

Procurement Australia Annual Report 2021



PROCUREMENT
AUSTRALIA

Our Annual Report 2020-21 describes activities undertaken between 1 October 2020 and 30 September 2021 and its purpose is to meet our membership's needs, our regulatory obligations and to contribute towards achieving our vision of being an innovative, high-quality procurement and consulting partner.

If you would like a copy of this report in a different format, please contact Procurement Australia on 03 9810 8608 (within Victoria) or email info@paltd.com.au

Procurement Australia respectfully acknowledges the Aboriginal people as Australia's First Peoples and Traditional Custodians of the land on which we rely and operate, and recognise their continuing connection to land, water and community. We pay our deepest respects to Elders past, present and emerging.

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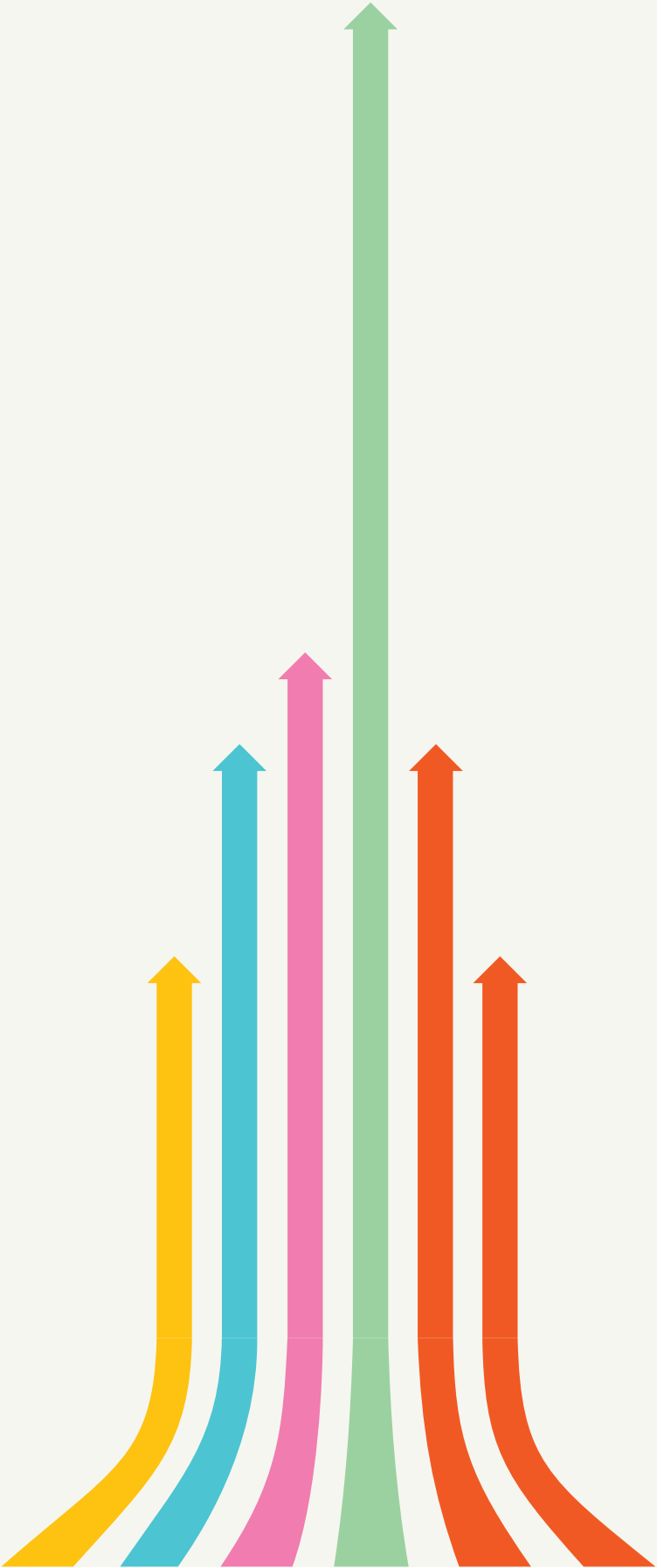
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A year in review



At its heart, evolution is fundamentally about change. Without question, 2020-21 will always symbolise a year of immense change for Procurement Australia. If 2019-20 was to be defined by how resilient we were to the unknown threats presented by COVID-19, 2020-21 would be emblematic of how we could improve every element of our business on the back of it.

While this financial year featured similar shades to the previous pandemic-affected year, we were determined to approach it slightly different. We wanted to maximise our ability to transform and progress. For us, survival would not be sufficient enough response; we wanted to be even better on the back of the challenges of this year. In order to do this, we had to start from the ground up. While many businesses went to ground for the year, we did everything possible to shake things up. From our strategic focus through to our very identity, nothing was off the table when it came to change. If this was a once-in-a-generation pandemic, we wanted to facilitate a change that was 30 years in the making.

Our trademark barcode identity is well-known throughout our industry and the sectors we service. For quite some time, it has been a recognised symbol throughout our member base, representing the rigour and expertise our team brings to every project, contract and service delivery. While our barcode was a strong representation of our history, we wanted it to also represent our future. With that in mind, our brand update had a vision to uncover what our members thought of us now, and what they wanted us to be.

Months of work has gone into curating and finessing our new identity, approach and business structure. Through our mission 'to deliver an exceptional customer experience by always delivering what we commit to' our new brand focuses on us 'procuring a fairer world together'. By holding firm to our shared values, we are on the right path to being member-led, human-centred and doing what's right for the planet.

It was also perhaps no sheer coincidence that this financial year coincided with the review and renewal of our 3-year Strategic Plan. As with the change to our brand identity, we took this opportunity to look closely at our strategic objectives and priorities, ensuring they aligned with our brand, our members' expectations and the shifting market and environment. Our new Strategic Plan aims to do just that; it is a detailed roadmap to help us achieve our own Vision and Mission, while also helping every member to get what they need, no matter how big or small.

We want to be the driving force for the next era of holistic and ethical procurement in Australia. To make this a daily reality, we have to live it from the inside out. We wanted our members to recognise how their feedback had been integrated into our identity and practices at a fundamental level. As an organisation, we wanted to continue to grow so we could set the pace and direction for the procurement industry. Social and ethical procurement is here to stay, and we're helping it integrate into mainstream policies and practices. In order to procure a fairer world for everyone, every element and connection in the procurement chain has to be considered as part of a greater whole.

With a focus on sustainable procurement, we hope to lead the way with the next era of industry with a goal to procure a fairer world for all of us. Our 2020-21 Annual Report is a summary of the first steps we are taking to achieve it; we hope you enjoy reading the insights from the entire Procurement Australia team.

CEO report

Welcome to Procurement Australia's 2020-21 Annual Report. As I sat down to write this report I was struck by a resounding thought: change can be uncomfortable, but it is necessary for real and lasting transformation to happen. Throughout 2020, we relied on our innate resilience as an organisation and a team to push us through the first year of a once-in-a-century pandemic. In 2021, we leaned firmly on another shared trait amongst our team: an ability and eagerness to adapt and grow. If there's any one statement that can sum up our last year, it is this: those who can best manage change will not only survive, but thrive.

As is the case with any year punctuated by monumental change, 2021 will forever be cemented as a significant marker in our business' history. Through all the challenges and obstacles, our team have executed and managed projects pivotal to the ongoing success and growth of Procurement Australia.

Perhaps most significantly, we launched our new brand in September 2021. Our new look and feel is more than a logo update and a fresh colour palette; it represents who we are as a business for our members and the entire procurement community. For over a year we worked diligently with brand experts to connect with our members and conduct market research to better understand what our stakeholders were looking for from us.

What we found spoke to what we wanted to stand for as a brand, and what strategic goals we wanted to achieve as an organisation. Members were looking for clarity, greater transparency, and a clear commitment from us to prioritise more sustainable and holistic supply chains - all things we had our sights set on as we worked to develop our new Strategic Plan for the benefit of our immediate and long-term future.

With these signposts in mind, we worked to refine what had brought us this far and what will confidently steer us through the next 30 years as Procurement Australia.

Our history is built on meaningful partnerships and collaboration, while our future will be determined by our ability to be innovative in our approach to still unforeseen challenges. The new brand is a reflection of this, exemplified by our familiar logo but supported by a new vibrant and contemporary identity. This identity both reflects our proud history and our eagerness to be the driving force behind the next era of holistic and ethical procurement in this country.

A large part of this distinction in our business is the enduring legacy of Church Resources. Since 2017,

Church Resources has been an integral part of our business operations and ethos. We would not have been able to endure the last two challenging years without the support of the not-for-profit sector of our business and the dedication of all Church Resources staff. While the amalgamation of Church Resources into the singular Procurement Australia brand means the brand will merge into the new identity, its legacy is an enduring one. In particular, I want to recognise all the staff who have helped to invigorate the new Procurement Australia brand with the tenets of the Church Resources brand, namely those of unwavering customer service, integrity and fairness. These are Procurement Australia values and ones we will carry on as we move forward as one organisation. As CEO, I'm incredibly proud of the outcome of this work and how it reflects everything we stand for at Procurement Australia, including our commitment to diversity, rigour and member success.

Along with the new brand, we also experienced great success in other areas of our business. For one, 2020-21 saw us celebrate the commencement of our first renewable energy power purchase agreement (PPA) for 13 councils and one statutory authority in Victoria. Under this historic PPA, participating members will have reliable and stable access to renewable energy throughout the 10 years of the agreement. In addition to this, we are also proceeding with a second PPA in New South Wales having secured a firm binding agreement from seven local government agencies to participate in the agreement. The NSW PPA builds upon the overwhelming success of our Victorian PPA, further cementing our dedication to provide our members Australia-wide with reliable energy solutions that meet their individual sustainability and renewable goals, both now and for the next 7-12 years.

Our team has also achieved great things in other areas of our business. Despite the ongoing challenges of lockdowns affecting our Melbourne-based offices, our Space Station team continued to work to serve our members and provide innovative working space solutions. Most significantly, the team adapted the physical Space Station spaces to become virtual offices, providing much-needed support to members looking to stay connected to staff throughout the extended lockdown in Melbourne. The team is negotiating long-term contracts with member organisations keen to return to the office environment after the pandemic. We are delighted to be able to provide members with this option at our consolidated Space Station location at Level 10, 440 Collins Street.

