



**PSMA**

AUSTRALIA  
LIMITED

# CORPORATE DIRECTORY

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

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# CHAIRMAN'S FOREWORD

## SATISFACTORY RESULTS

The 2008/09 financial year provided mixed results given the downturn in the economy and relatively low market confidence. Revenue growth was impacted; however, this downturn was only seen in the fourth quarter. Our net profit figures were further distorted by the introduction of PSMA Distribution and solid investment in data enhancement programs and LYNX resulting in a small net loss for the PSMA Group. For shareholders, a 40% royalty return, in excess of \$1.7 million, has been delivered to Jurisdictions.

## OUR FOCUS

The performance of the company is the cumulative result of considerable hard work and strategic business decisions focused on streamlining our business efficiencies and improving our product quality. By improving our data management automation in-house, PSMA Australia will lower the cost of doing business in the future while producing a superior quality product and doing so more quickly.

We have built a world-class business model for the delivery of spatial data and are well positioned to continue delivering value across a broad marketplace. When combined with the development of a wide range of complementary and well-executed initiatives, the business is positioned to deliver ongoing benefits to all stakeholders into the future.

### MANAGEMENT SUCCESS

Superior management expertise is critical to the achievement of the annual program objectives, promoted by a dedicated and highly focused senior management team. The company is well respected for its commitment to staff performance management, training and career development.

### COMPETITIVE LANDSCAPE

Over time, PSMA Australia's marketplace has become more competitive and complex. The spatial environment in which the company operates has become more diverse and more competitive for our Value Added Resellers (VARs). There are healthy growth opportunities both nationally and internationally for PSMA Australia to take advantage of and participate in. As the authoritative spatial data provider for Australia, the appeal to the market is our quality datasets.

### BOARD APPOINTMENTS

Directors elected at the October 2008 AGM include Peter Tooley, representing Queensland, and Benjamin Searle, representing the Commonwealth. Their experience, enthusiasm and capabilities will add substantial value to the overall governance procedures for the company. Alternate directors nominated for election at the forthcoming Annual General Meeting include the directors representing Queensland and Tasmania. I thank the Board members and their Jurisdictional representatives for their continued support and dedication.

### CHIEF EXECUTIVE

Dan Paull has now completed ten years as CEO and has continued to grow the company. He has demonstrated exceptional leadership and his sense of integrity and responsibility is acknowledged and respected not only throughout the organisation but by the spatial community worldwide.

### CONTRIBUTION

I extend my congratulations and thanks, not just to the CEO, but also to his committed and dedicated team, for their remarkable contribution to this year's progress. The company's success is a measure of their passion and dedication and they should be justifiably proud.



**Olaf Hedberg**

Chairman of the Board  
PSMA Australia Limited

# THE CEO'S REPORT

PSMA Australia continues to go from strength to strength, delivering improved products and services to customers, greater returns to jurisdictions, contributing significantly to a vibrant spatial information sector and offering career development opportunities for employees. The year just completed, marks a year of considerable investment in our future, an investment that underlines our culture of continuous improvement. It is also a tribute to the commitment of the 22 staff now employed by PSMA Australia.

## A NEW LOOK

PSMA Australia rolled out its new brand during the year, a brand that suitably reflects the focus on the future and a brand that is now well positioned in the marketplace. The brand is gaining wider recognition and PSMA Australia and PSMA Distribution have been active in promoting this new look at numerous conferences, sponsorship opportunities, on our new website and within advertising and promotional material during the year.





## DELIVERY OF KEY BUSINESS IMPROVEMENTS

PSMA Australia is continuing to benefit from the successful implementation of SharePoint and a new server environment which will facilitate further growth and diversity of the business well into the future. PSMA Australia has taken steps to protect its intellectual property and is active in assessing breaches of our property rights to protect the company and the ownership rights of our shareholders. Implementation of 1Spatial's Radius Studio product in our Data Management area has not only improved the quality of our datasets, but has automated the quality assurance process and enabled PSMA Australia to provide a more accurate product to resellers.

## FOCUSING ON OUR CUSTOMERS

PSMA Australia's first subsidiary company, PSMA Distribution, was established on 1 July 2008. The focus of this organisation is on helping to deliver better support and development opportunities for our reseller network. Maintaining a strong focus on our resellers' individual needs is central to PSMA Distribution's activities and is a critical success factor in PSMA Australia achieving broad usage of spatial information. The knowledge we gain from listening to the market and providing dedicated support to our resellers, will add enormous value as we further tailor our business to meet the requirements of a growing market.

## RESPONDING TO MARKET GROWTH

It is clear that the market for spatial information is continuing to grow. This provides considerable opportunities for PSMA Australia to pursue a range of initiatives aimed at maintaining and improving our important role in the spatial industry's supply chain. For our existing business, this means improving our offer to resellers, particularly in categories where our market share is low. The development of our participation in national initiatives will also facilitate growth and diversify our offering while providing stability to the company. PSMA Australia will continue to pursue opportunities for growth both in Australia and overseas.

## SIGNIFICANT DEVELOPMENTS

Key areas of the business that have seen significant development this financial year include:

- Staff numbers have increased from 15 to 24 employees including two staff employed by PSMA Distribution.
- A Business Unit structure has been implemented to accommodate the additional staff numbers and decentralise decision making into specialised functional areas. This new structure should bring stability if the organisation was to grow further.
- Office space was modified to optimise the limited space available to accommodate new staff.
- Revenue remained stable in the tough economic climate. While the growth in total revenue was low, it was positive.
- The LYNX future program has made significant progress and is showing very encouraging signs for the delivery of strong benefits in the new financial year.
- Radius Studio Software for data management has been implemented in a number of datasets with significant cost savings expected in 2009/10.
- A large number of presentations, both national and international, have included information outlining 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 detail of this year's performance.

## MOVING AHEAD

Our priorities for the foreseeable future are to continue to retain tight control of our costs and to leverage our successfully implemented data supply chain across other initiatives. Ultimately, our business is dependent on our ability to respond to the market's changing needs.

On a personal note, I am grateful to my colleagues and to staff throughout the PSMA 'Group' for their support and commitment during my ten years with the organisation.

## 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 Governments, and to achieve the widest possible use of the PSMA Australia datasets. This is captured in the Vision and Mission statements which remain unchanged:

### 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. However, in order to maintain our position within the Australian Spatial industry, PSMA Australia continues to look at new initiatives to diversify our product range and target new markets.

## CORPORATE GOVERNANCE

### 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.

## ANNUAL GENERAL MEETING (AGM)

At the Annual General Meeting the shareholders undertake:

- consideration of the annual financial report, directors' report and auditor's report,
- the election of directors,
- the appointment of the auditor, and
- 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.

## 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.

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.

During the 2008/2009 year the Board had nine Directors and three independent Directors (including the Chairperson). 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 four times as stated in the Directors' report. During these meetings the Board reviewed progress against the Annual Program. The Board also reviewed the financial position and acted in order to ensure that there are efficient systems in place to follow-up and control the business and financial position. 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 ongoing 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 COMPANY SECRETARY

The role of the Company Secretary includes:

- ensuring that the Agenda and Board papers are forwarded to Directors prior to the Board meeting,
- writing and maintaining the minutes of Board meetings,
- ensuring all requirements of the ASIC are fully met,
- ensuring all requirements of the ATO are fully met ,
- notifying the Directors of a meeting of the Board, and

- forming committees from time to time to assist in the orderly conduct and operation of the company.

Since 2001, CEO Dan 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 Dan Paull has been the CEO of PSMA Australia.

## THE CHIEF OPERATING OFFICER

The Chief Operating Officer (COO) is responsible for the implementation of the Annual Program and the operation of the Business. The COO reports to the CEO and to the Board on operational performance at each Board meeting.

Nick Littlewood has been in this position since October 2007.

## 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 XXX.

## 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.

## CONTINUAL IMPROVEMENT

Increased competition in the market is one of the biggest challenges 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 a competitor can access the same raw data that PSMA Australia works with. To maintain our position in the market and meet this challenge, the main strategy is to keep our data at the highest possible quality with a focus on being authoritative, nurturing and developing our relationship network and at the same time keeping prices at a low level by continually improving our business process efficiency. This will keep the need for a new data aggregator and supplier low and the cost of entry high for a new player thus discouraging them from duplicating the existing national datasets.

## DYNAMIC AND MARKET FOCUSED

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, the growing number of users and improved collection methods for data puts a downward pressure on data prices. Monitoring the technical development and adopting relevant technologies to increase the content, quality and time to market of

PSMA Australia's data is an important philosophy. The development of the LYNX infrastructure will enable the realisation of this philosophy and is a crucial part of PSMA Australia's strategy.

## OPERATIONAL RISK

### THE PROFITABILITY DEPENDS ON THE PRODUCTS

PSMA Australia's long-term profitability depends on the Company's ability to successfully improve and enhance existing products and market new products and services. Product life varies for each product and it is evident that each product is at a different stage in the product lifecycle, putting increased focus on product development and enhancement. It is very important to not only meet, but 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 range 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 more streamlined.

### RISK RELATED TO HUMAN CAPITAL

A decisive factor for the realisation of PSMA Australia's vision is the quality of our employees and the extent of their knowledge and competence. Future development depends on the company's ability to maintain its position as a desirable employer and attract high quality people. To this end, PSMA Australia strives for a work environment in which energy, passion and respect for the individual are guiding principles and implements a thorough recruitment process with these goals in mind.



An aerial photograph of a city, likely New York City, showing a dense grid of skyscrapers and buildings. The image is overlaid with a large, semi-transparent geometric shape that resembles a stylized 'X' or a four-pointed star. The shape is composed of four triangular sections meeting at the center. The top and bottom sections are a light gray, while the left and right sections are a darker gray. The overall effect is a modern, architectural aesthetic.

# REVIEW OF OPERATIONS

## OBJECTIVES AND DELIVERABLES 2008/09

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



## PROGRAM: CORPORATE SERVICES



### 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



## NEW BUSINESS SYSTEMS

During 2008/09 PSMA Australia introduced a new document management system, 'SharePoint'. The benefits to PSMA Australia have included the following:

- enhanced document management capabilities with robust storage capabilities,
- development of collaborative environments with minimal administrative inefficiencies,
- advanced administrative controls for the increase in security,
- file sharing capability internal and external to the PSMA Australia office for staff, and
- cost effective foundation for the building of web based applications.

It is envisaged that the implementation of 'SharePoint' will benefit the PSMA Group in its document management capabilities and provide a more secure and efficient environment.

