSES		
Depreciation of property, plant and equipment	72,190	55,679
Total other expenses	72,190	55,679
REMUNERATION OF AUDITOR		
Auditing or reviewing the financial report	13,875	14,318
Taxation services	8,705	2,061
Total remuneration of auditor	22,580	16,379
RENTAL EXPENSE ON OPERATING LEASES		
Office space (including Unit 3 sub-lease)	154,424	161,457
Total rental expense on operating leases	154,424	161,457

9 INCOME TAX EXPENSES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

10 FINANCE INCOME AND EXPENSES

	2008	2007
	\$	\$
Interest income on unimpaired held-to-maturity investments	362,974	277,900
Interest income on bank deposits	67,207	46,531
Finance Income	430,181	324,431
Finance and impairment expenses	2,077	1,490
Finance expense	2,077	1,490
Net finance income	428,104	322,941

11 PLANT AND EQUIPMENT

	2008	2007
	\$	\$
IT Equipment – at cost	265,970	137,008
Accumulated depreciation	(104,924)	(85,842)
	161,046	51,166
Furniture and Equipment	115,879	75,651
Accumulated depreciation	(74,892)	(50,896)
	40,987	24,755
Total plant and equipment	202,033	75,921

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

11.1 MOVEMENTS IN CARRYING AMOUNTS

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

	Plant and Equipment
Balance at 1 July 2007	75,921
Additions	198,302
Depreciation expense	(72,190)
Carrying amount at 30 June 2008	202,033

12 INTANGIBLE ASSETS

	2008	2007
	\$	\$
DEVELOPMENT OF DATASETS AND LOGISTICS FACILITIES		
G-NAF (Geo-coded National Address File)	1,412,793	1,130,007
LYNX (data logistics facility)	366,138	338,210
Accumulated impairment losses	-	-
Net carrying value	1,778,931	1,468,217
RECONCILIATION		
Balance at 1 July 2007	1,468,217	1,328,817
Additions	310,714	139,400
Closing carrying value at 30 June 2008	1,778,931	1,468,217

The recoverable amount of each intangible above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond five years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 5 year government bonds at the beginning of the budget period. The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
G-NAF	15%	7.25%
LYNX	10%	7.25%

The recoverable amount was estimated to be higher than the carrying amount for each intangible above, and no impairment was required.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

13 FINANCIAL ASSETS

	2008	2007
	\$	\$
HELD TO MATURITY FINANCIAL ASSETS		
Held to Maturity Financial Assets comprise:	500,000	1,000,000
Government and fixed interest securities	500,000	1,000,000
Fair Value through profit or loss financial assets		
Units in associates	20,000	20,000
Fair value adjustment	(20,000)	(20,000)
Total fair value through profit or loss financial assets	-	-
Total financial assets	500,000	1,000,000

14 TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
CURRENT		
Trade receivables	1,556,002	1,184,467
less provision for impairment of receivables	-	-
	1,556,002	1,184,467
OTHER RECEIVABLES		
Interest receivable	90,834	98,255
Prepayments	19,761	18,879
	110,595	117,134
Total trade and other receivables	1,666,597	1,301,601

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable has been impaired. In the financial year ended 30 June 2008, there was no impairment of trade receivables and no provision for doubtful debts has been allocated

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

15 CASH AND CASH EQUIVALENTS

15.1 CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash at bank and in hand	582,288	810,212
Short term bank deposits	5,307,813	3,897,338
Cash and cash equivalents in the statement of cash flows	5,890,101	4,707,550

The effective interest rate on short term bank deposits was 7.4%. These deposits have an average maturity of 180 days

15.2 STATEMENT OF CASH FLOWS

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit attributable to members:	924,165	748,903
Non-cash flows in profit		
Depreciation	72,190	55,679
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		
change in trade and other receivables	(364,114)	(22,160)
change in other assets	(882)	(13,008)
change in trade and other payables	722,260	186,475
change in provisions and employee benefits	28,400	8,115
change in income in advance	(190,453)	19,253
Net cash from operating activities	1,191,566	983,257