\$421,000

GROWTH OF COMBINED OPERATIONAL AND INVESTMENT PROFIT

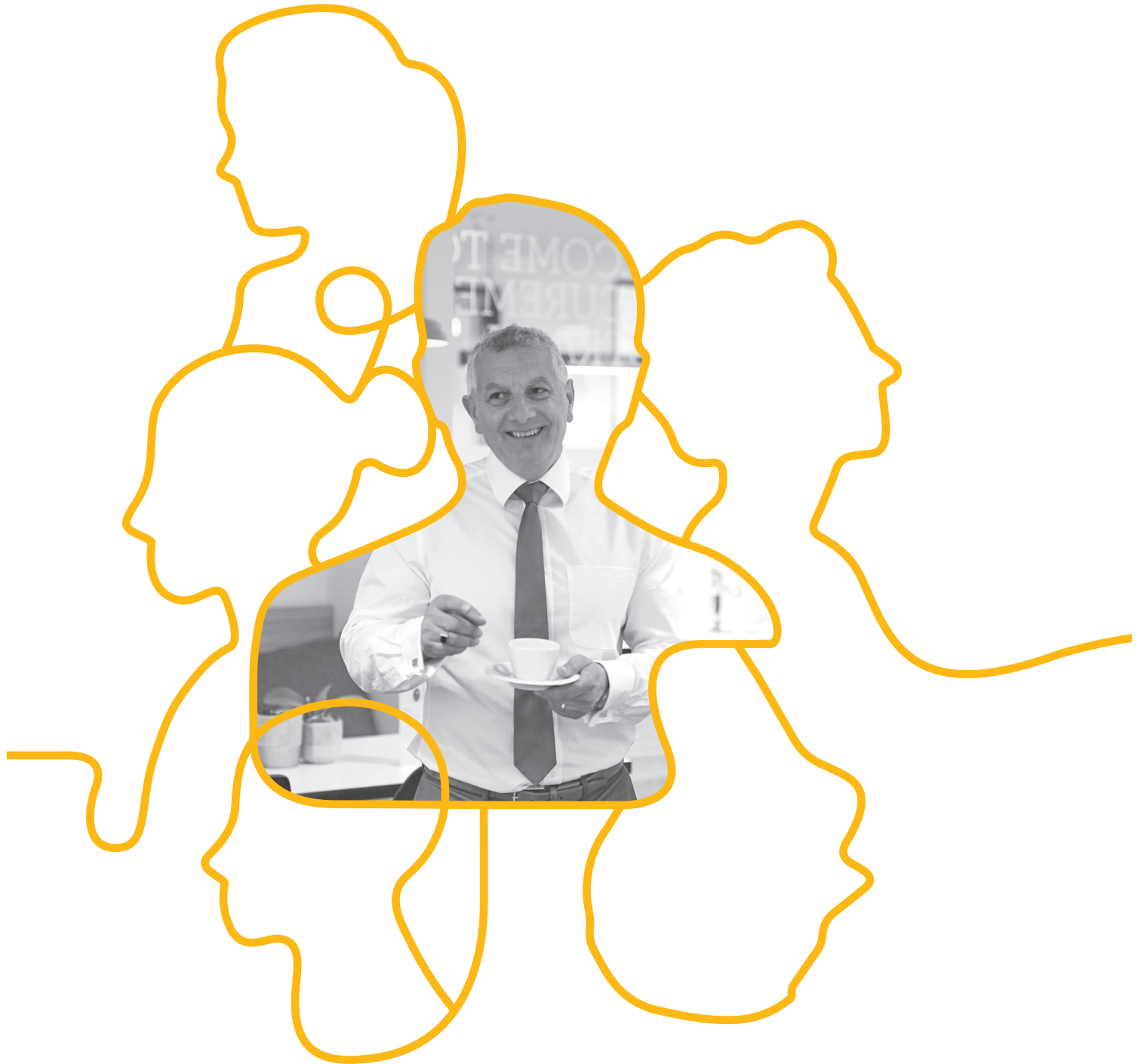
The Advisory side of our business also continued to grow as the team acquired numerous assignments from highly-regarded organisations, including large clients such as the City of Melbourne, Fire Rescue Victoria, South Gippsland Water and Peninsula Health to name a few. These significant gains and successes were achieved thanks to the persistence of the Advisory team to communicate and forge inroads with clients, despite most members working from home for most of 2021. I'm eager to see what further success the Advisory team will help to generate once the country is reunited and free from border and city closures. Even with the closure of our Space Station site and hindered growth of the Advisory side of our business, we are proud to report \$421K growth of combined operational and investment profit this year up from \$164K in 2019-2020 - no small feat considering the circumstances.

Finally, I'd like to extend my heartfelt thanks to our high-performing Executive Team. Their guidance and resilience through this last year has helped to navigate this period of change with clear eyes to find new, more stable ground. I'd also like to acknowledge our Board whose individual and collective expertise has been a driving force for us to enter this new era as a business with confidence for the future. To our members, I would like to express my sincere gratitude for your ongoing faith and confidence in us and our expertise - we couldn't have survived or thrived through this year without you.

Lastly, to all the staff at Procurement Australia, thank you for your continued commitment to the business, our values and our mission. We have our sights set on being the leading procurement solutions provider in Australia. I have no doubt we can fulfill this objective with the staff and leadership team of Procurement Australia. I hope you enjoy recounting the year that was with us in this report. We are excited to continue working towards our vision of holistic and ethical procurement as a united Procurement Australia.

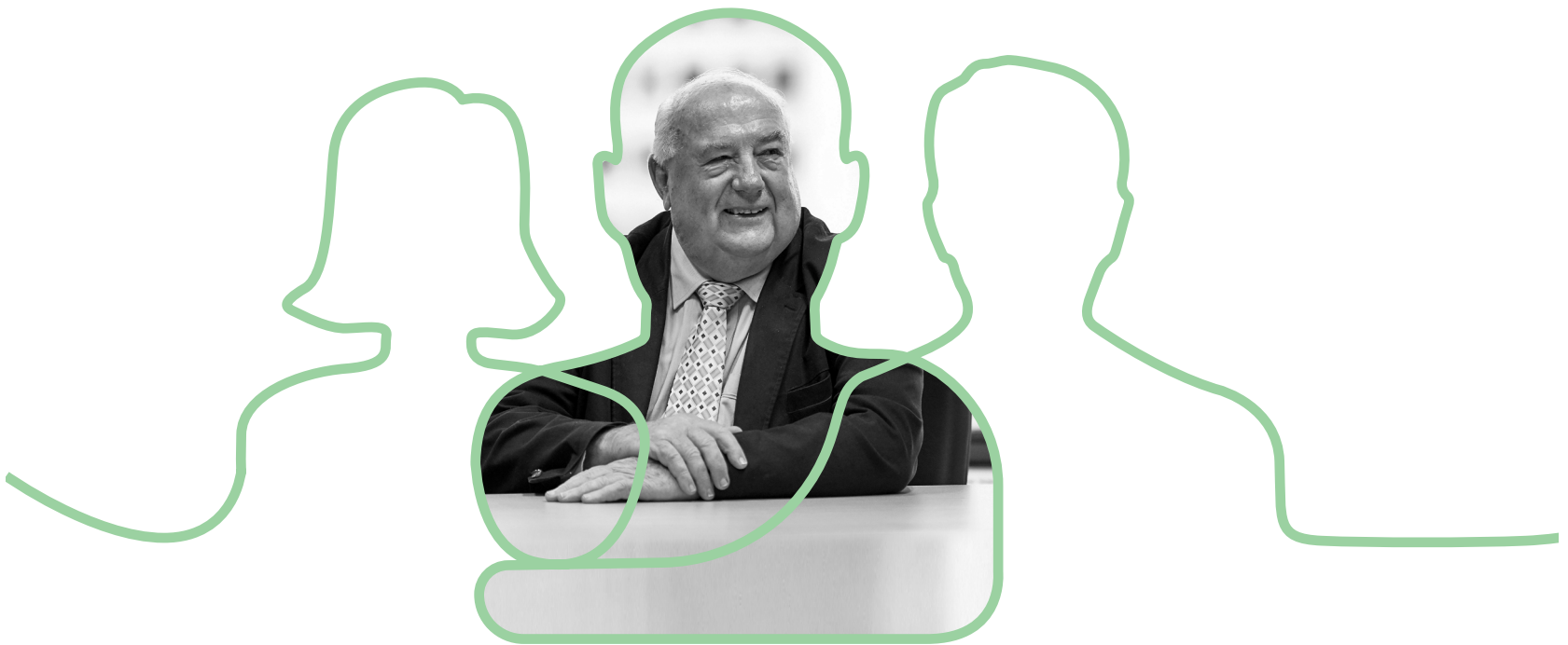
JOE ARENA

Chief Executive Officer, Procurement Australia.



Chair report

As 2020 drew to a close we (along with the rest of Australia) were hopeful for a new year that would be characterised by very different hallmarks. We were anticipating less lockdowns, fewer border closures and generally, minimised restrictions. As we all know, this was not to be the case. Instead, the year was characterised with elements very similar to 2020. For our Melbourne team in particular, it felt like a repeat of what had been experienced throughout the previous year. While some things were similar, one key thing was different, at least for our Company and team: we were more informed, better prepared and more energised than ever to push through the discomfort of change to achieve something greater, together.



With this shared attitude behind us, I was confident as Chair in our ability to rally for what promised to be another challenging and character-defining year. What I was pleasantly surprised by was how much the team has been able to achieve this year. In particular, I'm thrilled with the solid groundwork we have laid to launch us into the next 30 years as industry leaders and procurement changemakers. As one of the country's leading procurement solutions companies, we know how agile and fast-moving we need to be to both meet the market's current needs and anticipate future demands.

If anything, this year has demonstrated how we can continue to be there to support our member base, no matter their needs or the surrounding circumstances. While we did have to continue to make some tough financial and operational choices along the way this year, every decision we have made and every path we have pursued has demonstrated how resilient we are as an organisation.

Despite the enduring lockdowns, a largely closed international border and ongoing supply chain challenges, we have emerged from 2021 clearer about who we are, what we stand for and what we want to achieve for our members, our suppliers and for the planet.

Right from the start, I want to acknowledge the dedication, talent and strength of the entire Procurement Australia team. From the Executive Team through to every staff member around the country, the successes we've experienced this year come down to your continued efforts to push the Company forward beyond the immediate trials of the pandemic. For our Executive Team, this has meant engaging with decisive decision-making around what projects to pursue, which partnerships to forge and strengthen, and how necessary changes were to be facilitated.

For Procurement Australia staff, the effects of having to work another year largely in lockdown meant digging deeper to find ways to work effectively to serve member needs, all while navigating often-trying supply chains and remote working challenges. At an organisational and cultural level, I couldn't be more pleased with how the entire team has persisted and triumphed through this trying period of time. Thanks to some well-timed and effective change management activities throughout 2021, the team has united behind our new brand and the values it embodies. We are immensely proud of our strong company culture, especially now as we emerge into a post-COVID world even more determined to be the vanguard of the shift towards social, ethical and sustainable procurement solutions and outcomes.

I'm also pleased to report that these qualitative successes have translated into greater financial stability for our business throughout a second COVID-affected year. In 2020-21, the Company earned a net profit of just over \$585K. This figure includes a profit from operations of just over \$153K and a profit from the appreciation of the company investments of just over \$431K. When compared to the result from 2019-20 profit of just over \$164K, this indicates brighter times ahead for all areas of our business. Similarly, this positive financial performance is also reflected in the results we've been able to generate for our shareholders. In 2020-21, the Company declared a dividend of 10 cents per share. This is a pleasing increase from 7 cents per share in the previous financial year.

Unfortunately, in light of the ongoing pandemic, we did experience further financial stress with the Space Station side of our business. Continuing lockdowns in both Melbourne and Sydney meant we experienced another year of considerable income loss with the forced closure of our Space Station sites, a difficult situation from which we are still recovering from. In an effort to minimise continued impact, the Company has taken steps to secure a release from the lease at our former head office at 461 Bourke Street. The entire team is also proactively working to seek additional tenants for 440 Collins Street, the site of our newly combined head office and Space Station location. We are determined to continue to deliver improved earnings for our valued shareholders, especially as we start to witness further increases in our own business' financial performance, coupled with the return of greater consumer confidence and movement on the back of the pandemic.

As Chair, my confidence in our collective ability to manage and grow through change was buoyed by our successful delivery of our new Strategic Plan. Stewarded by our Strategic Team and the Procurement Australia Board, the new Strategic Plan solidifies our goals and ambitions for the next three years. This new Strategic Plan forges a way forward as a business to ensure our continued growth and development

post-COVID, while also aligning with our strongly held values of integrity, rigour and transparency. We were also conscious of the need to keep our members' needs in the forefront of our mind with all our priority activities and initiatives post-pandemic. As one, unified business, the Procurement Australia Strategic Plan provides a roadmap for the business to:

Ensure exceptional customer experience.

Deliver more innovative and valuable products and solutions for our members.

Execute our evolving digital strategy for greater member outcomes.