## BEYOND 2010 – BUSINESS STRATEGY REVIEW

A large part of the 2007 Strategic Plan remains current. Our direction with LYNX continues to be a key focus and although progress has been made, the 2007 Strategic Plan still provided good direction for the future of PSMA Australia. As such the Strategic Plan for 2009 – The Next Step Forward, is a revision of the 2007 Strategic Plan focusing on the market and the changes in the global economy and how these changes may affect the direction and progress of PSMA Australia over the coming years.

While significant research and development work has been done to position PSMA Australia as a market leader in the spatial industry within Australia, there remains a need for significant investment in infrastructure and development in many of the business areas including the LYNX enhancements and developments to remain positioned to deliver to the needs and wants of the marketplace.

## ORGANISATIONAL REVIEW

During 2008/09 PSMA Australia experienced significant growth in Human Resources. The increase in staff was to support growing developments such as the following:

- centralisation of data management via Studio,
- LYNX developments, and
- new datasets

PSMA Australia created four business teams as highlighted in the organisational structure to facilitate better management of our products and services. The current staff of PSMA Australia is shown in the organisation structure below with accompanying roles and titles.

### NEW STAFF APPOINTMENTS:

#### PSMA Australia

Ally Cates	Receptionist
Anthony Hesling	Product Management
Brian Marwick	Product Management
Dean Coslett	Product Management
Ellen Pederson	Administration Officer
Gary Tsoi	IT Officer
Ian McLeod	Project Manager – LYNX Improvements and Enhancements
Jo Abhayaratna	Enterprise Architect – LYNX Improvements and Enhancements
Sarah Macdonald	Product Lifecycle Development Manager
Therese Graczyk	Finance Officer

#### PSMA Distribution

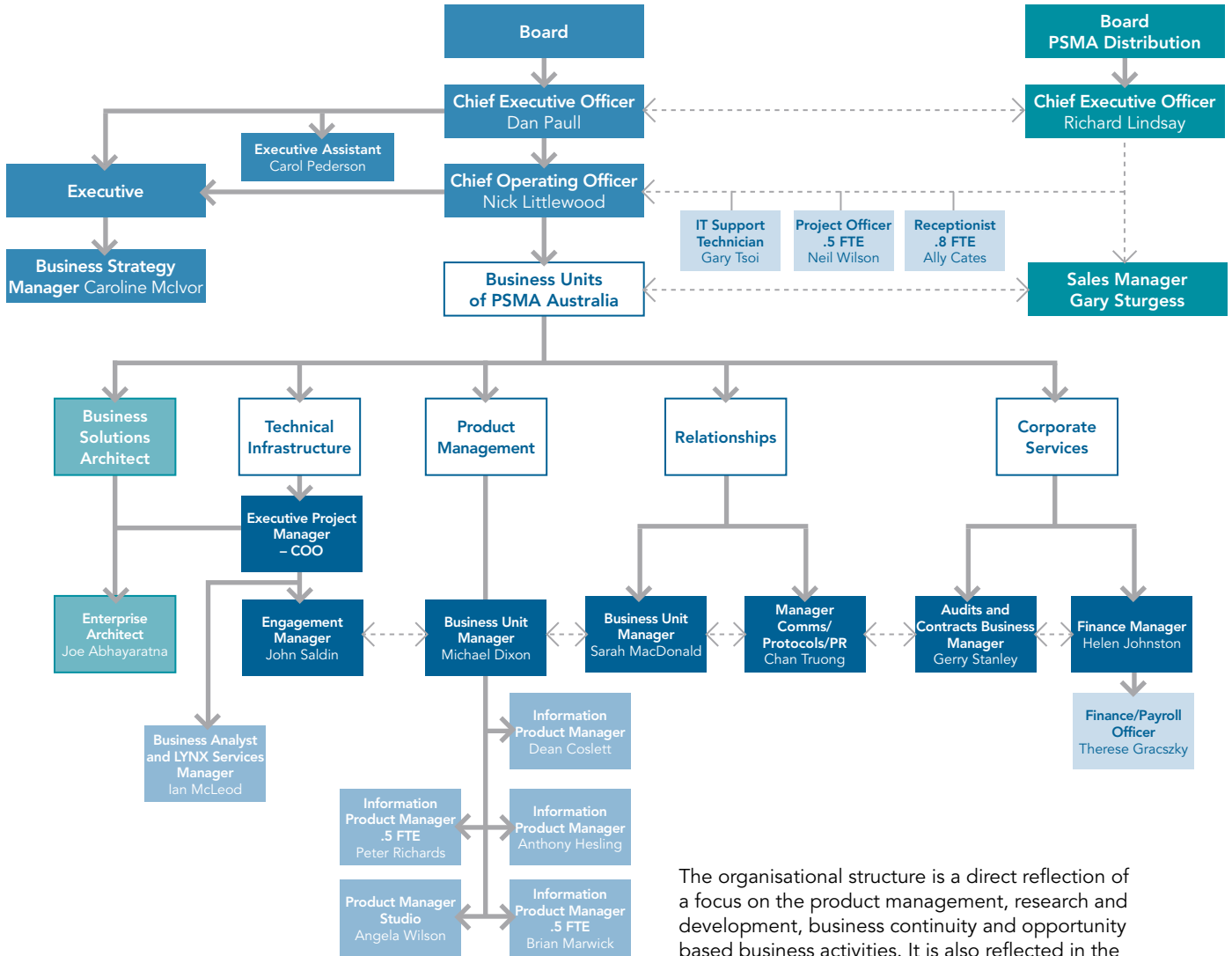
Gary Sturgess	Sales Manager
Richard Lindsay	CEO

### RESIGNATIONS

Kurt Scott	Senior Project Manager
Lorraine Simpson	Administrative Assistant
Mitra Banerjee	Senior Project Manager

# 2008/09 ORGANISATIONAL STRUCTURE

FIGURE 2: ORGANISATIONAL STRUCTURE OF THE PSMA GROUP



The organisational structure is a direct reflection of a focus 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.

## IT STRATEGY AND POLICY

As per the Annual Program requirement, both an IT Strategy and IT Policy were developed and are being implemented. The IT Strategy and Policy reflects the following business requirements:

- COBIT and ITIL compliance to accommodate LYNX IT requirements,
- review of IT Governance: strategically, operationally and within the LYNX Program,
- review of the utilisation of IT Resources and re-allocation of IT Resources,
- incorporation of PSMA Distribution's IT requirements to the IT Strategy and Policy,
- development of the IT Strategy and Policy to have a service-orientated focus, and
- planning to accommodate the next three years of PSMA Australia's business operations and how the IT Infrastructure will support these business operations.

The IT Strategy has been developed by an external consultant, in consultation with the Chief Operating Officer, Enterprise Architect and Relationships Business Unit Manager. It is thought that PSMA Australia's IT System will now be in a position to support the PSMA Group further in its continuous growth and pursuit of business opportunities.

## DIRECTOR AND EMPLOYEE DEVELOPMENT PROGRAM

The establishment of a PSMA Australia training plan for all employees was instigated. This allowed PSMA Australia to identify the immediate training needs of the staff. PSMA Australia funded approximately 3 per cent of our revenue into training exercises for staff – including but not limited to:

- conference attendance,
- inhouse training such as Intellectual property, Business Analysts and Project management,
- Radius Studio, and
- Microsoft Office.

PSMA Australia also endeavours to hold a once a month training or knowledge sharing seminar with all staff.

PSMA Australia also sponsored attendance at an international conference for a Director who subsequently reported to PSMA Australia Board their findings, as well as a domestic conference attendance.

## MANAGEMENT SYSTEM FOR QUALITY

During 2008/09 PSMA Australia achieved a significant development in the MSQ activity. The MSQ promotes a whole of business focus on enhanced customer value and continuous improvement. The MSQ system comprised the following:

- business process mapping continued with more refinement during the year. PSMA Australia has also linked the processes to policies,
- policy analysis and development continued. PSMA Australia undertook a GAP Analysis of our policies/ processes and as a result developed new policies, changed to a more current format and deleted surplus/obsolete policies – this formed part of an internal audit,
- the development of the PSMA Australia manual was finalised encompassing all Strategies/ Plans/ Policies and Processes into a single easily accessible document,
- SharePoint was implemented as a document repository system,
- an Operational Plan was developed to guide the ongoing work of PSMA Australia Business Units to allow for achievement of goals and objectives associated with the 2008/09 Annual Program,
- PSMA Australia participated and guided National Address Management Framework (NAMF) implementation, and
- PSMA Australia undertook standards evaluation associated with our products.

## PROGRAM: DEVELOPMENT OF PRODUCTS AND SERVICES



### DEVELOPMENT OF PRODUCTS AND SERVICES

#### OBJECTIVES

To ensure that the value within the products and services is maintained to keep PSMA Australia competitive and up to date to maintain our clients' confidence.

#### STAKEHOLDERS

Shareholders, Jurisdictions, Data Managers, Staff, VARs and Clients

## RELATIONSHIP MANAGEMENT AND KNOWLEDGE INTEGRATION

PSMA Australia has continued to strengthen relationships with key stakeholders. This has included Jurisdictions, Clients, PSMA Distribution, Data Contributors and internally within PSMA Australia. As Relationship Management is seen as business critical, the following initiatives were implemented during the reporting period:

- Two Jurisdictional Data Management Workshops were held in March and June 2009. The outcomes from these workshops provided PSMA Australia with invaluable information, and will assist in data maintenance and improvements in the future.
  - The first workshop in March, focused on knowledge sharing in the areas of data management, contribution and quality.
  - The second workshop in June focused on Radius Studio, and how PSMA Australia was utilising this software to improve data processing and management. The datasets CadLite and Administrative Boundaries were also widely discussed, as they are the first two datasets to be processed through Radius Studio.
- An increased focus to improve and schedule regular face-to-face and teleconference/Skype meetings with Jurisdictions and Data Contributors, to gain further insight into the data collection process; provide regular LYNX Redevelopment updates; gain operational level business directions of the stakeholder; provide strategic direction of PSMA Australia, and continue to foster the relationship.
- In an effort to allow PSMA Distribution to further progress in the Spatial Data Market, PSMA Australia provided strategic and operational support to the subsidiary. This has been beneficial to both PSMA Australia and PSMA Distribution, with activities becoming more efficient and effective, and processes streamlined.
- Strategic and operational support provided to PSMA Distribution included regular meetings to enhance communication between the companies,

discussions regarding the investigation of business opportunities, product development and enhancement and incorporating market feedback.

## LYNX MAINTENANCE

LYNX has been operational since 2006 and has significantly improved all the data releases since. Operations during this financial year have been without any unplanned disruptions. Two updates have been done to LYNX, improving the network capacity and security. The feedback received on LYNX is positive and the system is a fully integrated critical part of PSMA Australia's business processes.