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

16 CAPITAL AND RESERVES

RECONCILIATION OF MOVEMENT IN CAPITAL AND RESERVES		
	2008	2007
	\$	\$
RETAINED EARNINGS		
Retained earnings	6,829,809	5,905,644
RESERVES		
New Ventures reserve	500,000	500,000
Retained profits at the end of the financial year	7,329,809	6,405,644

The New Ventures reserve records funds set aside to develop the LYNX spatial data logistics infrastructure, and for future research and development projects of the Company

SHARE CAPITAL		
	2008	2007
	\$	\$
Fully paid ordinary shares	8	8
Issue of ordinary shares	1	
Fully paid ordinary shares	9	8

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

17 EMPLOYEE BENEFITS

	2008	2007
	\$	\$
Wages and salaries	926,106	714,380
Other associated personnel expenses	140,488	106,597
Liability for annual leave	17,914	3,195
Liability for long service leave	10,486	4,920
Total employee benefits	1,094,994	829,092

18 PROVISIONS

	2008	2007
	\$	\$
Opening balance at 1 July 2007	58,384	50,269
Additional provision raised during the year	28,400	8,115
Amounts used	-	-
Balance at 30 June 2008	86,784	58,384
ANALYSIS OF PROVISIONS		
Current	52,712	34,798
Non-current	34,072	23,586
	86,784	58,384
Number of employees at year end	16	10

PROVISION FOR LONG TERM EMPLOYEE BENEFITS

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 3.6

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

19 TRADE AND OTHER PAYABLES

	2008	2007
	\$	\$
TRADE PAYABLES		
Trade Payables	160,982	142,838
Employee benefits	31,584	17,556
	192,566	160,394
SUNDRY PAYABLES AND ACCRUED EXPENSES		
Accrued Jurisdictional Royalties for 07/08	1,601,364	-
Accrued Jurisdictional Royalties for 06/07	374,022	1,258,401
Accrued Jurisdictional Royalties for 05/06	141,946	154,499
Accrued Jurisdictional Royalties for 04/05	179,112	186,559
GST Liability	98,304	105,200
Income in Advance for 08/09	33,747	224,200
	2,428,495	1,928,859
Total payables	2,621,061	2,089,253

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

20 FINANCIAL INSTRUMENTS

20.1 NET FAIR VALUES

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

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21 LEASING COMMITMENTS

OPERATING LEASE COMMITMENTS

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

	2008	2007
	\$	\$
not later than 1 year	146,262	142,136
later than 1 year but no later than 5 years	98,639	195,582
later than 5 years	-	-
Total operating lease commitments	244,901	337,718

The property lease is a non-cancellable lease with a 6 year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.5% per annum. An option exists to renew the lease at the end of the 6 year term for an additional term of 5 years. The lease allows for subletting of all leased areas.

22 CONTINGENCIES

The directors are of the opinion that provisions are not required in respect of these matters as it is not probable that a future sacrifice of economic benefits will be required or that the amount is not able to be reliably measured.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

23 RELATED PARTY DISCLOSURE

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

TRANSACTIONS WITH RELATED PARTIES		
	2008	2007
	\$	\$
INDEPENDENT DIRECTORS AND KEY MANAGEMENT PERSONNEL		
Independent Chairman Olaf Hedberg	60,000	57,000
Independent Director Martin Holmes	17,000	2,000
Independent Director Mary O’Kane	15,000	
	92,000	59,000

24 AUDITOR’S REMUNERATION

	2008	2007
REMUNERATION OF AUDITOR:		
Audit and review of financial reports	13,875	14,318
Taxation services	8,705	2,061
Total remuneration of auditor	22,580	16,379



**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF PSMA AUSTRALIA LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of PSMA Australia Limited as outlined on pages 47 to 74. The financial report comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of PSMA Australia Limited on 2 September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.



Auditor's Opinion

In our opinion, the financial report of PSMA Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

A handwritten signature in blue ink, appearing to read 'Mark Peatey', is written over a faint, light blue circular stamp or watermark. The signature is located to the left of the printed name and title.

Mark Peatey
Registered Company Auditor

Maxim Chartered Accountants
6 Oxley Street
GRIFFITH ACT 2603

2 September 2008



**AUDITOR'S DISCLAIMER OF OPINION
TO THE MEMBERS OF
PSMA AUSTRALIA LIMITED**

The additional financial data presented on pages 80 to 82 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 2008.