Live our 'Our Procurement Australia' culture, and, Create more ongoing member value through our expert analysis and market insights.

This refreshed roadmap provides a clear path for us to realise our overarching Vision and Mission to be Australia's leading procurement solutions partner based on our dedication to customer experience and our steadfast integrity. It will also guide us as we continue to grow our service offering for the benefit of our members, suppliers, staff and invested stakeholders. For example, the successful startup and continuing member take-up of our Advisory consulting services speaks volumes about the potential this offering has for the future growth of our business. I look forward to seeing how we can further expand this service offering for more members across more bespoke solutions throughout 2022.

In closing, I'd like to wholeheartedly thank all my fellow directors on the Procurement Australia Board. We have experienced another very busy and productive year, which is testament to your commitment to this organisation and its continual improvement and development. I'd also like to recognise Chief Executive Officer, Joe Arena, for his outstanding leadership during another challenging and fluctuating year. Through it all, Joe has managed to balance a number of competing priorities and goals to lead the entire Procurement Australia team out the other side of a potentially devastating two-year business cycle. Our strong position coming out of the pandemic is a testament to his commitment as a leader and conviction of the entire Procurement Australia team. Finally, to the entire Procurement Australia staff, I wish to highlight your incredible performance throughout this 2020-21 financial year. I am certain that our best days are ahead of us as a team, an organisation and an industry.

KEN MCNAMARA
Chair, Board of Procurement Australia.



Our new Strategic Plan & projects

The second year of the pandemic coincided with our 3-year strategic planning cycle. We took this alignment to signify that we needed to shift our focus so we could better contend with the challenges that lay ahead of us. It also provided us with the opportunity to reassess our Vision, Mission and strategic approach for how we were going to realise them.

Development of our new Strategic Plan

Throughout 2021, the team worked closely with the Board to develop the new Strategic Plan for the next three years. Our new Strategic Plan sets a clear agenda for Procurement Australia, including how we intend to further stabilise and grow the business for the post-pandemic recovery.

The new Strategic Plan also plots a strategic roadmap for the organisation to achieve our updated Vision and Mission:

Our Vision

Procurement Australia will be the leading procurement solutions partner.

Our Mission

To deliver an exceptional customer experience by always delivering what we commit to.

Our new Strategic Plan also outlines our key priorities to grow our business, serve our members and provide the most innovative procurement solutions.

Our Strategic Priorities are to:

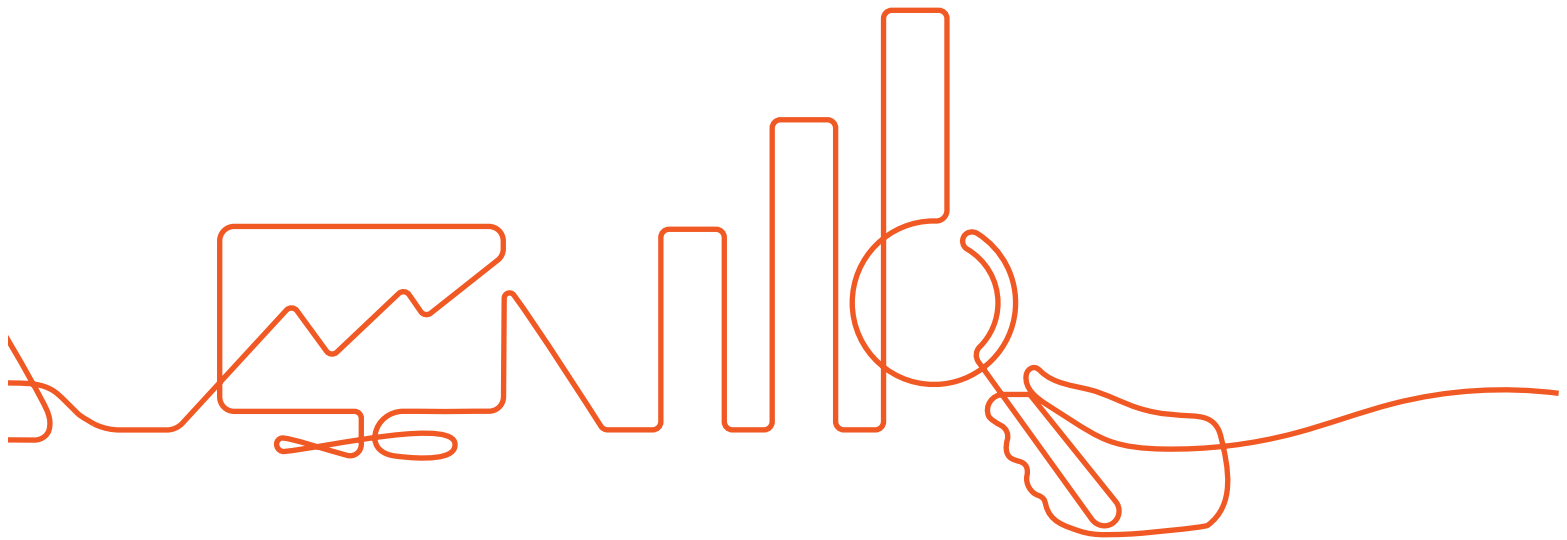
- Drive and deliver growth through product offer development, innovation and member engagement.
- Continually innovate to deliver new product development to create more value for our members.
- Expand and execute our digital strategy to continue to deliver great outcomes for our members.
- Live our 'One Procurement Australia' culture.
- Create more value for our members by anticipating changing member needs through market insights and analytics.

We look forward to sharing the progress of our new Strategic Plan and associated goals with our members and stakeholders over the next three years.

Our commitment to Quality Assurance

Our company values of rigour and transparency guide all our decision-making. Audited by the Victorian Auditor-General's Office, Procurement Australia has also held the ISO 9001- 2015 accreditation since 1998. The ISO 9001 approach is based on the Plan-Do-Check-Act cycle which helps Procurement Australia to continually review processes. With continuous improvement as our guide, we are consistently updating our processes and reducing risk.

This ongoing recognition of compliance with independent global standards also provides a solid foundation for our practices and processes with our



members and suppliers. By adhering to international standards and aligning with our company values, we can continue to provide members products and services that adhere to statutory requirements and meet our members' individual governance requirements.

Our 2020-21 Projects

In 2020-21 we directed our project focus into two key areas: consolidation and recalibration. This took the form of three key projects around office relocations and a change management piece to help our new brand to flourish.

' For the Leadership team, 2020-21 presented an opportunity for us to facilitate real, lasting change for the benefit of the entire organisation. Fundamentally, strategic planning is always a process of evolution. It requires the gathering of the right information, initiating informed moves, and reevaluating their individual and collective impact. This year, while still in the midst of the pandemic, we used this process to lay a new foundation that would help shape the future of Procurement Australia. I'm immensely proud of what we've achieved this year and eagerly look forward to reporting on the first year of our new Strategic Plan in 2022.' / Georgia Argyropoulos, Director - Strategy & Innovation.

Office relocations

The pandemic was instrumental in helping us to make some pivotal financial decisions regarding our office locations in both Sydney and Melbourne.

In February 2021, we relocated our Sydney office from Chatswood to the central business district. From a strategic perspective, the move to Sydney's CBD was both a logistical and cultural one. Logically, it made more sense for our office to move from a suburban area to a more convenient central location for all our Sydney staff. The office move was also an important announcement to the market regarding our organisation's strength and stature as a leading procurement solutions provider.

Our Sydney office move was also supported by a relocation of our Melbourne head office location. In June 2021, our head office moved from Bourke Street to our flagship office on Collins Street. The relocation to 440 Collins Street also had a larger strategic purpose. The continual closure of Melbourne's city centre in light of the lockdowns had a significant impact on the Space Station side of our business. By moving the Procurement Australia team into the same location as Space Station, our goal is to minimise office overheads, thus assisting with the larger financial impacts the pandemic has had on our flexible workspaces business.

Brand change management

A successful brand change requires adept skill and planning, especially from an internal change management perspective. To ensure all Procurement Australia staff were equipped with the knowledge and tools to support the brand change, we initiated a brand change management program in collaboration with external change management experts.

With the brand due to launch in September 2021, there was a pressing need to inform all staff about the planned consolidation of the Procurement Australia and Church Resources brands. To help facilitate this change, a specific change management program was designed to communicate why the change was happening, outline what was being updated, and to field questions from staff regarding the brand change.

Overall, the aim of the change management program was to support the internal change process and ensure a smooth transition to the new brand. The main activities of this program were interactive briefings, departmental workshops and the establishment of a team of brand change champions within different sectors of the business.



Our commitment to social, ethical and sustainable procurement

At Procurement Australia, our vision is to be the nation's leading procurement solutions partner for all industry sectors around the country.

We know that to become the industry leader we strive to be, we have to recognise the current status of the wider social and environmental climate and how we can play a role in improving it. We also know that we have to build upon a solid foundation consisting of strong partnerships, rigour and integrity.

As the impact of climate change, human rights and probity in business increasingly affect our daily lives, it has become more incumbent on industry to embrace the environmental, social and governance aspects of what we do.

For us at Procurement Australia, this meant taking a closer look at ourselves including our brand, values and operations to ensure they were in line with our strategic ambitions, including those around sustainable procurement.

As such, we need to create and enforce mature processes to best manage the human rights and slavery risks associated with supply chains in the areas we service.

By implementing the right checks and balances to address potential violations, companies can be compliant and forthright to customers, vendors, and suppliers. This is a priority in our business, especially as we emerge from the COVID-19 pandemic. Our updated approaches to ethical and sustainable procurement act to both uncover any breaches in our businesses and quickly address them to minimise the risk of our supplier code of conduct.

Our approach to social and sustainable procurement

Social and sustainable procurement strives to minimise adverse impacts by providing the right conditions for more positive environmental, social, and economic actions throughout the procurement life cycle.

Procurement Australia is working towards developing a range of principles to uphold the tenets of social and sustainable procurement including accountability, transparency, ethical behaviour, respect for human rights and a focus on innovation and continuous improvement.

- Development of a corporate social responsibility (CSR) framework to both monitor and manage our impact on society and the environment through transparent and ethical behaviour that:
 - contributes to sustainable development, including the health and welfare of the broader community;
 - considers the interests of stakeholders impacted by procurement practices; and
 - is compliant with the rule of law and international standards and normal practices.

Underpinning this roadmap is our intention to continually minimise our environmental footprint, review our impact on human rights, and always act to positively contribute to society and the economy.

Aligning our brand with our sustainable goals

Throughout 2020-21 we conducted an intensive brand review as part of our larger Strategic Plan. As part of this review, we extensively surveyed our members and staff to better understand what they expected of us as a procurement leader, both now and in the future.

The global shift to social, ethical and sustainable procurement

For more than 30 years, the Procurement Australia brand has held an enviable reputation as a leader in ethical procurement.

However, over the last few years we have witnessed the ground rules change; ethical procurement is no longer based solely on the positive economic outcomes of a program. In recent years, issues such as human exploitation within supply chains have been taken into consideration. Human exploitation can take many forms like forced labour, forced marriage, modern slavery, child labour, and many more. It can be difficult to detect human exploitation in the supply chain and no sector is immune to its presence. As procurement leaders, it's vital for us to be cognisant of the issues connected to modern slavery in all its forms.

Procurement Australia is a leading aggregator of many services at risk of exposure to modern slavery.

By integrating these principles as 'business-as-usual', Procurement Australia is developing a roadmap to balance the following issues:

- Development of policies, procedures and processes that meet the needs of the present without compromising the ability of future generations to meet their own needs; and

What we found was that our internal and external network were looking for the same things from us: clarity, transparency, and a strong commitment to more sustainable solutions.