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 the staff of PSMA Australia has taken several trips to Hobart to consult with Geometry on LYNX functionality and to manage the LYNX infrastructure. PSMA Australia has also engaged with Geometry in several other projects, including the redevelopment of LYNX.

## ANNUAL AND QUARTERLY DATASET MAINTENANCE PROGRAM

During the 2008/09 financial year the quarterly maintenance schedule continued in line with the published Annual Program in August, November, February and May. Suburb/Localities, Local Government Areas, Cadastre, Property, Roads and Address datasets were the most dynamic with updates occurring quarterly with Rail, Airports and Statistical Local Areas updated once over the course of the year. Other datasets were updated periodically in response to particular events (e.g. elections). The quarterly maintenance schedule will continue through the coming year however changes to this cycle will occur as the LYNX redevelopment continues. The LYNX system has demonstrated that it has the capacity to deal effectively with the large volumes of data 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.

## PROGRAM: IMPROVEMENT OF PRODUCTS AND SERVICES



### OBJECTIVES

To increase the future value of existing products and services by refining, improving and extending them to reflect evolving market demands. Further to build market confidence and broaden the understanding and usage of the information held within the data.

### STAKEHOLDERS

Shareholders, Jurisdictions, Data Managers, Staff, VARs and Clients

## DATA ACCESS AND PRICING POLICY REVIEW

Progress towards a new Pricing and Licensing model has been steady towards the end of the financial year with the completion of a comprehensive background document. This document will serve as the platform to build a presentation and to build an economic modelling engine. That presentation and the result of the modelling will provide the basis of information to allow the engagement of key resellers for feedback and analysis of the proposed new licensing model. The feedback and intelligence will be summarised together with the proposed changes to the Board when completed.

## ANNUAL MARKETING AND COMMUNICATIONS PROGRAM

In early 2009, the Relationships Business Unit was re-organised to reflect the importance of Marketing and Communications Management within PSMA Australia. This re-organisation led to a restructure of resources and the undertaking of the re-development of the existing PSMA Australia Marketing and Communications Strategy.

The re-development of the existing PSMA Australia Marketing and Communications Strategy was carried out by an external consultant, and required the input of PSMA Australia Staff, PSMA Distribution, VARs and PSMA Australia Board Members. The recommendations from this re-development will be implemented in the next reporting period.

During this reporting period, PSMA Australia managed their Internal, External and Brand Management Activities with the following tools and Strategies:

## INTERNAL COMMUNICATIONS

- Staff LYNX Program Newsletters distributed on a quarterly basis
- Professional development workshops held monthly on key business areas and activities to foster knowledge sharing
- Website management, including updates and additional development

## EXTERNAL COMMUNICATIONS

- Attendance of the CEO and select staff at presentations, conferences and events both domestic and international
- Sponsorship of a range of conferences and awards
- Advertising in spatial media journals
- LYNX and VAR Newsletters
- Editorials in various spatial and general industry journals and newspapers
- Face to face, Skype, WebEx and teleconference meetings
- VAR workshops

## SPONSORSHIPS

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

- **43PL** – Performance Growth
- **Platinum Sustaining Partner of Spatial Sciences Institute (SSI)**; This included:
  - **APSIC** – Gold Sponsor
  - **APSEA** – Gold Sponsor
  - **STiS** – Primary Sponsor for Spatial Technology in Schools (STiS) Competition
- **GITA** – Bronze Sponsorship
- **NatStats** – Principal Sponsor

- **Canberra Special Children's Christmas Party** – Financial support for the Special Children's Christmas Party
- **Spatial@Gov** – Seed Sponsor, Satchel and Lanyard Sponsor. Provided sponsorship to 3 spatial students to attend the conference
- **Qantas Cabin Crew Team** – Sponsored sporting goods delivered by a PSMA Australia staff member on a Qantas Cabin Crew Team project in India

## BRAND MANAGEMENT

PSMA Australia embarked on this project to create a new visual identity across the suite of PSMA Group brands for a number of reasons. These reasons included displaying a clear branding style, to enhance visual impact and recall of PSMA Australia media, to better promote the quality of PSMA Australia's services and products, to better promote and support the VARs and their products and services that utilise PSMA Data.

The redevelopment was carried out by an external consultant with input from PSMA Australia Staff. The PSMA Australia Board approved the new visual identity concepts at the August 2008 Board Meeting in Canberra.

The re-development of PSMA Australia's visual identity was endorsed and implemented across the following strategic requirements:

- PSMA Group corporate identity,
- website design and build,
- brochures and literature,
- internal and external communications and templates,
- Annual Report and Annual Program,
- marketing collateral including banners, and
- advertising.

## ADMINISTRATIVE BOUNDARIES DATASET ENHANCEMENTS

Significant work has been completed over the 2008/09 financial year to develop methodologies capable of supporting automatic updates to Administrative Boundaries datasets. New business and technical requirements have been documented with supporting processes implemented using new technology. Importantly the new processes support the discovery, correction and reporting of data issues which have been identified as being fundamental to the continuing improvement of overall data quality. In June 2009 processing was completed for the first time using these new methods for the August 2009 release.

## LAND TENURE AND NATIONAL PLANNING ZONES INDEX (NZPI) INCLUDING LAND USAGE

Comments on the National Land Tenure Dataset (released in June 2008) were received over the third and fourth quarters of 2008. While feedback was generally positive regarding the production of the dataset, a consistent theme relating to the quality of the data content was noted. This information has been collated and will be used in the production of subsequent versions should they be produced. Discussions have been ongoing with Commonwealth organisations (particularly National Native Title Tribunal) around securing funding for further development however no firm decision has been made at this stage.

The model for the inclusion of additional tables into CadLite has proven to be successful and investigation has continued into extending this to National Planning Zone and Land Usage datasets. Discussions are continuing with Jurisdictions to develop methods for data collation and processing on a way toward national datasets.



## CADLITE AND PROPERTY DATASET ENHANCEMENTS

The enhancement of the CadLite dataset over the last period focused 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. A review of the entire processing methodology required for each Jurisdiction has commenced in line with the LYNX redevelopment project with particular attention being paid to automating the production cycle. New processes to enhance the extraction of group/strata records, properties and correction of geometry issues contained in source data have also been identified as key areas for improvement. Investigation continued into the production of a national spatial property layer with the need to increase the coverage identified as the major hurdle to be overcome.

## G-NAF MAINTENANCE PROCESS RE-ENGINEERING

Over the second half of the year a proposal for a new G-NAF processor has been gaining momentum with the complex business requirements and the process flows fully documented. A close relationship has been maintained with the G-NAF data manager to ensure that the re-engineering of the G-NAF maintenance process is consistent with the existing processes. The G-NAF data manager has been provided with all the documentation and will be undertaking the development of the functional specifications as the next stage of the project.

## G-NAF ACCREDITATION PROGRAM (GAP)

NAMF specifications released during the financial year make G-NAF a requirement as one of two reference national datasets to be used in address validation. In order to certify that an address validation tool refers to G-NAF, PSMA Australia has commenced the development of an accreditation program known as the G-NAF Accreditation Program (GAP) that tests the tool against a test dataset at each release to ensure compliance. It is perceived that utilising the NAMF web service specification will provide the standard mechanism to be used for testing G-NAF compliance.

## G-NAF DATASET ENHANCEMENTS

In the last 12 months the following improvements to G-NAF have occurred:

- Improvements were made to software which matches and copies geocodes associated with ranged addresses.
- AUSP identified a number of addresses as being 'phantom' addresses. Some 122,000 of these 'phantom' addresses that were previously included in G-NAF have been removed.
- Additional tables and attributes have been created to accommodate a linkage between a Primary and Secondary address. Examples of these types of addresses are 10 Smith Street (Primary) and Flat 1 10 Smith Street (Secondary).
- Alias addresses are not created as a result of the Jurisdiction allocating an incorrect locality to an address. The vast majority of these instances relate to the situation where locality names are duplicated within the State and G-NAF uses the locality name plus the postcode to 'create' a unique locality. This resulted in a 25% reduction in the alias addresses in G-NAF.

- The management of addresses where the Lot Numbers are used to identify the property as opposed to the Number\_First. In those situations where the Contributor does not provide a Number\_First with an address, the G-NAF process has previously used the Lot Number as the Number\_First and populated the Number\_First Prefix with 'LOT'. This practice has ceased.

Continued effort has been applied to Locality only addresses and the trend for locality and street addresses continues downwards with locality only addresses representing 0.58% and street addresses representing 8.0% of all addresses respectively, Property level addresses are now at 92.12%. The majority of improvements have been in New South Wales, Queensland, Western Australia and Victoria.

## POSTCODE BOUNDARIES

A national Postcode dataset has been delivered by PSMA Australia in collaboration with Australia Post in line with the quarterly release schedule since it was first produced in February 2007. Following feedback from several users, PSMA Australia and Australia Post made a change to the way localities without allocated postcodes were represented. All localities are now included in the postcode layer to improve cartographic representation without affecting the quality of the national product. Other work continued to refine processing methodologies to ensure the continual improvement of the product.

## TRANSPORT CERTIFICATION AUSTRALIA AND TRANSPORT THEME ENHANCEMENTS

Enhancements have focused on continuing to work with the Jurisdictions to improve the quality of data within the various transport themes. In particular, improvements have been made with some Jurisdictions for the inclusion of more private roads benefiting not only transport but address data quality. PSMA Australia also participated in the applicable working group reporting to ICSM which focused on improving roads data with a more consistent standardised approach to modelling and the inclusion of additional information. This initiative has been considered in the redevelopment of the data model for the transport theme which will occur as part of the LYNX redevelopment program. Over fifty thousand kilometres of new road was added in the 2008/09 financial year.

During the year work has also been undertaken to increase the awareness of PSMA Australia, and our products and services, throughout strategic national transport authorities and committees including:

- Australian Transport Council (ATC) – Operating under the Council of Australian Governments,
- National Transport Commission (NTC) – An accreditation and strategic planning entity that acts under the direction of the ATC,

- Transport Certification Australia (TCA) – a current PSMA Australia VAR that uses PSMA Data for their certification programs, and
- ATC Strategic Research and Technology Working Group (SR&T WG) – Working group or ATC focused on identifying strategically nationally important transportation data, identifying data gaps and developing minimum metadata standards for such data.