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.

A handwritten signature in blue ink, appearing to read 'Mark Peatey', is written over a light blue horizontal line. The signature is fluid and cursive.

Mark Peatey
Registered Company Auditor

Maxim Chartered Accountants
6 Oxley Street
GRIFFITH ACT 2603

2 September 2008



Auditor's Independence Declaration under section 307c of the Corporations Act 2001 to the Directors of PSMA Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there has been:

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

A handwritten signature in blue ink, appearing to read 'Mark Peatey', with a long, sweeping underline that extends to the right.

Mark Peatey

2 September 2008

Maxim Chartered Accountants
6 Oxley Street
Griffith ACT 2603

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
REVENUE		
Interest revenue	430,181	324,430
Rent revenue and reimbursable utilities	83,883	62,204
VAR access fees	382,814	417,979
VAR royalties	4,003,411	3,146,004
Direct client access fees	715,600	662,025
PSMA pre/post sales advice	134,500	-
G-NAF data exchange	47,400	53,010
Miscellaneous income	138	12,005
Total revenue	5,797,927	4,677,657
EXPENDITURE		
Human resource management		
Wages and salaries	926,106	714,380
Employer superannuation	131,060	100,774
Human resources -other	231,617	117,571
Staff training and professional development	65,723	31,939
	1,354,506	964,664
Professional services		
Legal	50,585	19,072
Accounting and audit	22,580	17,579
Consultants	92,649	59,678
	165,814	96,329
Equipment		
Minor equipment purchases	8,814	705
Minor hardware and software purchases	10,187	753
Depreciation	72,190	55,679
Equipment repair / maintenance/ hire	12,202	9,576
	103,393	66,713

DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Travel		
Travel (domestic)	143,438	158,658
Travel (international)	37,063	57,571
Meals and accommodation	94,214	83,032
Car hire / taxi / parking / other	25,523	16,255
	300,238	315,516
Telecommunications		
Telephones	7,933	7,065
Mobile phones	9,846	5,891
Fax / teleconferencing / internet access	5,949	4,698
	23,728	17,654
Overheads		
Rent (including sub leased areas)	154,424	161,457
Cleaning / waste removal (incl sub leased areas)	17,379	16,540
Security and maintenance	6,389	2,755
Electricity (including sub leased areas)	22,295	18,806
Office refit	27,277	-
	227,765	199,558
Administration costs		
Postage / freight / handling	1,317	2,018
Stationery	17,701	18,241
Motor vehicle expenses	30,489	28,988
Management System for Quality	750	4,755
	50,257	54,002
Insurance		
Business, directors and motor vehicle insurance	14,713	10,663
	14,713	10,663

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Other expenses		
Fringe Benefits Tax	20,159	20,160
Bank charges / stamp duty	2,077	1,490
Other expenses	215	-
	22,451	21,650
Research and development		
Research and Development	111,400	42,900
CRC SI	20,000	18,182
	131,400	61,082
Supply chain management		
LYNX build	309,661	193,791
Spatial data management	1,925	62,355
G-NAF maintenance	56,179	243,359
CadLite ^(TM) maintenance	114,000	112,000
Transport and Topography maintenance	113,636	57,655
Administrative Boundaries maintenance	46,100	38,000
POI maintenance	-	2,233
Land Ttenure maintenance	19,775	-
G-NAF data exchange	47,400	53,010
	708,676	762,403
Jurisdictional royalty returns		
Royalty returns – G-NAF	526,102	359,968
Royalty returns – CadLite ^(TM)	179,932	118,908
Royalty returns – Transport and Topography	891,178	771,102
Royalty returns – Administrative Boundaries	2,912	5,931
Royalty returns – other datasets	1,240	2,492
	1,601,364	1,258,401

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Marketing		
Graphic design and printing	35,804	12,342
Promotion and sponsorship	72,643	50,259
Web site maintenance	10,357	285
Other	7,460	5,567
	126,264	68,453
Relationship management		
VAR audit fees	43,191	24,997
VAR quality management framework	-	6,669
	43,191	31,666
Total expenses	4,873,762	3,928,754
OPERATING PROFIT	924,165	748,903