As a direct result of this feedback, the next evolutionary stage of our business began. Over the course of 2020-21, the business underwent a number of significant changes, particularly around the reconsideration of our core values, our core business purpose and our pivotal role in providing more sustainable supply chain solutions around Australia.

Our new sustainable business commitments

The first stage of this evolution culminated in two key new commitments for the business: a new Employee Value Proposition (EVP) and a more refined guiding brand statement.

Procurement Australia's EVP was developed from direct feedback from staff throughout various areas of the business. Our new EVP is based on five key pillars:

- We are transparent.**
- We are member-led.**
- We are sustainability-focused.**
- We are rigorous.**
- We are diverse.**

This EVP will guide every member of the Procurement Australia team to conduct themselves in a way that aligns with our business' values and processes.

In addition to our new EVP, we refined our new brand statement to reflect our larger strategic commitment to sustainability, transparency and collective action towards greener procurement practices:

At Procurement Australia, we're working each day with something bigger in mind.

As one of the industry's leading procurement solutions companies, we are proud to be member-led. Meaningful partnerships are at the heart of everything we do. This means we are focused on doing what's right for all of us – our members, our suppliers and for the planet.

We're working with our members to develop holistic, ethical, and inclusive ways for our wider community to collaborate and grow together. Our team is guided by transparency and integrity – we know when we all work together, we can achieve great things. We are striving towards our goal – to create a fairer world together.*

* This position statement helps to signpost our evolutionary path forward; it is the cultural cornerstone of Procurement Australia's future.









Our Environment, Social and Governance (ES&G) activities

The development of our EVP and new brand statement highlighted how significant Environment, Social and Governance (ES&G) activities are to the current and future operations of our business.

Throughout our brand discovery phase in 2020-21, we found we were already conducting activities that aligned with an ES&G process throughout various departments and business units. As we worked to align the brand activities with our new Strategic Plan, it presented the optimal opportunity to collectively merge our efforts into one coherent strategy.

In response to this opportunity, an ES&G Steering Committee was established to formalise the program. Headed by the CEO, the Steering Committee was tasked with integrating the practices of social and sustainable procurement into the foundation of the business, while continuing to prioritise business and economic growth. To be successful, the committee would need to balance the business' ambitions alongside the needs of society, the economy, and the environment.

To do this, the committee recognised and agreed upon a key goal for the business. Our role is to provide support and guidance to help build a more sustainable world.

By providing members with access to our expertise, we can assist them to effectively implement sustainable procurement practices and policies over the following eight key areas:

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- Environment
 - Fair Operating Practices
 - Consumer Issues
 - Community
 - Climate Risk
 - Governance
 - Human Rights
(including Modern Slavery)
 - Indigenous Relations
 - Labour
-

In the 2020-21 financial year, we focused our efforts to oversee:

- The launch of the new brand identity and the employee value proposition (EVP).
- The development and implementation of a Supplier Code of Conduct aligning with the identified eight key pillars.
- The signing of an Impact Partnership Agreement with the First Australians Chamber of Commerce & Industry (FACCI) to assist its 4,500+ indigenous business members develop social and sustainable procurement practices.
- The establishment of a Steering Committee to support the development and integration of a social and sustainable procurement platform to align our supply-chain with members who are focusing on their own development of social and sustainable practices.

Our future-focused ES&G goals

As we progress into 2021-22, the ES&G Steering Committee remains focused on:

Progressing our ES&G Roadmap.

Continuing to build our Indigenous business relationships, through the development of our own Reconciliation Action Plan (RAP).

Introducing of our own internal social and sustainable procurement policy.

Developing an Environmental Management Plan.

Enhancing access to products and programs that will assist our members to achieve their own ES&G Goals.

At Procurement Australia, we are striving to secure sustainable energy outcomes for all our members, both now and for the future.

To achieve this, we've been working hard throughout 2020-21 to grow our renewable energy portfolio and build upon our commitment to sustainability and the environment.

As part of this work, we continued to focus our efforts on the important Energy category (gas, electricity, and public lighting). Procurement Australia has established itself as a leading aggregator in the Energy sector and we intend to build upon the solutions and services we offer to our members around the nation.

Commencement of our first renewable energy power purchase agreement (PPA)

On 1 July 2020, 13 Victorian councils and 1 state government authority celebrated the commencement of our first renewable energy power purchase agreement (PPA). Under this 10-year PPA, these participants are now able to meet their individual sustainability and renewable energy goals, with some opting to allocate 100% of their power needs from renewable sources.

To recognise our member's long-term commitment with this PPA, Procurement Australia hosted a day trip visit and tour to the PPA's energy generator, the Bald Hills Wind Farm in Gippsland. In April 2021, representatives from the 14 participating organisations, along with representatives from Alinta Energy (the tender's successful retailer) and SavvyPlus Consulting (our specialist Energy consulting firm) were granted rare access to the wind farm site.

Visiting participants were able to get close to the wind turbines and hear education talks from a range of speakers including the landowner, who still operates the land as a cattle and sheep farm, as well as the wind farm operator and maintainer.

Major standouts of this agreement

Under this agreement each participant will benefit from:

Reliable energy flow from 1 July 2020 for 10 years.

The opportunity to select their individual renewable energy requirements.

Price certainty in both power and environmental certificate costs across the life of the PPA.

Progression of another historic PPA

This financial year also saw the progression of another renewable power purchase agreement (PPA), our first in New South Wales. We have secured a firm binding commitment from seven local government agencies in New South Wales to participate in the establishment of a long-term PPA arrangement that will satisfy their renewable energy requirements well into the future.

Thanks to the skill of the talented Procurement Australia Energy team, we have aggregated significant volumes of energy to engage the renewables energy market via a public tender in the first quarter of 2022.

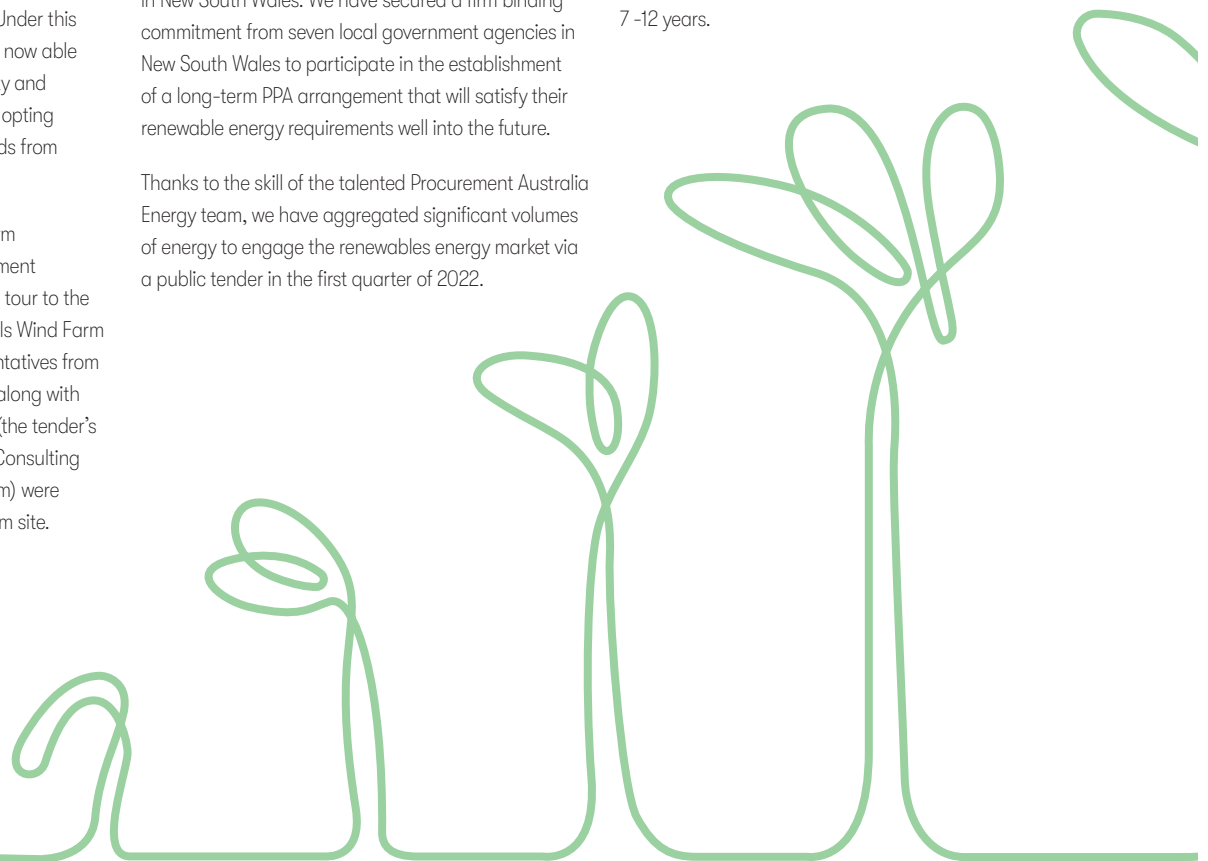
This historic tender process in New South Wales will deliver committed members with their individual renewable energy requirements via a phased and flexible commencement date commencing in January 2023.

As the 2020-21 financial year drew to a close, the project had established a Tender Reference Group composed of representatives from a number of the participating councils. A public advert was also placed in the Sydney Morning Herald in November announcing the pre-tender industry engagement stage.

Specifications and details are being developed in readiness for tender release in February 2022.

Major standouts of this agreement

The NSW PPA builds upon the overwhelming success of our Victorian PPA, further cementing our dedication to provide our members Australia-wide with reliable energy solutions that meet their individual sustainability and renewable goals, both now and for the next 7-12 years.