# PROGRAM: LYNX IMPROVEMENTS AND ENHANCEMENTS



## LYNX IMPROVEMENTS AND ENHANCEMENTS

### OBJECTIVES

To further enhance the capability provided by LYNX with an aim of achieving increased update frequency and by this improve the timely and flexible 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, Staff, Clients, End Users



## LYNX IMPROVEMENTS AND ENHANCEMENTS – CONCEPTUAL PILOT WITHIN SEVERAL JURISDICTIONS

During this financial year, the Conceptual Pilot has grown with several new Jurisdictions receiving training and access to the System. Tasmania took up the Pilot during 2007/08. This year they were accompanied by New South Wales, Queensland, Western Australia and the Commonwealth represented by Geoscience Australia and the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

The LYNX Pilot was designed to provide LYNX Web Services and infrastructure to the Jurisdictions. The Pilot is a subset of the LYNX future program solution and the first step in the LYNX redevelopment.

Services provided under the pilot include:

- address validation – based on G-NAF and PAF,
- geocoding,
- reverse geocoding, and
- function management.

Some significant developments within the Pilot during the year included:

- working towards compliance with the NAMEF,
- adaption to integrate 3rd party services such as Geocoding engines,
- developed capability for map definitions to refer to HTTPS WMS Services, and
- new training material.

These enhancements have significantly improved the capability of the Pilot and will be fundamental for the further development of LYNX. This Pilot has also gone through a name change from 'LYNX Search Framework' (LSF) to the 'LYNX Pilot'.

At the end of the year, another Pilot was initiated by Geoscience Australia to showcase the Commonwealth Spatial Data Initiative (CSDI). The LYNX Pilot is an integrated part of this CSDI Pilot and provides the platform for address verification and geocoding within the system.

## IMPLEMENTATION OF 1SPATIAL'S RADIUS STUDIO

Over the 2008/09 financial year PSMA Australia, as a leader and innovator in the provision of fundamental national datasets, initiated steps to significantly re-engineer and improve data maintenance processes. The primary goal behind the change is to reduce the time taken from data being supplied to having the product(s) ready for market. This project falls under the umbrella of the LYNX Program.

PSMA Australia undertook a detailed analysis of the core requirements of the Dataset Maintenance production prior to sourcing technology to facilitate the delivery of its Datasets. After extensive research PSMA Australia committed to purchasing the 1Spatial software solution called Radius Studio.

Radius Studio provides the capability to find, fix and report on data discrepancies. It also provides PSMA Australia with the ability to develop individual business rules which can be applied across multiple scenarios and datasets. This functionality and capability will enable PSMA Australia to provide a higher quality suite of products to the market in the shortest time frame possible. In October 2008 PSMA Australia sent a staff member to Cambridge, United Kingdom, to become a Radius Studio Practitioner.

During the year PSMA Australia captured and documented the revised Business Requirements for Administration Boundaries, CadLite and Transport and Topography. As part of this capture process PSMA Australia conducted workshops with representatives from each of the contributing Jurisdictions. PSMA Australia utilised this connection with the Jurisdictions to further develop and clarify their business objectives and provide technical directions and lessons to the industry.

These requirements were then translated into a working technical solution through the use of 1Spatial's Radius Studio. To assist with this process the software provider provided onsite support to PSMA Australia in April 2009. PSMA Australia worked together with its partners to build and implement a Production and Development environment to facilitate the development, testing and implementation of the new Dataset processing. The twin environments have enabled PSMA Australia greater control over the release of technical enhancements, data builds and software updates.

PSMA Australia, with assistance from Geometry, also extended the technical functionality of LYNX to accept and process data that had been through the internal Dataset processing. This has helped establish a bridging process between PSMA Australia's current business needs and the increased functionality that LYNX is working towards.

In June 2009 PSMA Australia successfully delivered the first version of Administrative Boundaries through the use of an internal process. PSMA Australia will continue to migrate all Datasets across to the new internal process throughout the 2009/10 Financial Year. This migration will see the process time for datasets greatly reduced with a measurable increase in the data accuracy for each product.

## LYNX ENHANCEMENTS AND IMPROVEMENTS PROGRAM

The LYNX Enhancements and Improvements program derives from the business strategy and aims at improving the value chain, internally and externally, for PSMA Australia. During the year significant progress has been achieved within the program. There are currently six projects operating within the program:

- Detailed Design
- IDM Review
- Radius Studio
- G-NAF Processor
- LYNX Pilot
- CSDI Pilot

All of these projects are strongly interlinked and will together deliver the business outcomes being sought.

To reduce confusion amongst the stakeholders, the program has been renamed. The new name is LYNX Redevelopment program. This is to emphasise that the program is focused on taking the next step in the development of the LYNX infrastructure, a redevelopment that will keep the existing functionality and add new capability.

During the year there were significant staff movements within this Program. Two senior staff members have left the organisation and a new team has been assigned to work on the LYNX Redevelopment. Despite these challenges, significant steps have been made. The main focus for the initial period was to refine the Business Requirements derived from the Strategic Plan and used in the development of the Conceptual Architecture last year. This work was finalised in May 2009, and from there the Functional Requirements and Use Cases have been developed. These requirements are the foundation for the detailed design that is currently being undertaken by PSMA Australia's technical partner, Geomatic Technology. To gather information for the requirements, internal workshops were held

and questionnaires were sent out to external stakeholders such as VARs and Jurisdictions. The questionnaires were followed up by face to face meetings and teleconferences. In parallel with the work on requirements and design, all significant program documentation has been developed and approved.

For the projects within the LYNX Redevelopment program there has also been significant progress. The IDM review commenced and is progressing well. The requirements for the G-NAF processor are complete and ready for the next stage. Radius Studio is described above and tracking well. The Detailed Design is due in September 2009 and is on schedule for this delivery.

## PROGRAM: BUSINESS VENTURES



### OBJECTIVES

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

### STAKEHOLDERS

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



## INTEGRATED CORS DATA ACCESS MODEL

During the 2008/09 year PSMA Australia has been active in developing a concept in relation to being involved as part of a national GNSS CORS network. This concept has been promoted to a number of organisations including ICSM to gauge the level of support for participation. PSMA Australia can see a close alignment with the way we currently operate and that of the coordinator of a national CORS network.

In June 09 PSMA Australia commenced work on the model with the intent of building a case for inclusion in the national network by leveraging existing technology and the existing relationships with Jurisdictions and government departments. This work was ongoing at the end of the financial year.

## AUSTRALIAN STANDARD DISTANCE RATIO

Work commenced on the production of a new layer representing the Australian Standard Distance Ratio. The services of Frank Blanchfield were employed to develop a solution for PSMA Australia. Most effort over the year revolved around developing sound methodology to produce reliable outputs from various input features. Early versions indicate that the method chosen will produce suitable results however more development is required before moving into any production phase.

## CRC FOR SPATIAL INFORMATION

PSMA Australia has been actively involved in the CRC-SI second bid that has progressed to the interview stage with potential approval for funding from Minister Carr in August 2009. The CEO, Dan Paull, has led the Spatial Data Infrastructure theme working closely with the other two CRC-SI themes being Positioning and Automated Spatial Information

Generation. PSMA Australia has a keen interest in the Spatial Data Infrastructure theme given the redevelopments and enhancements around LYNX and will play a key role in the theme should the bid be successful.

## DISTRIBUTION MODEL

This project has been successfully implemented with the incorporation of PSMA Distribution in July 2008. High calibre staff members were recruited to run the company and it is now fully operational. PSMA Distribution is responsible for managing the network of VARs involving all aspects of the licensing, pricing and VAR development. Development opportunities have been focused on promoting the use of PSMA Australia datasets.

## COLLABORATING ON NATIONAL INITIATIVES

PSMA Australia has undertaken significant collaboration activities during the 2008/09 year including:

- participation in the roads working group,
- Jurisdictional transport activities (Speed Zones and Safety),
- Land Tenure – PSMA Australia has been working with the National Indigenous Working Group on the development of a potential Land Tenure Dataset,
- CISIRO – GeoFabric,
- PSMA Australia was a sponsor and assisted in the organisation of the Spatial@Gov conference, and
- PSMA Australia was a sponsor of the NatStats conference.

PSMA Australia will continue to work closely with other organisations in the spatial industry to assist with the development of initiatives on a national scale.

# PROGRAM: PSMA DISTRIBUTION

## DISTRIBUTION

### OBJECTIVES

To establish and operationalise PSMA Distribution as a means of reaching a more efficient VAR channel management and to increase and broaden the use of PSMA Australia's data sets.

### STAKEHOLDERS

Shareholders, Jurisdictions, Board, VARs and Clients



## PARTNER SALES AND MAJOR SALES OPPORTUNITIES – STRATEGIC CONSULTING IN SUPPORT OF PRE AND POST SALES

Assisting VARs with licensing and pricing questions is a fundamental component of PSMA Distribution's business. The VARs have reacted positively to the establishment of PSMA Distribution and have engaged our staff in seeking assistance and clarification with tenders and major opportunities in the private sector. This will continue as a part of the VAR's day to day sales activities.

Prospects are also calling the company to seek assistance with licensing questions before they engage the VARs. This has had the effect of ensuring that by the time the prospect seeks pricing from the VARs, the licensing model has been qualified which creates a fair and equitable platform to enable a much easier comparison of the quotes from the VARs.

## BUSINESS MANAGEMENT – JOINT BUSINESS PLANNING

Another key factor to enable the company to operate efficiently as a subsidiary of PSMA Australia is its ability to enable it to operate at times independently of PSMA Australia and at other times ensure compatibility with PSMA Australia.

To help achieve this compatibility a dedicated member of PSMA Australia's staff has been appointed as the conduit between the two entities. Furthermore the installation of the SharePoint application has facilitated the document management aspects of the business.

The company is also focused on the collection and dissemination of intelligence to assist in the planning and development of new datasets. The Product Lifestyle Implementation Plan developed by PSMA Australia has been very useful in that it has facilitated the analysis of a potential new dataset and work is

ongoing using that plan to ensure detailed research is completed and documented and the results can proceed to Board level for approval.

## MARKETING AND POSITIONING – PARTNERSHIP PROGRAM

In June of 2009 the company played a major sponsorship role together with PSMA Australia at the highly successful Spatial@Gov conference in Canberra. There was also an opportunity for the CEO to deliver a presentation on the company. Other conferences planned for late 2009 will also provide opportunities for the company to be represented but in those instances more by attendance than by sponsorship.

Continuing through the financial year the company will ensure that its profile and position will be prominent in various markets, but particularly in the Business Intelligence and Data Quality and Data Cleansing marketplace. A program of engagement with key influencers in the marketplace will be in place late in the first quarter of the 09/10 financial year. This program will ensure that the datasets and the VARs are clearly positioned with these key influencers as they consult with both the public and private sectors to advise on ICT decisions.