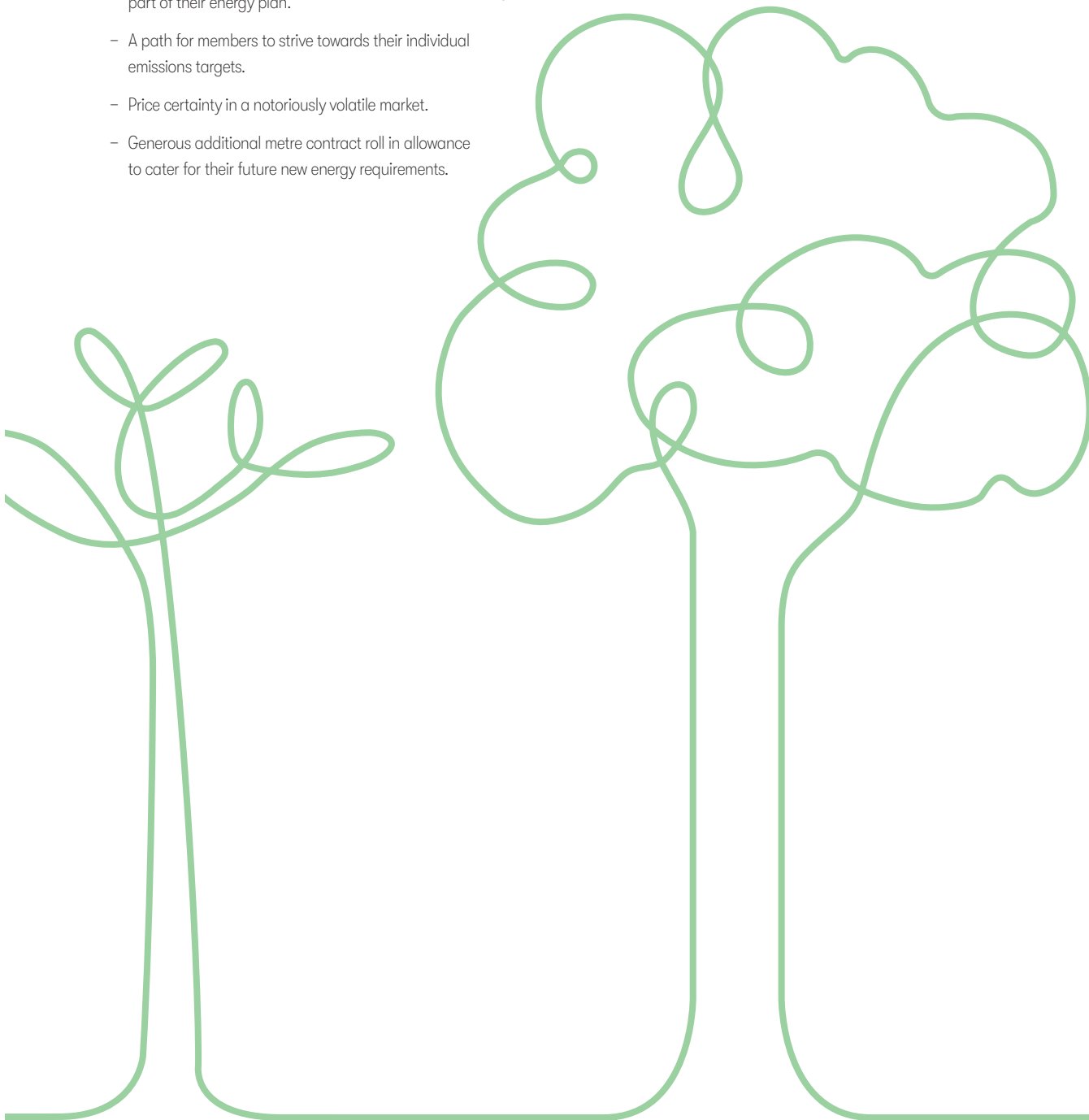
Securing our sustainable energy future

Similar to our Victorian PPA, NSW participants will benefit from:

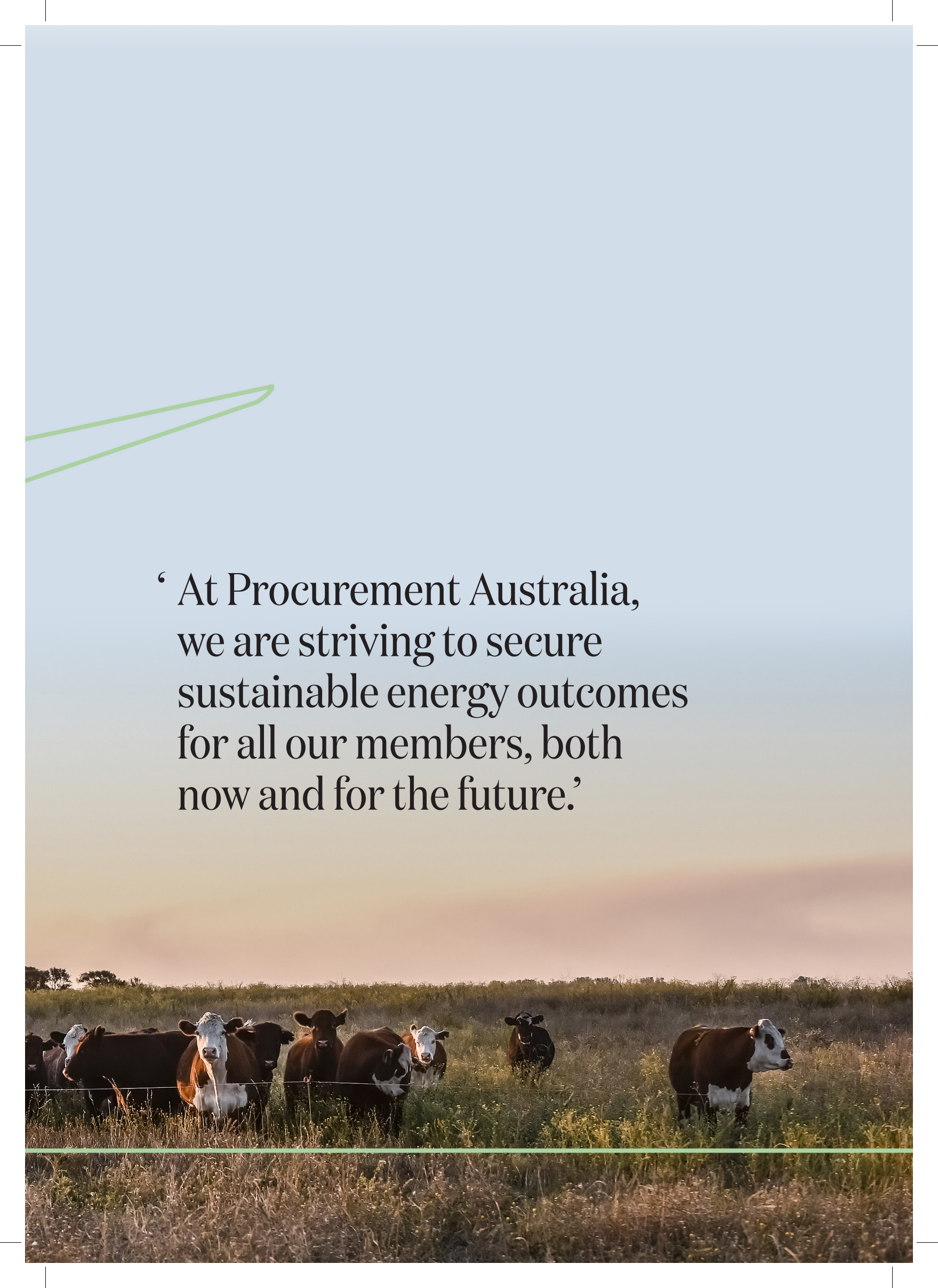
- Our expertise and experience in delivering these complicated energy solution
- Proactive solutions to procure more renewables as part of their energy plan.
- A path for members to strive towards their individual emissions targets.
- Price certainty in a notoriously volatile market.
- Generous additional metre contract roll in allowance to cater for their future new energy requirements.

Nation-wide aggregated tender

In 2020-21, Procurement Australia also conducted an aggregated tender for approximately 100 members in multiple states to renew fixed price fixed term retail contracts for electricity, public lighting, and natural gas requirements.





A photograph of a herd of cows in a field at sunset. The sky is a mix of light blue and orange, with a thin green line on the left side. The cows are in the foreground, some looking towards the camera. The text is centered in the middle of the image.

‘ At Procurement Australia,
we are striving to secure
sustainable energy outcomes
for all our members, both
now and for the future.’

Bald Hills Wind Farm event

As one of the largest energy aggregators in Australia, we're proud of our ability to generate reliable and sustainable long-term solutions for our members. The success of our first power purchase agreement (PPA) in Victoria is a testament to this work and our commitment to a renewable energy future.

The establishment of our first PPA in Victoria was a historic achievement for our Strategic Sourcing team and all of us at Procurement Australia. From the very beginning, we wanted to create a deal that was mutually beneficial for everyone involved. To best support our members, our team focused on creating a PPA that would deliver their renewable energy requirements in a way that was clear, transparent and consistent. We were also determined to secure a deal that would highlight a Victorian-based, renewable energy generating asset. Through our partnership with Alinta Energy, we were able to secure the Bald Hills Wind Farm in Gippsland as this local energy generating asset.

To celebrate the success of this first PPA, members of the wider Procurement Australia team facilitated an all-day event at the Bald Hills site. The event presented an opportunity for PPA participants, Alinta Energy representatives and Procurement Australia staff to visit Bald Hills for a rare behind the scenes glimpse of how things work on an active wind farm.

Pre-planning, planning and more planning:

While PPAs are an increasingly popular and effective alternative for short-term energy retail contracts, they are notoriously difficult to engineer. Our Victorian PPA was no different. From initial planning and negotiations through to the beginning of energy supply through Bald Hills, the process took over two years. Our team was thrilled in what they had achieved and wanted to share this with the entire team involved, both internal and external to Procurement Australia.

From an initial request from the Strategic Sourcing team, the Marketing team then took charge of the event. Energised by the prospect of showing some of our best work to our participating members first-hand, the team undertook months of planning, communication outreach and research to create the most engaging and memorable day possible.

All the pre-planning, strategising and organising paid off. The date was saved for 20 April and over 30 attendees including participating members, Alinta Energy and Procurement Australia, signed up to visit Bald Hills. To help generate even more excitement leading up to the event, our team visited the site before the day to collect some impressive drone footage of the site and share it with registered attendees.

38.7478° S, 145.9495° E.





Attendees:

37

REGISTRATIONS

5

MEMBER
ORGANISATIONS:

Ambulance Victoria,
City of Boroondara,
City of Greater
Dandenong, Hume
City Council, Mitchell
Shire Council.

2

MAYORS

Garry Thompson,
City of Boroondara
& Angela Long,
City of Greater
Dandenong.

Participating
organisations:

Alinta Energy,
Bald Hills
Wind Farm,
Procurement
Australia,
SavvyPlus
Consulting,
LC & SE Marriott,
Infrastructure
Capital Group,
Vestas.

To help reduce our carbon footprint on the day, the team organised a bus to take attendees to the event. Pleasingly, a majority of attendees from a number of organisations chose to take the bus, allowing even more opportunity to casually connect and share insights throughout the day.

- ‘ Was a great day and so informative.’
/ Steve Connelly, Senior Manager Procurement and Commercial, Ambulance Victoria
- ‘ Thanks to all for a very interesting day.’
/ Cr Gault Councillor, City of Boroondara
- ‘ ... we were very happy to be involved.’
/ Sally Mangan, Director of Sustainability at Ambulance Victoria



Event day - To Gippsland and back:

The day arrived and spirits were high - despite the cold and windy weather! With warm weather gear in tow, the bus set out at 7am through the Victorian countryside towards Bald Hills. Upon arrival, the entire visiting cohort was able to witness the power of the wind farm up close - a rare and invigorating experience for anyone, and an especially thrilling one for members who would be relying on the power supply from the wind farm over the next 10 years.

As part of the visit, attendees were able to listen to four official guest speakers on the day. Glenn Furlong, Site Asset Manager at Bald Hills Wind Farm provided attendees with a detailed history of Bald Hills and the various farms in the area with a wind-generating asset on their land. James Arthur and Hugh Webster from Infrastructure Capital Group provided more of a technical overview of the site, including details of how the wind farm operates at capacity. Finally, Lindsay Marriott, Landowner and Farmer, explained how the wind farm generates renewable energy, while also providing perspective on the realities of having a wind farm on his property. All four perspectives provided attendees with a wide angle lens about the generating asset and its vital role in our unique PPA.

To top off the day, attendees were treated to an enjoyable and intimate luncheon together on site. Attendees were also presented with awards and hardcopy keepsakes to commemorate the achievement and remember the experience.

The entire Marketing team could not be more pleased on how this event was received by everyone who attended. While other PPAs are on the rise, we stand firmly behind our process in negotiating and securing this PPA. We were determined to provide our members with long-term energy price visibility and transparency, all while reducing energy price volatility risk from an energy asset capable of generating 100% renewable energy. Thanks to our partnership with Alinta Energy and Bald Hills Wind Farm, we are delighted to declare that we have achieved this goal.

This PPA in Victoria is only the beginning of our journey towards becoming the leading energy aggregator in Australia. Celebrating this milestone in our journey towards our central mission and vision was an important one for everyone at Procurement Australia. We look forward to sharing more PPA success stories from around Australia as we work towards progressing similar agreements in New South Wales and Western Australia.



Being member-led



The 2020-21 financial year was a significant one for the entirety of Procurement Australia. For the Marketing department, it was a definitive year that would lead to seismic shifts in how our business was organised internally and represented externally. Throughout this year, the team had to contend with numerous challenges including: remote working; suspension of in-person networking in the face of continuing lockdowns; cancellation of our flagship conference event for the second year in a row; halts to solutions in vital categories and business units such as travel, accommodation and office space; provision of support to our members around pandemic products and new services; and last but not least, the consolidation of our numerous company identities under one, united brand.

Through it all, the Marketing team has demonstrated incredible resilience, creative thinking and agility to come through this financial year more aligned with the entire business. Our commitment to sharing our member-led is clearer than ever before; our members inspired all our actions and activities this year, making it a standout one for all the right reasons.

Our new brand

We kicked off the beginning of our 2020-21 financial year with an ambitious project: to update our brand identity to support our goals and success for the next 30 years. Charged with this momentous task, the Marketing team set out to attack it with vigour. With the assistance of outside brand experts, the team led an intense investigation of who we are, what our purpose is, and how we differentiate ourselves in a complex market. What we found would directly impact our logo, our visual identity, and our entire organisational structure.

Members told us what they were looking for from us; they were looking for clarity, greater transparency, and a clear commitment to more sustainable supply chain solutions. For the next year, we worked intently behind the scenes to strategise a way forward that would prioritise our members' needs and expectations, while also aligning with the larger strategic vision of the business moving forward.

After many months of hard work we landed on a solution: all our previously disparate brands would be consolidated under one name, Procurement Australia. This decision would require significant shifts throughout every section of the business. Perhaps most significantly, the change would signify the retirement of the Church Resources name and logo - a decision we did not land on lightly. To honour the Church Resources legacy, we worked diligently to ensure the values of the brand were integrated into our new vision and identity moving forward.

Our new logo and colour scheme

The updated logo represents our intention to honour our proud history, while also looking boldly to our bright future. Our trademark barcode identity will continue to carry us through the next era of sustainable and ethical procurement.

By integrating the ethos and distinct orange palette of Church Resources, the new logo also symbolises our intention to remain true to what has jointly made us industry leaders for over thirty years.

Along with the updates to our logo, we rejuvenated our signature colour palette with new life and vibrancy as part of the brand project. Inspired by the natural tones and beauty of the Australian landscape, our new colour palette celebrates everything we value at Procurement Australia: diversity, sustainability and partnerships that work together in harmony. The new colour palette highlights elements from all across Australia, from the sea to the red centre. Each featured element speaks to our intention to be the leading procurement services company for the entire nation.



Honouring our Church Resources heritage

Over the last 30 years, we've developed vital relationships throughout numerous sectors of business and industry, including the not-for-profit arena. Retiring the Church Resources brand as part of our brand refresh was not something we could do overnight; it would take an immense amount of planning and direction from the Marketing team to ensure the shift under one brand was done in a way that was clear, manageable and respectful.

From the moment our new brand was launched late in our 2020-21 financial year, we were clear about the role Church Resources would play in our communications and identity moving forward. Over the course of weeks and months, the Church Resources brand would gradually fade from our single brand focused communications. Our Marketing team took extra precautions to ensure members connected on all our social platforms were informed of the change, the reason for it and how to stay connected with us. The influence of Church Resources on our new brand, processes and communication structure cannot be understated. As we head into the next financial year, this influence will become even more apparent as we seek to evolve while maintaining the brand's legacy of a strong not-for-profit ethos and commitment to customer service.

Aligning brand and strategy:

Communicating our vision and mission

A central part of our vision for our refreshed brand was for all of our strategic and marketing communications moving forward to be seen as connected under one brand, Procurement Australia. To do this, we had to refocus our communications around three key elements: we had to live our shared vision and mission, we had to follow best practice and we needed to always communicate with purpose.

Following this formula, the Marketing team developed a strategy to consolidate all our existing brands under the new Procurement Australia identity. The evolution of all brand marks and names under the one Procurement Australia operational name was not something that could be achieved overnight. From an internal perspective, the Marketing department worked closely with the Leadership team on a change management piece to ensure all staff were informed of the change, the effect it would have on the business' processes, and the path towards amalgamation over the coming months.

Externally, the team also had to contend with consolidating the brands across our platforms, including in our eDM communications and on social media. To offer a brief glimpse into the enormity of this task, it means reconfiguring our entire back system processes and the shutting down of numerous social media platforms, a complicated and multi-stepped process and one that is likely to take us into the middle of 2022.

As part of this wider brand consolidation, the Marketing team also redeveloped the strategic sourcing member and supplier communication framework and visual identity, allowing for more meaningful connections between members and suppliers. Our continual efforts on this consolidation front will lead to an overwhelming positive outcome; all our communications will be under our one brand, regardless of the solution we are presenting to our members.

‘I wanted to congratulate you all on your recently launched Brand Evolution. I personally love the journey you are taking with your brand towards ethical and sustainable procurement, a topic that is in all customer discussions. The links in your logo to the tones of the Australian landscape is an excellent representation of your brand.

I know such a process is a lot of work and I am sure you are all proud of the outcome.

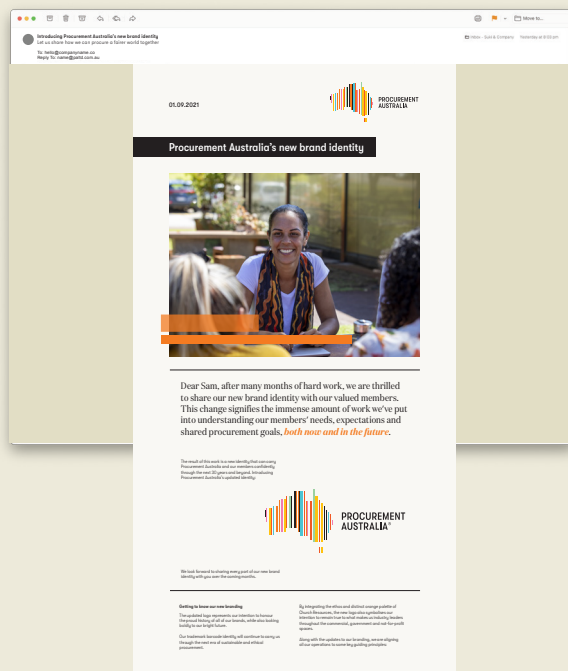
Thank you again for our partnership, it's one we cherish very much and we look forward to continuing our growth with you as travel returns.

/ Renos Rologas, Head of Account Management Australia, FCM Travel.

Launching our new brand

On 1 September 2021 we launched our new brand identity. Within the space of one financial year, we had progressed from information gathering amongst our members, to concept development of our new logo and identity, to launch of our refreshed brand. Achieving this type of milestone does not happen without the long and sustained effort from everyone involved in the project.

Through every speed bump along the way, the Marketing department remained confident in the new brand evolution and the positive impact it will have on our business for many years to come.



Other marketing highlights

While the new brand has been the main focus of this financial year for the Marketing department, the team has also been busy supporting all areas of the business to deliver a number of significant projects and campaigns.

Reimagining Space Station

Another year of lockdowns meant a revisiting of familiar challenges for the entire Procurement Australia team. For the Marketing department and the Space Station team, more lockdowns in Melbourne meant reimagining what the year would look like for the physical office spaces.

As in the previous financial year, the challenge of successfully marketing a business built on the provision of physical space in a remote working environment was immense. In response, the Marketing department assisted Space Station staff to re-engineer the Space Station marketing strategy. By adding Virtual Office space to the Space Station advertised offering, the Marketing department was able to support the team through another tough year of office lockdowns.

On a larger Marketing front, the Virtual Office offering also helped to build digital brand awareness and increase our reach amongst new or potential Space Station users.

Delivering clear messaging around pandemic products

The financial year also saw significant increases in member demand for COVID-related personal protective equipment. This surge in demand was reflected in the number of pandemic products appearing as part of the Direct channel. The Marketing department was instrumental in supporting these communication and sales efforts for the wider team, especially when it came to providing members with clarity around how the emerging products and solutions could be applied within their business or organisation.

Some standouts products in this area include the award-winning VBreathe-Tasman air detoxifier and Bioelect's Standard Q Rapid Antigen Test Kit. Both products have generated significant interest from members across different sectors, particularly from those in aged care, education and local government. Considering the predicted long-term effects of COVID-19, we expect many more pandemic-related products to enter our Direct channel in the coming financial year.

Connecting with our members

In a year punctuated with change, connecting clearly and consistently with our members remained more important than ever. The Marketing team sought to stay in touch via a number of mediums and strategies, all with the aim to keep members informed and engaged.

Increasing our reach

With growth as one of our guiding strategic priorities, the Marketing department focused on informing more members about the benefits of our free membership program.

Another example of our commitment to connect with members was the overall increase of followers across our social media channels. Our LinkedIn following increased by more than 40% while our Facebook also experienced a 30% jump in followers throughout the year. Instagram and Twitter followers also remained steady or experienced upticks throughout 2021.

Improved email segmentation

Another year of lockdown across a majority of the country saw members and suppliers becoming even more sophisticated in their consumption of online content including webinars, eDMS, and information distributed via our social channels. In the absence of in-person events, email communication remained the primary communication strategy for reaching our membership base. However, as our brand research informed us, many members were frustrated by the number of emails they were bombarded with from a number of brands, including ours.

To improve our email segmentation, the Marketing team shifted focus and created small targeted campaigns with messaging specific to a particular sector and solution or service offering. Enacting this strategy led to many positive results, including our most successful email campaign to date, our dedicated New South Wales Library contract. This more targeted approach also noticeably improved engagement with members, helping to ease communications between Relationship Managers and members.

Improving our online presence

This financial year saw us run two large microsite build projects. The team revamped and updated the NFP NEWS microsite for our members integrating it into our Procurement Australia website. Over 8 months, the team audited and reconfigured the microsite, improving the content and accessibility from our main site.

Membership increase:





‘Through it all, the Marketing team has demonstrated incredible resilience, creative thinking and agility to come through this financial year more aligned with the entire business.’



We also launched a second large microsite for our 'Procure A Better World' Conference, originally slated for June 2021. The specially built microsite provided the perfect canvas for the Marketing team to showcase all of the features of the conference, including speakers, the conference agenda, award nominations, and sponsorships. With the rescheduling of the conference for 2022, it's anticipated this content will be further integrated into the rebranded Procurement Australia website.

Throughout 2020-21, we also focused our efforts on creating more engaging online content, such as in the form of accessible blogs. Our team generated over 32 blogs this financial year, adding to the sector relevant content that appeals to our diverse membership base.

Updating our member outreach activities

Even though our team worked remotely for most of 2020-21, we still focused on connecting meaningfully and regularly with our members across a number of platforms around a variety of topics and issues.

In line with our increased focus on ESG activities, our team curated and ran a number of Modern Slavery Act workshops for our members. This activity was initiated in response to direct requests from members who were in search of more information around Modern Slavery and their organisational obligations around it. To help members access this information in a clear a concise way, our team organised a series of expert-led training sessions to better communicate what they needed to do to comply with the new Commonwealth and NSW Modern Slavery Act.

In lieu of in-person events in 2020-21, the Marketing team focused on providing support remotely for sectors most affected by the pandemic, such as those members working in aged care. The team ran four Food Services webinars specially targeted towards members working in aged care focusing on a wide range of topics, such as food presentations and training resources. Our direct outreach strategy was very successful and resulted in a well above average registration rate of over 90 registered members per session.

'I found the use of Mentimeter to be a fantastic way of engaging the audience. It was also fun to be able to interact with the presenter and collaborate with other audience members on ideas and suggestions.'

'The webinar was very informative and could easily be comprehended, even to those who do not have any background knowledge on the topic. Thank you so much for giving me such an opportunity!'

'Thank you for the knowledge.'