While it is clearly evident that PSMA Australia's datasets have a major role to play in the Spatial and GIS markets, it is not so evident that the datasets have a role outside of those markets. It is the company's belief that new standards in address management and the increasing focus on data quality with Customer Relationship Management (CRM) applications creates a major new opportunity for both the company and the VARs.

It is the company's goal to create partnerships with the key influencers, these partnerships being not based on the classic reseller model but more based on entities cooperating for a mutually successful outcome and that outcome being new opportunities for VARs.



An aerial photograph of a city skyline, likely New York City, showing numerous skyscrapers and buildings. The image is overlaid with a large, semi-transparent geometric shape that divides the page into four quadrants. The top-left and bottom-right quadrants are white, while the top-right and bottom-left quadrants are a light gray. The text is positioned in the top-right white quadrant.

# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2009

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## CORPORATE DIRECTORY

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

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2009

The directors present their report together with the financial report of PSMA Australia Limited and of the Group, being the Company and its subsidiary, for the financial year ended 30 June 2009 and the auditor's report thereon.

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## 1 DIRECTORS

As was noted in the 2007–2008 Directors' Report, Peter Holland had taken extended leave from October 2007. He has since resigned from the board of directors as of October 2008.

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

<b>Name:</b>	<b>Michael Bradford</b>
Age:	44
Qualifications and Experience:	Bachelor of Surveying, Master of Management Studies (Project Management) 2009–present: Chief Executive, Landgate, Western Australia 2006–2009: Executive Director, Information Access, Landgate, Western Australia
Special Responsibilities:	Company Director, member of Audit Committee
<b>Name:</b>	<b>Stephen Godfrey</b>
Age:	55
Qualifications and Experience:	Bachelor of Arts 2002–2009: General Manager, Information & Land Services Division, Department of Primary Industries and Water, Tasmania 2008–present: Director PSMA Distribution Pty Ltd
Special Responsibilities:	Company Director, Audit Committee Chairman
<b>Name:</b>	<b>Olaf Hedberg AM</b>
Age:	71
Qualifications and Experience:	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: Principal Dakel Nominees, Information Management and Land Administration Consultants 2008–present: Chairman of PSMA Distribution Pty Ltd Chairman of Victorian Spatial Council, Member of NSW Land and Property Advisory Committee 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.

<b>Name:</b>	<b>William Hirst</b>
Age:	57
Qualifications and Experience:	Bachelor of Surveying, Master of Surveying Science, Graduate Diploma of Management  2007–Present: Chief Surveyor of ACT  1997–2007: Manager, Maritime Boundaries and Advice, Geoscience Australia  1997–2007: Manager, Maritime Boundaries and Advice, Geoscience Australia
Special Responsibilities:	Company Director
<b>Name:</b>	<b>Martin Holmes</b>
Age:	63
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 Employment, Economic Development and Innovation, Queensland  2008–present: Director PSMA Distribution Pty Ltd
Special Responsibilities:	Independent Company Director, Marketing Director, member of the Executive Committee
<b>Name:</b>	<b>Steven Jacoby</b>
Age:	47
Qualifications and Experience:	Master of Surveying Science, Bachelor of Applied Science  2009–present: General Manager, Spatial Information Group, Department of Environment and Resource Management, Queensland  2003–2008: Chief Information Officer, Department of Natural Resources and Water, Queensland  1996–2002: Director, Land Information Group, Victoria
Special Responsibilities:	Alternate Company Director for Peter Tooley, appointed May 2009

<b>Name:</b>	<b>Desmond Mooney</b>
Age:	59
Qualifications and Experience:	<p>Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer, FAIM, FAICD, JP</p> <p>2003–present: Deputy Director General, Department of Lands, and General Manager – Land and Property Information, New South Wales</p> <p>2008–present: Director PSMA Distribution Pty Ltd</p> <p>2001–2002: General Manager, Land and Property Information, New South Wales</p> <p>1999–2000: Executive Director, Management Services, New South Wales Police Services</p> <p>1990–1998: General Manager, Land Information Centre, New South Wales</p>
Special Responsibilities:	Company Director, member of Executive Committee

<b>Name:</b>	<b>Kym Nicolson</b>
Age:	52
Qualifications and Experience:	<p>Bachelor of Science.(Hons), Ph.D., University of Adelaide</p> <p>2009–present: Director, Public Land Stewardship, Department of Environment and Heritage, South Australia</p> <p>2008–2009: 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 Australian</p>
Special Responsibilities:	Company Director, Audit Committee member

<b>Name:</b>	<b>Mary O’Kane</b>
Age:	54
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 &amp; Assoc Pty Ltd</p> <p>2007–present: Chair, Cooperative Research Centre for Spatial Information (CRC SI)</p> <p>2008–present: NSW Chief Scientist and Scientific Engineer</p> <p>2009–present: Member, NSW Spatial Council</p> <p>1996–2001: Vice-Chancellor, President, Rector, The University of Adelaide</p>
Special Responsibilities:	Independent Company Director

<b>Name:</b>	<b>Benjamin Searle</b>
Age:	54
Qualifications and Experience:	Bachelor of Science (Geography)  2007–present: General Manager, Australian Government Office of Spatial Data Management  2002–2007: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory
Special Responsibilities:	Company Director, member of Executive Committee
<b>Name:</b>	<b>Victor Stephens</b>
Age:	62
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
<b>Name:</b>	<b>Bruce Thompson</b>
Age:	51
Qualifications and Experience:	Bachelor of Design Studies, Master Business Information Technology  Current: Director, 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
<b>Name:</b>	<b>Peter Tooley</b>
Age:	57
Qualifications and Experience:	Bachelor of Business, Registered Valuer  2009–present: General Manager, Online Service, Department of Environment and Resource Management, Queensland  2008–2009: 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:	Company Director. Resignation effective October 2009

## 2 COMPANY SECRETARY

Name:	Daniel Paull
Age:	38
Qualifications and Experience:	<p>Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Certificate of Competency – Board of Surveyors NSW, Advanced Diploma in Project Management</p> <p>1999–present: Chief Executive Officer, PSMA Australia. Appointed Company Secretary 20 June 2001</p> <p>2008–present: Director PSMA Distribution Pty Ltd</p>
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 and officers of the company at the date of this report, are as follows:

	Directors Meetings	Audit Committee	Executive Committee
<b>Number of meetings held</b>	<b>4</b>	<b>4</b>	<b>5</b>
Michael Bradford	4	3	
Stephen Godfrey	4	4	
Olaf Hedberg AM(c)	4		5
William Hirst	4		
Martin Holmes	4		4
Stephen Jacoby	1		
Desmond Mooney	4		2
Kym Nicolson	3	4	
Mary O'Kane	4		
Daniel Paull	4	4	5
Benjamin Searle	4		5
Victor Stephens	4		
Bruce Thompson	4		
Peter Tooley	3		

## 4 CORPORATE GOVERNANCE STATEMENT

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

### 4.1 BOARD OF DIRECTORS

#### ROLE OF THE BOARD

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring budgets and capital expenditure, appointing and evaluating performance of chief executive officer, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control s and management information systems. It is also responsible for approving and monitoring financial processes and reporting.

The board has delegated responsibility for operation and administration of the Company to the chief executive officer and executive committee. Responsibilities are delineated by formal authority delegations.

#### BOARD PROCESSES

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

The board currently holds four scheduled meetings each year. The agenda for the meetings is prepared in conjunction with the chairman, chief executive officer and company secretary. Standing items include the chief executive officer's report, financial reports, strategic matters, governance and compliance. Directors have opportunities during visits to business operations, for contact with a wide group of employees.

#### COMPOSITION OF THE BOARD

The names of the directors of the Company at any time during or since the end of the financial year, specifying which are independent, are set out in the Directors' Report. The composition of the board is determined using the following principles :

- not less than three directors nor more than twelve
- up to nine directors appointed by shareholders in jurisdictions
- up to three directors as independents
- independent directors having a blend of expertise in finance and accounting, law, marketing and the Company's business drivers
- chairperson shall be an independent director

## 4.2 REMUNERATION OF DIRECTORS

No director 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.

## 4.3 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:**

Olaf Hedberg AM (chairman)

Martin Holmes

Desmond Mooney

Benjamin Searle

Dan Paull

**Audit Committee:**

Stephen Godfrey (chairman)

Michael Bradford

Kym Nicolson

### EXECUTIVE COMMITTEE

The Executive Committee acts on behalf on the board between meetings, providing a degree of flexibility and the ability to respond to time-sensitive business and legal matters without calling a special board meeting. The key function of the Executive Committee is to oversee the management of the Company including review of key projects, approving and monitoring budgets and capital expenditure, overseeing the implementation of strategy and day-to-day management and financial viability of the Company. Actions taken by the committee are binding and do not require ratification by the board to be legally effective.

The Executive Committee comprises three directors and the chief executive officer. The chairperson of the board also chairs the Executive Committee.

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

### AUDIT COMMITTEE

The Audit Committee has a documented charter, approved by the board. The committee advises on the establishment and maintenance of a framework of internal controls, appointment and liaison with internal and external auditors, financial processes and reporting, and regular monitoring of the Company's risk register.

The Audit Committee comprises three directors. At the discretion of the committee, the chief executive officer, chief of operations and the finance manager are invited to audit committee meetings.

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

#### 4.4 CONFLICT OF INTERESTS

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 matter is considered. Directors are reminded to update the register of any interests and conflicts at the beginning of each board meeting.

#### 4.5 RISK MANAGEMENT

The Group 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 Group's objectives and activities are aligned with the risks and opportunities identified by the board.

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

- board approval of the strategic plan which encompasses the Company's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- implementation 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 quarterly review by the audit committee and board.

## 8 PRINCIPAL ACTIVITIES

The principal objectives of the Group 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 Group's principal activities during the year.

## 9 REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Review of Operations section on pages 3–38 of the PSMA Australia Limited Annual Report 2008–2009.

## 10 PERFORMANCE MANAGEMENT

Management and the board monitor the Group's overall performance from the implementation of the mission statement and strategic plan through to the performance of the Group against its Annual Program and financial budgets.

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



## 11 OPERATING RESULTS

The Group incurred an operating loss of \$247,358 for the financial year from 1 July 2008 to 30 June 2009. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

## 12 DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2008 to 30 June 2009.

## 13 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 1 July 2008, the Company divided the focus of its operations into technological and relationship management sectors with the incorporation of PSMA Distribution Pty Ltd.