'I think the topic of aged care food service / reality and expectations is very important. This is a complicated issue, I believe aged care food has had a bad wrap and more training and discussions like these can improve the service provided by sharing ideas and strategies that have been tested and work.'

In addition to our sector-focused workshops, our team also ran dedicated, targeted online information sessions to support our members to navigate the ever-changing COVID-19 affected landscape. Our team organised numerous information sessions covering a variety of diverse topics stretching from insurance tips and trends to sector-specific issues.

Building upon our member-led approach

For more than 30 years, our team of procurement experts has worked in partnership with members and suppliers to build meaningful relationships and deliver outstanding results. In that time, we've continually evolved to match, if not exceed, our members' expectations. The 2020-21 financial year represents an important turning point in our business' history as we work with members and suppliers to improve sustainable supply chains around Australia. Our goals for the next financial year are to build upon the successes of 2020-21 by:

Continually improving our digital systems and assets, including our CRM tools and brand-aligned website.

Reinvigorating our online and in-person networking sessions (COVID permitting).

Updating our training sessions and programs in line with shifts in product and service demand.

Delivering our much-awaited annual conference (scheduled for August 2022).

Development of Procurement Australia news.

As is the case with any evolution, our brand and our approach to procurement will continue to develop and change as the market and our priorities do. Our Marketing team is eager to see the brand grow alongside our members. This alignment was vital to updating our identity and approach in 2020-21, and will remain a part of our strategy with our members for the next 30 years to come.

‘ The last financial year heralded in numerous shifts within the Marketing department. As a team, we had to rethink and refocus our approach to emerging technology associated with the pandemic, internal business pressures, and changes in member buying behaviours. This compelled the department to further innovate and drive best practice marketing strategies to support, future-proof and continue building our Procurement Australia brand and offerings.’ / **Esther Roper, Marketing Manager**

Rebates

Travel

In 2020-21, the Australian and international travel sectors suffered significant downturns on the back of the global pandemic's travel restrictions. With many organisation's corporate Travel Programs being put on hold indefinitely, Procurement Australia's Travel program experienced a decrease in turnover close to 85% in some months.

In spite of the global trend towards reduced travel, our program proved to be robust comparative to other market indicators. With figures from 2019 as a benchmark, our full year corporate travel results achieved 40% of pre-pandemic trading, with some months within 2020-21 achieving as high as 75% of the 2019 result.

Due to the nature of our members' businesses and essential travel needs, our program continued to operate as close to normal as possible. Feedback from our travel partners about this approach was overwhelmingly positive with many members citing our ability to rebound more adeptly than the corporate market whenever restrictions were lifted. As a result, we were able to deliver over \$1M in savings to members who accessed our Travel Program in the first nine months of 2021.



Hotel Program

Our overall Travel Program was also supported by the new Hotel Program. This program showed increased spending over 2019 when lockdowns were not in place. In May and June of 2021, restrictions were largely rolled back, helping to reduce the overall impact of decreased take up from our member base.

Despite the uncertainty of another COVID-affected year, hotel spend in 2020-21 achieved 62% of 2019-20, which was a very pleasing result considering the circumstances.

In the 2020-21 Annual Report, we reported on the delivery of our comprehensive Hotel Program to replace the less extensive historical hotel offering. The objectives of this new offering were to:

- Significantly increase hotel choice offerings and with major hotel brands
- Optimise hard savings on hotel room rate discounts
- Streamline the member experience via a dedicated and travel requirement booking tool provided by FCM, our travel partner.

As we approach the close of the first year of the program, we are pleased to report largely positive results of this product. In the first 9 months of operation, 45% of hotels booked by members were with the new preferred Hotel Program compared to 16% in 2019 on the old arrangement. From a savings perspective, members took the opportunity to collectively save over \$150K across 8,425 nights of accommodation through this program. This is an exceptional result for what has been a very turbulent and unpredictable year for the travel sector.

On the back of this inaugural success of this program, we have committed to continue the program in 2022 in order to provide our members with an even more comprehensive offering.

\$150,000

SAVED COLLECTIVELY BY OUR MEMBERS

Uber for Business

We are currently investigating incorporating Uber for Business into our rebate offering. If adopted, it is designed to provide a cost-effective ground transport option for our members, adding further value to our impressive Travel Program.

We intend to engage Uber for Business in a contractual relationship similar to our existing arrangement with Qantas and Virgin. If this arrangement is amenable with Uber for Business, then it will be a viable option for us to present to our members.

Extended Contract – Qantas

Over the last six months our team has been in negotiations with Qantas in relation to our current contract arrangement. The Strategic Sourcing Team has reached an agreement with Qantas to extend our current contract for another 12 months. This extension promises to provide our members with continued outstanding flight and lounge benefits as part of our larger Travel Program. This new contract will run through until 31st January 2023.

‘ Constant evolution is a necessity in procurement. At no time has this statement proven to be truer than throughout the challenges and unpredictability of last year. The key to Procurement Australia’s success has been, and is, our ability as a procurement team and organisation to adapt to ever-changing conditions, both in terms of product offering and suitability for our members.’ / [Brendan Hoare](#), Director - Strategic Sourcing.

Food Service

Our Food Service solution continued to hold its own throughout this tough financial year. Despite downturns across numerous industries - most significantly amongst Education sector members - our members spent \$30M across all categories across a 12 month period.

To help our members to stay informed and connected, we continued our popular webinar program for members. As part of the marketing strategy for this category, members were provided with education, specialist advice, compliance, and solutions around Food Service. With a focus on the Aged Care sector, these engaging and well-attended webinars were facilitated by Dr. Karen Abbey, our Food Service Ambassador. The webinars included;

- High Protein and Energy Menu Planning. Loss of appetite can lead to missed meals or smaller portions, making nourishment through high protein and energy meals/snacks even more vital. Food Services play a key role in delivering nutrition and choice for Aged Care residents through effective planning practices.
- Meal Presentation. This webinar examined meal presentation, the science behind how to present meals and provide practical demonstration techniques and quick solutions
- Our team is currently developing a new training & development webinar program for members which is scheduled to launch in early 2022.

New Contracts

We focused our attention on generating new tenders and contracts in the Government & Private Sector operation of the business. The following categories commenced or were delivered in 2020-21 period, with many achieving a national reach basis for most categories:

- [Bulk Fuels.](#)
- [Commercial Furniture.](#)
- [Debt Collection Services.](#)
- [Hardware, Electrical, Plumbing & Compressed Gasses.](#)
- [Information Technology & Multi-Functional Devices Products & Services.](#)
- [Library Collections, Furniture, Equipment & Associated Requirements.](#)
- [Road Signs & Lighting, Grates, Covers, and Associated Traffic Products.](#)
- [Water and Wastewater Treatment Chemicals, Gases and Polymers.](#)

In addition to these new products, tendering and contracting services for major requirements were provided in the 2020-21 financial year to the following members who engaged us to deliver their individual bespoke requirements:

[City of Melbourne](#)

Tendering and advisory services for the establishment of a new contract for Building Maintenance Services.

[World Vision Australia](#)

Tendering and advisory services for the establishment of a new contract for Printing & Mail-House Services, as well as face-to-face Fundraising Services.

[Peninsula Health](#)

Tendering and advisory services to replace the current fleet of Multi-function Devices and Associated Services.

[Knox City Council](#)

Tendering services for the renewal of their Facilities Maintenance, Graffiti Removal, and Cleaning requirements.

[Mornington Peninsula Council](#)

Tendering services to replace the current fleet of Multi-function Devices and Associated services.

Review and renewal

Our team successfully recontracted a total of 11 agreements in this financial year. These recontracted agreements include two key partner agreements, six preferred manufacturing supply partner agreements, and three consultancy agreements. All were renewed on the same terms and conditions as previous years.

11

RECONTRACTED AGREEMENTS INCLUDING ...

2

... KEY PARTNER AGREEMENTS



Advisory

Throughout 2020-21, we were conscious that our individual members' procurement needs and requirements were likely to continue to shift and develop over the course of the pandemic. Thankfully, we already had demonstrated our ability to provide our members with the bespoke procurement and advisory services they required to fulfil specific goals and strategies.

Established in 2020, our business' Advisory consulting services have been utilised by a number of our members, including those who require large event sourcing, social enterprise engagement and tailored policy solutions, just to name a few. Over the last year, our team has felt driven to stretch ourselves even further to be able to meet and fulfill our members needs, no matter how big or small. By listening more intently to what our members want, we've been able to hone our Advisory service even more, ensuring we uphold our promise to always put the member, or group of members, at the centre of these individual procurement activities.

Expanding our Advisory consulting services

The overwhelming success of and demand for our Advisory consulting services throughout 2020-21 has inspired us to expand the offering even more. To ensure we were able to grow in a sustainable way, we contracted an interim head of Advisory with a view to filling the role permanently in the final quarter of our financial year. This head role was to oversee Advisory staff and pursue requests from members to make sure the team was always anticipating what our members were looking for.

From a strategic perspective, this role is vital to achieve one of our main goals with this side of our business: to increase Advisory revenue through the empowerment of a seasoned advisory sales professional. While the transition to a permanent head of Advisory has been delayed until March 2022 due to the Melbourne lockdowns, we are still looking forward to seeing how this part of our business flourishes in the next financial year.

The shift in our brand and refinement of our Strategic Plan has also allowed us space to think about how we can continue to grow this side of our business in line with our strategic priorities. Our Advisory consulting services are intently focused on providing members with outstanding, bespoke service and product offerings in a way that is innovative and customer focused. As these are core focal points of our new Strategic Plan, our intention is to continue to grow this side of the business by also engaging and partnering with other consultants who will enhance and expand our Advisory offering. As lockdowns ease and border restrictions lapse, we anticipate an acceleration of growth in this area to much higher levels in the next financial year.

Advisory member-led approach

From the outset, the ongoing restrictions associated with the pandemic presented the entire team with numerous challenges as we endeavoured to grow the business. Perhaps most significantly, the majority of our member base were working from home throughout most of the year. While some members were able to turn their focus towards transforming their procurement services and processes, many were focused on surviving the realities of day-to-day work.

Thankfully, after two years of working from home, the Procurement Australia Sales team were well-versed in how to deliver results while working remotely. Every member of the team took initiative to reach out to individual members to better understand their needs and challenges. Our preference to communicate openly with members ensured our Sales team were able to connect directly with members and bring in the Advisory assignments that would help define the successes of the year.

Advisory highlights

Our Advisory team has achieved some exceptional results throughout 2020-21. Despite the lengthy lockdowns in Victoria and New South Wales, the Advisory team was able to complete a number of high-profile and significant projects for members.

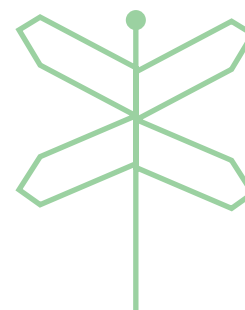
Throughout 2020-21, we provided services to large clients, including but not limited to:

City of Melbourne
Fire Rescue Victoria
Peninsula Health
Wellways
South Gippsland Water
Mornington City Council
City of Casey

The high profile and high stakes nature of these projects speak volumes about the credibility of our Advisory credentials and the trust our members place in us to complete these important assignments. Throughout all of these projects, the team demonstrated their ability to apply agile and innovative thinking to contend and comply with a number of departments' needs. The team also showed their innate flexibility as consultants, adapting to a number of changes required by each member throughout the process.

Thanks to the Advisory team's efforts and abilities, we are pleased to report we have achieved over \$511K in revenue in this area of our business for the financial year.