The Company's focus will continue to be in coordinating the development and maintenance of national datasets using the information resources of government and increasingly, non-government entities, ensuring that the datasets consist of the best available information, are of high quality (accurate, current, complete) and are fit for a broad range of uses and ensuring that access to this information is streamlined resulting in low 'friction' or 'frictionless access'.

The distribution subsidiary focus will be the cultivation and fostering of the Company's relationship networks, and in assisting organisations to use spatial information by encouraging industry innovation, collaborating with whole sectors to achieve increasing productivity, assisting in identifying new opportunities, identifying demand for existing product enhancements and new product development and promoting and educating end users to the benefits of using location within their core business.

## 14 EVENTS SUBSEQUENT TO BALANCE DATE

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

## 15 FUTURE DEVELOPMENTS

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the Strategic Plan section in the Review of Operations on pages 4–14 of the PSMA Australia Limited Annual Report 2008–09.

## 16 OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2008 to 30 June 2009. 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 Group has paid or agreed to pay insurance premiums of \$14,863 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 Group has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the company:

- indemnified, or made any relevant agreement for indemnifying, against a liability that was incurred by an officer of the Company, including costs and expenses in defending legal proceedings; or
- paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Company, for the costs and expenses in defending legal proceedings.

## 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.

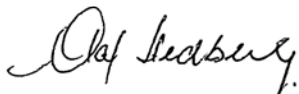
## 19 AUDITOR'S INDEPENDENCE DECLARATION

During the year Maxim Chartered Accountant has performed certain other services in addition to their statutory duties. The board is satisfied that the non-audit services provided by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or sharing risks and rewards.

Details of the amounts paid to the auditor, Maxim Chartered Accountants, for the audit and non-audit services provided during the year are set out in Note 24 'Auditor's Remuneration' on Page 35.

The auditor's independence declaration is set out on page 36 and forms part of the directors' report for the financial year ended 30 June 2009.

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



**Olaf Hedberg**

Chairman, PSMA Australia Limited

Dated at Canberra this 18th day of August 2009.

## DIRECTORS' DECLARATION

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

In the opinion of the directors of PSMA Australia Limited:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2009 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 3.14
- (c) there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**Olaf Hedberg**

Chairman, PSMA Australia Limited

Dated at Canberra this 18th day of August 2009



**Desmond Mooney**

Director, PSMA Australia Limited

Dated at Canberra this 18th day of August 2009

## INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Revenue</b>					
Services revenue	7	1,001,612	1,145,814	33,747	1,145,814
Royalties	19	4,496,982	4,003,411	–	4,003,411
Interest	10	338,215	430,181	336,604	430,181
Other income	7	66,845	218,521	64,345	218,521
<b>Total revenues from ordinary activities</b>	<b>7</b>	<b>5,903,654</b>	<b>5,797,927</b>	<b>434,696</b>	<b>5,797,927</b>
<b>Expenses from operations</b>					
Employee benefits expense	17,18	2,266,018	1,354,506	1,935,136	1,354,506
Depreciation and amortisation expenses	11	98,291	72,190	98,291	72,190
Other expenses		3,786,702	3,447,066	3,599,404	3,447,066
<b>Total expenses from operations</b>		<b>6,151,012</b>	<b>4,873,762</b>	<b>5,632,831</b>	<b>4,873,762</b>
<b>Profit from operations</b>		<b>(247,358)</b>	<b>924,165</b>	<b>(5,198,135)</b>	<b>924,165</b>
<b>Inter company transfers</b>					
Income		5,417,867	–	5,417,867	–
Expenses		(5,417,867)	–	–	–
<b>Profit attributable to members</b>		<b>(247,358)</b>	<b>924,165</b>	<b>219,732</b>	<b>924,165</b>
<b>Dividends per share (cents)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2009

	Note	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	15.1	4,959,842	5,890,101	4,663,732	5,890,101
Trade and other receivables	14	1,267,631	1,666,598	134,178	1,666,598
<b>Total current assets</b>		<b>6,227,473</b>	<b>7,556,699</b>	<b>6,540,677</b>	<b>7,556,699</b>
<b>Non-current assets</b>					
Financial assets	13	500,000	500,000	500,000	500,000
Property, plant and equipment	11	259,746	202,033	259,746	202,033
Intangible assets	12	2,200,143	1,778,931	2,200,143	1,778,931
<b>Total non-current assets</b>		<b>2,959,889</b>	<b>2,480,964</b>	<b>2,959,889</b>	<b>2,480,964</b>
<b>TOTAL ASSETS</b>		<b>9,187,363</b>	<b>10,037,663</b>	<b>9,500,566</b>	<b>10,037,663</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	19	2,574,355	2,621,061	2,437,326	2,621,061
Provisions		95,883	52,712	79,026	52,712
<b>Total current liabilities</b>		<b>2,670,238</b>	<b>2,673,773</b>	<b>2,516,352</b>	<b>2,673,773</b>
<b>Non-current liabilities</b>					
Provisions	18	69,767	34,072	69,767	34,072
<b>Total non-current liabilities</b>		<b>69,767</b>	<b>34,072</b>	<b>69,767</b>	<b>34,072</b>
<b>TOTAL LIABILITIES</b>		<b>2,740,005</b>	<b>2,707,845</b>	<b>2,586,119</b>	<b>2,707,845</b>
<b>NET ASSETS</b>		<b>6,447,357</b>	<b>7,329,818</b>	<b>6,914,447</b>	<b>7,329,818</b>
<b>EQUITY</b>					
Issued capital	16	9	9	9	9
Retained earnings and reserves	16	6,447,348	7,329,809	6,914,438	7,329,809
<b>TOTAL EQUITY</b>		<b>6,447,357</b>	<b>7,329,818</b>	<b>6,914,447</b>	<b>7,329,818</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2009

Note	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Receipts from customers	4,316,181	5,029,958	5,324,982	5,029,958
Payments to suppliers and employees	(5,007,440)	(4,268,573)	(6,310,740)	(4,268,573)
Interest received	10 338,215	430,181	336,604	430,181
<b>Net cash provided by operating activities</b>	15.2 (353,044)	1,191,566	(649,154)	1,191,566
<b>Cash flows from investing activities</b>				
Proceeds from sale of equipment		–		–
Purchase of plant and equipment	11.2 (156,004)	(198,302)	(156,004)	(198,302)
<b>Net cash provided by investing activities</b>	(156,004)	(198,302)	(156,004)	(198,302)
Net increase in cash held	(930,259)	682,551	(1,226,369)	682,551
Cash at beginning of year	6,390,101	5,707,550	6,390,101	5,707,550
<b>Cash at end of year</b>	15 5,459,842	6,390,101	5,163,732	6,390,101

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Share Capital (ordinary)	Retained Earnings	Special Project Reserve
		\$	\$	\$
<b>Balance at 1 July 2007</b>		<b>8</b>	<b>5,905,644</b>	<b>500,000</b>
Profit attributable to members			924,165	
New share issued		1		
<b>Balance at 30 June 2008</b>		<b>9</b>	<b>6,829,809</b>	<b>500,000</b>
Transfers to and from reserve				
Special project reserve				2,000,000
LYNX development costs				(635,103)
Transfers from retained profits			(2,000,000)	
Profit attributable to members			(247,358)	
<b>Balance at 30 June 2009</b>	<b>16</b>	<b>9</b>	<b>4,582,451</b>	<b>1,864,897</b>

The accompanying notes form part of these financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

## 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 consolidated financial statements of the Company as at and for the year ended 30 June 2009 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

The nature of the operations and principal activities of the Group during the year were the coordination, assembly and delivery of national datasets from data held by the states, territories and Commonwealth governments, and the achievement of 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 consolidated financial report of the Group and the financial report of the Company comply with International Financial reporting Standards (IFRS) and interpretations adopted by the international Accounting Standards Board (IASB).

The financial statements for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of the directors on 18 August 2009.

### 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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 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

### **Impairment**

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

### **Key estimates – impairment**

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

Impairment testing as at July 2009 confirmed no impairment of the G-NAF (Geo-coded 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**

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

### **3.1 BASIS OF CONSOLIDATION**

#### **Subsidiary**

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commenced until the date that control ceases. The accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the Group.

#### **Transactions eliminated on consolidation**

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 3.2 FINANCIAL INSTRUMENTS

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

#### **Cash and cash equivalents**

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

#### **Receivables**

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

#### **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

#### **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.

#### **Financial assets at fair value through profit or loss**

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

#### **Financial liabilities**

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

### 3.3 SHARE CAPITAL

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

### 3.4 PROPERTY, PLANT AND EQUIPMENT

#### **Recognition and measurement**

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### Plant and equipment

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

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

### Depreciation

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

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

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

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

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

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

### 3.5 INTANGIBLE ASSETS

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

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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.

### 3.6 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.

Impairment testing is performed annually for 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.

### 3.7 RESEARCH AND DEVELOPMENT

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

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

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

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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

In the financial year ended 30 June 2009, an additional \$377,738 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 \$43,474 being for enhancements to the database other than the maintenance costs during the reporting period

### 3.8 EMPLOYEE BENEFITS

#### LONG-TERM EMPLOYEE BENEFITS

The Group'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; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds.

#### 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 Group expects to pay as at reporting date including related on-costs such as workers' compensation insurance and payroll tax.

### 3.9 PROVISIONS

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

- the Group has a present legal or constructive obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, 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.

### 3.10 REVENUE RECOGNITION

Revenue is recognised when the Group'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 2009

### 3.11 LEASES

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

### 3.12 INCOME TAX

The Company and its wholly-owned Australian subsidiary are exempt from income tax under the provisions of Section 24AM of Division 1AB of the Income Tax Assessment Act 1936 on the grounds that the Company is a State/Territory body.

### 3.13 GOODS AND SERVICES TAX (GST)

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

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

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

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

### 3.14 CHANGES IN ACCOUNTING POLICY

The following are Australian Accounting Standards that have been issued or amended and which may impact the Group. 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 the Group's 30 June 2010 financial statements
AASB123: Borrowing Costs	Effective for the Group's 30 June 2010 financial statements
AASB 127: Consolidated and Separate Financial Statements	Effective for the Group's 30 June 2010 financial statements

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

The application of AASB101, AASB 123 and AASB127 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 Group's financial instruments and the objectives, policies and processes for managing capital.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

These standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be in the Group's annual reporting period beginning 1 July 2009.

### 4 DETERMINATION OF FAIR VALUES

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

#### 4.1 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 and Group have exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, and the Audit Committee oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company and Group.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 5.1 CREDIT RISK

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

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

#### **Trade and other receivables**

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

#### **Investments**

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

### 5.2 LIQUIDITY RISK

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

	fixed interest rate maturing within 1 year		fixed interest rate maturing 1–5 years		floating interest rate		non-interest bearing		total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Financial assets</b>										
Cash					959,842	582,288			959,842	582,288
Receivable							1,267,632	1,666,597	1,267,632	1,666,597
Investment	4,000,000	5,307,813	500,000	500,000					4,500,000	5,807,813
<b>Total</b>	<b>4,000,000</b>	<b>5,307,813</b>	<b>500,000</b>	<b>500,000</b>	<b>959,842</b>	<b>582,288</b>	<b>1,267,632</b>	<b>1,666,597</b>	<b>6,727,474</b>	<b>8,056,698</b>
<b>Financial liabilities</b>										
Payable							2,437,326	2,457,426	2,437,326	2,457,426
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>2,437,326</b>	<b>2,457,426</b>	<b>2,437,326</b>	<b>2,457,426</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 5.3 MARKET RISK

The Group'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. The Group's principal financial instruments comprise cash and short term deposits, and the primary purpose of the Group's investment strategy is to maximise investment returns in order to contribute to the funding of the Group's operations.

### 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, and neither the Company nor its subsidiary are subject to externally imposed capital requirements.

## 6 SEGMENT REPORTING

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

## 7 REVENUE AND OTHER INCOME

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Services revenue</b>				
VAR Access fees	397,865	382,814	–	382,814
Corporate Access Fees	603,747	715,600	33,747	715,600
<b>Total services revenue</b>	<b>1,001,612</b>	<b>1,098,414</b>	<b>33,747</b>	<b>1,098,414</b>
<b>Non-services income</b>				
<del>Rental sublease and reimbursables</del>	4,496,982	4,003,411		4,003,411
<del>Consulting</del>	338,215	430,181	333,604	430,181
Rental sublease and reimbursables	62,777	83,883	62,777	83,883
Consulting	2,500	181,900		181,900
Miscellaneous	1,568	138	1,568	138
<b>Total non-services income</b>	<b>4,902,042</b>	<b>4,699,513</b>	<b>400,949</b>	<b>4,699,513</b>
<b>Total revenue</b>	<b>5,903,654</b>	<b>5,797,927</b>	<b>434,696</b>	<b>5,797,927</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

## 8 PROFIT ATTRIBUTABLE TO MEMBERS

PROFIT FROM ORDINARY ACTIVITIES IS ATTRIBUTABLE TO MEMBERS AFTER:

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Other expenses</b>				
Depreciation of plant and equipment	98,291	72,190	98,291	72,190
<b>Total other expenses</b>	<b>98,291</b>	<b>72,190</b>	<b>98,291</b>	<b>72,190</b>
<b>Remuneration of auditor</b>				
Auditing or reviewing the financial report	17,000	13,875	17,000	13,875
Taxation services	8,210	8,705	8,210	8,705
<b>Total remuneration of auditor</b>	<b>25,210</b>	<b>22,580</b>	<b>25,210</b>	<b>22,580</b>
<b>Rental expense on operating leases:</b>				
Office space (including Unit 3 sub-lease)	175,819	154,424	159,829	154,424
<b>Total rental expense on operating leases</b>	<b>175,819</b>	<b>154,424</b>	<b>159,829</b>	<b>154,424</b>

## 9 INCOME TAX EXPENSES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

## 10 FINANCE INCOME AND EXPENSES

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Interest income on unimpaired held-to-maturity investments	240,828	362,974	240,828	362,974
Interest income on bank deposits	97,387	67,207	95,776	67,207
<b>Finance Income</b>	<b>338,215</b>	<b>430,181</b>	<b>336,604</b>	<b>430,181</b>
Finance and impairment expenses	2,806	2,077	1,817	2,077
<b>Finance expense</b>	<b>2,806</b>	<b>2,077</b>	<b>1,817</b>	<b>2,077</b>
<b>Net finance income</b>	<b>335,409</b>	<b>428,104</b>	<b>334,787</b>	<b>428,104</b>

## 11 PLANT AND EQUIPMENT

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
IT Equipment – at cost	341,810	265,970	341,810	265,970
Accumulated depreciation	(136,458)	(104,924)	(136,458)	(104,924)
	<b>205,353</b>	<b>161,046</b>	<b>205,353</b>	<b>161,046</b>
Furniture and Equipment	73,842	115,879	73,842	115,879
Accumulated depreciation	(19,449)	(74,892)	(19,449)	(74,892)
	<b>54,393</b>	<b>40,987</b>	<b>54,393</b>	<b>40,987</b>
<b>Total plant and equipment</b>	<b>259,746</b>	<b>202,033</b>	<b>259,746</b>	<b>202,033</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 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:

	<b>Plant and Equipment</b>
Balance at 1 July 2008	202,033
Additions	156,004
Depreciation expense	(98,291)
<b>Carrying amount at 30 June 2009</b>	<b>259,746</b>

## 12 INTANGIBLE ASSETS

### DEVELOPMENT OF DATASETS AND LOGISTICS FACILITIES

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	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
G-NAF (Geo-coded National Address File)	1,456,268	1,412,793	1,456,268	1,412,793
LYNX (data logistics facility)	743,875	366,138	743,875	366,138
Accumulated impairment losses		–		–
<b>Net carrying value</b>	<b>2,200,143</b>	<b>1,778,931</b>	<b>2,200,143</b>	<b>1,778,931</b>
<b>Reconciliation</b>				
Balance at 1 July 2008	1,778,931	1,468,217	1,778,931	1,468,217
Additions for G-NAF	43,474		43,474	
Additions for LYNX	377,735	310,714	377,735	310,714
<b>Closing carrying value at 30 June 2009</b>	<b>2,200,143</b>	<b>1,778,931</b>	<b>2,200,143</b>	<b>1,778,931</b>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

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 plus a risk premium of 14%. The following assumptions were used in the value-in-use calculations:

	<b>Growth Rate</b>	<b>Discount Rate</b>
G-NAF	15% for 5 years from 05/06, then 10% for 5 years, then 5% for 10 years.	18.85%
LYNX	10% for 5 years from 05/06, then 5% for 5 years, then 2%	18.85%

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

### 13 FINANCIAL ASSETS

	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Held to maturity financial assets</b>				
Held to Maturity Financial Assets comprise:	500,000	500,000	500,000	500,000
<b>Fixed interest securities</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Fair Value through profit or loss financial assets</b>				
Units in associates	20,000	20,000	20,000	20,000
Fair value adjustment	(20,000)	(20,000)	(20,000)	(20,000)
<b>Total fair value through profit or loss financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

## 14 TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Current</b>				
Trade receivables	1,137,605	1,556,002	4,212	1,556,002
less provision for impairment of receivables	-	-	-	-
	<b>1,137,605</b>	<b>1,556,002</b>	<b>4,212</b>	<b>1,556,002</b>
<b>Other receivables</b>				
Interest receivable	101,946	90,834	101,946	90,834
Prepayments	28,081	19,761	28,020	19,761
	<b>130,027</b>	<b>110,595</b>	<b>129,966</b>	<b>110,595</b>
<b>Total trade and other receivables</b>	<b>1,267,632</b>	<b>1,666,597</b>	<b>134,178</b>	<b>1,666,597</b>

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 2009, there was no impairment of trade receivables and no provision for doubtful debts has been allocated.

## 15 CASH AND CASH EQUIVALENTS

### 15.1 CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	959,842	582,288	663,732	582,288
Short term bank deposits	4,000,000	5,307,813	4,000,000	5,307,813
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>4,959,842</b>	<b>5,890,101</b>	<b>4,663,732</b>	<b>5,890,101</b>

The effective interest rate on short term bank deposits was 4.0%.  
These deposits have an average maturity of 180 days

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

15.2 STATEMENT OF CASH FLOWS

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Profit attributable to members:	(247,358)	924,165	219,732	924,165
<b>Non-cash flows in profit</b>				
Depreciation	98,291	72,190	98,291	72,190
<b>Operating profit before changes in working capital and provisions</b>				
change in trade and other receivables	(1,335,482)	(364,114)	(202,088)	(364,114)
change in other assets	(8,320)	(882)	(8,259)	(882)
change in trade and other payables	1,715,647	722,260	(149,988)	722,260
change in provisions and employee benefits	78,866	28,400	62,009	28,400
change in income in advance	(19,586)	(190,453)	(33,747)	(190,453)
Change in transfers to reserves	(635,104)	-	(635,104)	-
<b>Net cash from operating activities</b>	<b>(353,044)</b>	<b>1,191,566</b>	<b>(649,154)</b>	<b>1,191,566</b>

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 2009

## 16 CAPITAL AND RESERVES

### RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Retained earnings</b>				
Retained earnings	4,582,451	6,829,809	5,049,541	6,829,809
<b>Reserves</b>				
Special project fund	1,864,897	500,000	1,864,897	500,000
<b>Retained profits at the end of financial year</b>	<b>6,447,348</b>	<b>7,329,809</b>	<b>6,914,438</b>	<b>7,329,809</b>

The Special Project fund is a reserve created from Retained Earnings specifically to fund the development of the LYNX spatial data logistics infrastructure, and for future research and development projects of the Company. An additional \$2,000,000 was transferred from Retained Earnings to the Special Project reserve in the financial year. During the 2008/2009 financial year, \$635,103.36 of LYNX development costs was funded from the Special Project fund.

### SHARE CAPITAL

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	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Fully paid ordinary shares	9	8	9	8
Issue of ordinary shares	–	1	–	1
<b>Fully paid ordinary shares</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

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 2009

## 17 EMPLOYEE BENEFITS

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Wages and salaries	1,563,929	926,106	1,325,237	926,106
Other associated personnel expenses	300,127	140,488	277,995	140,488
Liability for annual leave	43,171	17,914	26,314	17,914
Liability for long service leave	35,695	10,486	35,695	10,486
<b>Total employee benefits</b>	<b>1,942,922</b>	<b>1,094,994</b>	<b>1,665,241</b>	<b>1,094,994</b>

## 18 PROVISIONS

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Opening balance at 1 July 2008</b>	86,784	58,384	86,784	58,384
Additional provision raised during the year	78,866	28,400	62,009	28,400
Amounts used	–	–	–	–
<b>Balance at 30 June 2009</b>	<b>165,650</b>	<b>86,784</b>	<b>148,793</b>	<b>86,784</b>
Analysis of provisions				
Current	95,883	52,712	79,026	52,712
Non-current	69,767	34,072	69,767	34,072
	<b>165,650</b>	<b>86,784</b>	<b>148,793</b>	<b>86,784</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
<b>Number of employees at year end</b>	<b>23</b>	<b>16</b>	<b>21</b>	<b>16</b>

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 3.7

**19 TRADE AND OTHER PAYABLES**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Trade payables</b>				
Trade Payables	190,114	160,982	165,296	160,982
Employee benefits	59,153	31,584	47,988	31,584
Employee provisions	165,650	86,784	148,793	86,784
	<b>414,917</b>	<b>279,350</b>	<b>362,077</b>	<b>279,350</b>
<b>Sundry payables and accrued expenses</b>				
Accrued Jurisdictional Royalties for 08/09	1,755,620	–	1,755,620	–
Accrued Jurisdictional Royalties for 07/08	222,407	1,601,364	222,407	1,601,364
Accrued Jurisdictional Royalties for 06/07	153,830	374,022	153,830	374,022
Accrued Jurisdictional Royalties for 05/06	98,666	141,946	98,666	141,946
Accrued Jurisdictional Royalties for 04/05	36,882	179,112	36,882	179,112
GST Liability	43,523	98,304	43,362	98,304
Income in Advance	14,161	33,747	–	33,747
	<b>2,325,088</b>	<b>2,428,495</b>	<b>2,224,042</b>	<b>2,428,495</b>
<b>Total payables</b>	<b>2,740,005</b>	<b>2,707,845</b>	<b>2,586,119</b>	<b>2,707,845</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

## 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.

## 21 LEASING COMMITMENTS

NON-CANCELLABLE OPERATING LEASES CONTRACTED FOR, BUT NOT CAPITALISED IN THE FINANCIAL STATEMENTS.

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
not later than 1 year	58,529	146,262	58,529	146,262
later than 1 year but no later than 5 years		98,639		98,639
later than 5 years				
<b>Total operating lease commitments</b>	<b>58,529</b>	<b>244,901</b>	<b>58,529</b>	<b>244,901</b>

The property lease is a non-cancellable lease with a 6 year term to 28/02/10, and an option exists to renew the lease for an additional term after the 6 year period. The board of directors will assess their options and requirements prior to the expiry date. Rent is payable monthly in advance, and contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.5% per annum. 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 2009

## 23 RELATED PARTY DISCLOSURES

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

### TRANSACTIONS WITH RELATED PARTIES

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Independent directors and key management personnel</b>				
Dakel Nominees (Olaf Hedberg)	100,000	60,000	70,000	60,000
Semloh Consulting (Martin Holmes)	45,000	17,000	25,000	17,000
Mary O’Kane & Assoc (Mary O’Kane)	20,000	15,000	20,000	15,000
<b>Total of transactions with related parties</b>	<b>165,000</b>	<b>92,000</b>	<b>115,000</b>	<b>92,000</b>

## 24 AUDITOR’S REMUNERATION

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Remuneration of auditor:</b>				
Audit and review of financial reports	17,000	13,875	17,000	13,875
Taxation services	8,210	8,705	8,210	8,705
<b>Total remuneration of auditor</b>	<b>25,210</b>	<b>22,580</b>	<b>25,210</b>	<b>22,580</b>



## AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009



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 2009 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 black ink, appearing to read 'Mark Peatey', with a long horizontal line extending to the right.

Mark Peatey

1 September 2009

Maxim Chartered Accountants  
6 Oxley Street  
Griffith ACT 2603

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 30 JUNE 2009



#### 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 16 to 35. The financial report comprises the balance sheet as at 30 June 2009, 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 on 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 1 September 2009, 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 2009 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.

Mark Peatey  
Registered Company Auditor

Maxim Chartered Accountants  
6 Oxley Street  
GRIFFITH ACT 2603

1 September 2009

## AUDITOR'S DISCLAIMER

FOR THE YEAR ENDED 30 JUNE 2009



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

The additional financial data presented on pages 40 to 41 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 2009.

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 black ink, appearing to read "Mark Peatey", is written over a horizontal line. The signature is fluid and cursive.

Mark Peatey  
Registered Company Auditor

Maxim Chartered Accountants  
6 Oxley Street  
GRIFFITH ACT 2603

1 September 2009

## DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>REVENUE</b>				
Interest revenue	338,215	430,181	336,604	430,181
Rent revenue and reimbursable utilities	62,777	83,883	62,777	83,883
VAR access fees	1,001,612	1,098,414	33,747	1,098,414
VAR royalties	4,496,982	4,003,411	–	4,003,411
Consulting	<del>63,451</del>	134,500	–	134,500
Miscellaneous income	1,568	47,538	1,568	47,538
<b>TOTAL REVENUE</b>	<b><del>5,964,605</del></b>	<b>5,797,927</b>	<b><del>434,927</del></b>	<b>5,797,927</b>
<b>EXPENDITURE</b>				
<b>Human resource management</b>				
Wages and salaries	1,563,929	926,106	1,325,237	926,106
Employer superannuation	293,523	131,060	272,042	131,060
Human resources -other	337,517	231,617	267,409	231,617
Staff training and professional development	71,049	65,723	70,449	65,723
	<b>2,266,018</b>	<b>1,354,506</b>	<b>1,935,136</b>	<b>1,354,506</b>
<b>Professional services</b>				
Legal	150,422	50,585	81,960	50,585
Accounting and audit	25,210	22,580	25,210	22,580
Consultants	173,111	92,649	173,111	92,649
	<b>348,743</b>	<b>165,814</b>	<b>280,281</b>	<b>165,814</b>
<b>Equipment</b>				
Equipment purchases	6,718	8,814	4,345	8,814
Hardware and software purchases	46,201	10,187	41,506	10,187
Depreciation	98,291	72,190	98,291	72,190
Equipment repair / maintenance/ hire	19,548	12,202	19,192	12,202
	<b>170,758</b>	<b>103,393</b>	<b>163,334</b>	<b>103,393</b>

DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Travel</b>				
Travel (domestic)	220,512	143,438	189,680	143,438
Travel (international)	34,571	37,063	34,571	37,063
Meals and accommodation	137,016	94,214	126,252	94,214
Car hire / taxi / parking / other	48,536	25,523	35,924	25,523
	<b>440,635</b>	<b>300,238</b>	<b>386,427</b>	<b>300,238</b>
<b>Telecommunications</b>				
Telephones	15,905	7,933	15,700	7,933
Mobile phones	8,402	9,846	6,697	9,846
Fax / teleconferencing / internet / web host	26,918	5,949	17,054	5,949
	<b>51,226</b>	<b>23,728</b>	<b>39,452</b>	<b>23,728</b>
<b>Overheads</b>				
Rent (including sub leased areas)	176,501	154,424	159,829	154,424
Cleaning/waste removal (incl sub leased areas)	15,941	17,379	15,941	17,379
Security and maintenance	16,017	6,389	16,017	6,389
Electricity (including sub leased areas)	25,845	22,295	20,985	22,295
Office refit	15,493	27,277	15,493	27,277
	<b>249,797</b>	<b>227,765</b>	<b>228,265</b>	<b>227,765</b>
<b>Administration costs</b>				
Postage / freight / handling	4,213	1,317	4,066	1,317
Stationery / office supplies	27,571	17,701	25,511	17,701
Motor vehicle expenses	36,916	30,489	36,916	30,489
Management system for quality	34	750	34	750
	<b>68,734</b>	<b>50,257</b>	<b>66,527</b>	<b>50,257</b>

DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Insurance</b>				
Business, Directors and Officers, Professional Indemnity, Motor Vehicle insurance	13,625	14,713	13,625	14,713
	<b>13,625</b>	<b>14,713</b>	<b>13,625</b>	<b>14,713</b>
<b>Other expenses</b>				
Fringe Benefits Tax	16,433	20,159	15,841	20,159
Payroll Tax	44,574		33,912	
Bad debt	1,247		1,247	
Bank charges / stamp duty	2,806	2,077	1,817	2,077
Other expenses	2,412	215	2,046	215
	<b>67,472</b>	<b>22,451</b>	<b>54,863</b>	<b>22,451</b>
<b>Research and development</b>				
Research and Development	22,727	111,400	22,727	111,400
CRC.SI 43PL	20,000	20,000	20,000	20,000
	<b>42,727</b>	<b>131,400</b>	<b>42,727</b>	<b>131,400</b>
<b>Supply chain management</b>				
LYNX build	–	309,661	–	309,661
Spatial data management	800	49,325	800	49,325
G-NAF maintenance	223,843	56,179	223,843	56,179
CadLite maintenance	110,000	114,000	110,000	114,000
Transport and Topography maintenance	100,123	113,636	100,123	113,636
Administrative Boundaries maintenance	35,454	46,100	35,454	46,100
Land Tenure maintenance	4,600	19,775	4,600	19,775
	<b>474,820</b>	<b>708,676</b>	<b>474,820</b>	<b>708,676</b>

DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Jurisdictional royalty returns</b>				
Royalty returns – G-NAF	576,639	526,102	576,639	526,102
Royalty returns – CadLite	168,616	179,932	168,616	179,932
Royalty returns – Transport and Topography	1,002,907	891,178	1,002,907	891,178
Royalty returns – Administrative Boundaries	2,871	2,912	2,871	2,912
Royalty returns – other datasets	4,587	1,240	4,587	1,240
	<b>1,755,620</b>	<b>1,601,364</b>	<b>1,755,620</b>	<b>1,601,364</b>
<b>Marketing</b>				
Graphic design and printing	60,887	35,804	52,588	35,804
Promotion and sponsorship	114,226	72,643	113,624	72,643
Web site maintenance	16,330	10,357	16,330	10,357
Other	8,043	7,460	7,861	7,460
	<b>199,486</b>	<b>126,264</b>	<b>190,403</b>	<b>126,264</b>
<b>Relationship management</b>				
VAR audit fees	1,350	43,191	1,350	43,191
	<b>1,350</b>	<b>43,191</b>	<b>1,350</b>	<b>43,191</b>
<b>TOTAL EXPENDITURE</b>	<b>6,151,011</b>	<b>4,873,760</b>	<b>5,632,830</b>	<b>4,873,760</b>
<b>OPERATING PROFIT/LOSS</b>	<b>(247,358)</b>	<b>924,165</b>	<b>(5,198,134)</b>	<b>924,165</b>
<b>INTER-COMPANY TRANSFERS</b>				
Income	5,356,916		5,356,916	
Group Services	60,951		60,951	
	<b>5,417,867</b>		<b>5,417,867</b>	
Expense	(5,356,916)			
Group Services	(60,951)			
	<b>(5,417,867)</b>			
<b>NET PROFIT/LOSS</b>	<b>(247,358)</b>	<b>924,165</b>	<b>219,732</b>	<b>924,165</b>