‘ It's pleasing to see the continued growth in our Advisory consulting services, especially during a time when the team was experiencing difficult lockdown conditions. The growth of our brand and reputation in this area continued its upward trend. This is reflected in our engagement with many prominent organisations such as the City of Melbourne and Wellways. I look forward to seeing our Advisory consulting services continue to reach their potential in the coming year.’ / Joe Arena, Chief Executive Officer.



InsureRight



As we entered the early months of 2021, the InsureRight team was hopeful for a very different year for the industry compared to 2020. While our hopes were high and our performance consistent, 2020-21 proved to be another challenging year for the insurance market. In fact, the industry is currently experiencing one of its most difficult periods in decades. Some industry experts are even calling it one of, if not the worst, periods in living memory. Regardless of the market or wider circumstances, the InsureRight team's goal is to broker tenders on behalf of members to ensure they maintain the most appropriate, cost-effective insurance arrangements in the marketplace.

We set out to achieve this goal in spite of numerous market-driven obstacles. For one, regardless of their size, business activities, past claims performance, or geographical representation, most organisations are currently required to accept premium increases on their insurance products. More often than not, such increases are coupled with reduced levels of coverage and/or higher deductibles imposed by the insurer, meaning they effectively pay more money for lesser cover. For businesses, this leads to the additional complexity around the balancing act of getting the right insurance at the optimum price.

Larger market circumstances have also adversely affected many of our members on the financial front. Due to other competing priorities, insurance was put on the back-burner for many of our members in 2020-21. A lot of members suffered significant losses this financial year, causing many to focus on realigning their budgetary priorities. As is often the case for many consultants, the same as those in our InsureRight team, the appetite to engage external experts during this downturn simply wasn't there for many members. Coupled with the likelihood of increasing premiums, our team faced the significant challenge of reaching members and demonstrating the value of prioritising adequate insurance, especially in light of challenging market forces.

InsureRight member-led approach

While we recognised the issues our members faced throughout this year, we were also conscious of leading with a forward-focused, positive attitude. Our central message to members during this time was a simple yet effective one: be proactive, not reactive. Organisations that remain idle in today's market are more susceptible to the harsh market conditions. In such an environment, the performance of a company's insurance broker is crucial. As an organisation with a demonstrated history of consistent and reliable performance, we made sure members were reminded of our achievements and expertise at every important juncture.

Even at the height of the lockdowns throughout New South Wales and Victoria, our team worked hard to educate members about the present state of the market and how they could benefit from the current movements and shifts. Communicating regularly with members via newsletters, direct updates and webinars, our team focused on presenting information in a digestible and accessible way. We researched and reworked complex content to outline more clearly what the current market conditions meant for them, and how best to navigate and maximise benefits in a volatile environment. We also held a number of one-on-one online meetings with smaller members to offer advice in a more intimate setting. In other instances, we helped members engage with more appropriate brokers with expertise in the members relevant industry sector, completely free of charge. Our goal with all of these education activities was to demonstrate to members the importance and benefits of engaging a skilled insurance consultant at this critical time. Rather than simply riding the market cycle and being exposed to harsh conditions, we wanted members to feel empowered to control their next steps, even in the face of extreme uncertainty.

Along with a penchant for effective communication and information dissemination, our team also relied on their relationship building skills to guide members through 2020-21. We are fortunate to enjoy strong working relationships with all major national and global broking firms, relationships that have developed over the years by virtue of our transparent approach.

These relationships continue to enable us to generate strong interest from the market and provide members with real value-for-money, even throughout an unprecedented pandemic. As we move from a state of lockdown and border closures to one of steady reopening, we believe these relationships will see us in good stead as conditions continue to improve for the better as we move forward in 2022.

InsureRight highlights

By taking an honest and forward thinking approach to this financial year, our team has managed to generate a number of significant gains for our members. We've achieved twelve new contracts in the year mostly in the Local Government, NFP and Education sectors. Additionally, 28 proposals have been prepared and submitted for members with renewals scheduled in 2022. While these proposals are currently under consideration, we anticipate the majority of them will eventuate in the new financial year.

In a standout highlight for this year, InsureRight recently worked with a major national not-for-profit organisation that was struggling to obtain molestation cover – a key requirement considering the type of work they provided to the community. Failure to obtain such cover could have forced the client to stop providing certain services to the community; services that thousands of individuals rely on. Our team was engaged to assist, a task we didn't take lightly. Through a number of negotiations we managed to secure cover as part of an insurance broking tender process. As a result, the client also achieved sizable premium savings and a number of improvements to their insurance program. These are exceptional results considering the current climate, and are representative of our member-led approach and its returns.

Overall, the insurance broking tenders that we have run in the last 12 months have helped members mitigate the adverse effects of the hard market and achieve better results from both a coverage and pricing perspective than those being widely reported in the marketplace.

InsureRight's 2022 goals

Throughout 2020-21, InsureRight's unique insurance broking tender process has enabled our members to capitalise on the knowledge, data, resources, and technical input of the most suitably qualified brokers in the market. Our shared goal with all our activities is to provide members with multiple opinions and solutions on how to best manage their insurance arrangements in the current environment, ultimately ensuring they are making the best use of their investments on insurance and optimising their renewal outcomes. On this note, our goals for the next financial year are focused on growth and member achievement, including:

1. Increase the number of insurance tenders

InsureRight is asked to facilitate up to between 20 and 40 contracts.

2. Improve the number of members renewing their Procurement Australia brokered policies.

3. Continuation of our successful education program to both share our expert knowledge and demonstrate to our members the benefits of using InsureRight to get the optimum insurance deal.

Members that have run an insurance broking tender via InsureRight have all achieved better results than those being widely reported in the market from both a coverage and pricing perspective. A well-connected, skilled broker is there to leverage a business' position with an insurer, acting as spokesperson and exclusive representative in the marketplace - something our InsureRight team takes pride in doing for our members.

‘ Our message to members this year was a clear yet simple one: be proactive, not reactive. Organisations that choose to remain idle in today's market made themselves more susceptible, not less, to the often harsh and unpredictable conditions. This push helped our members to achieve some outstanding results, even throughout this second COVID year. Front of mind is InsureRight's work with some of Australia's foremost mental health not-for-profit organisations. Through our guidance, a competitive tender process resulted in improved coverage and premium savings, exceeding our clients' expectations. Our aim is to continue this transparent approach with more members to achieve more results members are looking for.’

/ Peter Sellwood, Insurance & Risk Management.

Direct channel

It's been no secret that the supply chain challenges associated with the COVID-19 outbreak have been immense. Over the last two years, the ongoing effects of the pandemic have impacted our Direct team in numerous ways.

The closure of international borders limited the availability of certain products, particularly electrical, white goods, and information technology (IT). A global shortage of semiconductors affected the manufacturing of everything from motor vehicles to mobile telephones. The significant financial impact of increased freight costs affected many categories we service for members, resulting in products being either too scarce or too expensive. On the not-for-profit front, the ongoing lockdowns forced the closure of many not-for-profit outlets, devastating many of our members and those they serve.

Through all the ups and downs of this year, the Direct team has continued to consolidate its supply chains and strengthen relationships with our valued suppliers. As a result, we've been able to solidify our position as one of the most unique and innovative supply-chain providers in Australia, and one of the nation's leading procurement aggregators.

Adapting to pandemic-affected supply chains

Our approach with the Direct channel has always been to provide members with a choice of supply processes on a Business to Business (B2B) basis. However, to remain competitive in an increasingly competitive and complex market, our Direct channel had to adapt and evolve its business processes on a near continuous basis this year. The pandemic and its impact on our traditional Direct channel business signaled we needed to change. In response, the team found new ways to 'probe' previously untapped supply channels and establish methods to bring these to market. These necessary changes have emerged in a range of new practices and processes for the Direct team, with many lasting benefits for members.

In light of continued lockdowns and government-mandated distancing, the advent of 'no-touch' business and home delivery requirements has been something the team has had to contend with throughout our supplier base. On top of this, the resulting shortage of product availability in the white-goods, Information & Communications Technology (ICT) and furniture categories required new avenues of supply closer to home. For the Direct team, this also meant fostering new relationships with a wider range of suppliers to increase the availability of stock on a regular and reliable basis.

Throughout the year, we also turned towards our strengths to further enhance our competitive edge. As a member-led organisation, we developed our

strong member-lead processes, allowing us to meet member needs more adequately, despite requiring an element of bespoke product supply.

Direct channel highlights

The 2020-21 financial year saw the Direct team needing to source and provide access to products not seen in a pre-pandemic world. This required rapid and innovative thinking from our Direct team to both source new supply chains and adapt the structure of existing programs. Our team's goal was to both support the 'quick-to-market' needs of 'consumer-style' B2B goods and assist members to achieve their more long-term procurement goals in a changing market.

‘ This last year, despite the pandemic, Marketing and Direct channel have continued to evolve positively in the face of the significant impacts the pandemic brought into our business environment. Charles Darwin theorised that evolution happens by natural selection; individuals most suited to their environment survived and, given enough time, gradually evolved. This is reflective of our evolution at Procurement Australia. Where we are now is the embodiment of over 30 years of variation to build and deliver exceptional outcomes for our members.’ / [Mark Hopcroft, Director - Marketing and Commercial Services](#)

From a more long-term perspective, our team worked alongside members to adjust existing programs to better suit the conditions resulting from the pandemic. Most notably, our Direct team worked in collaboration with the Sales and Marketing departments to reimagine our Community Housing program. The continued closure of Australia’s international borders meant that there had been a significant decline in visa-approved asylum seekers able to enter and resettle in Australia.

Seeing an opportunity to help Australians in need, the Direct team worked alongside other supporting departments to redevelop the program under the name ‘Smart Property Solutions’. Under the solution, members working in social, affordable and community housing can access our aggregated products and services around accommodation, saving precious time, money and resources. We are pleased to report this solution has attracted significant interest from our growing not-for-profit members.

Notably this year, the team has sourced and brought to market for our members a number of products designed to assist with the detection of COVID-19. Perhaps most significantly, the team has sourced two key products to assist our members to better protect themselves, workplaces and communities: the award-winning [VBreathe-Tasman air detoxifier](#) and [Bioclect’s Standard Q Rapid Antigen Test Kit](#).

We are especially proud to be able to provide this industry-leading technology to environments that house our most vulnerable citizens, including those in education and aged care spaces.

Similarly, our partnership with Bioclect has allowed us to bring our members an accelerated COVID-19 testing solution. As schools, workplaces and businesses open up once more, our members have expressed a need for COVID screening tools to help them return to normal as safely as possible. Our expedited provision of both these standout products and many others reflect the dedication of the Direct team to evolve our product range to meet the general and the bespoke needs of our members.

In addition to this, we have also commenced negotiations with wholesale suppliers with the ultimate goal of providing unique and exclusive products lines through the Procurement Australia Direct channel.

Despite the introduction of many new innovative processes to meet pandemic-driven market needs, gross revenue was down for our Direct channel this financial year. Regardless, the end of the financial period reflected strong growth, particularly in the ICT and Smart Property categories. This upward trend sets the department in a distinctly positive direction for the upcoming financial period.

Direct channel expansion

Our strategy to focus on better understanding our members’ shared and individual needs and sourcing solutions to directly solve them has proven to be a successful one. Moving forward into 2021-22, the Direct team will continue to concentrate on being member-led by further developing the goods and services we provide based on the member feedback and direction. In the next financial year we aim to:



Grow the number of members using our unique Smart Property Solution across additional verticals to the Refugee Sector.

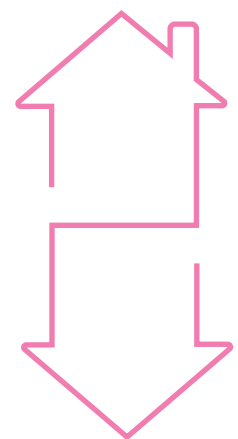


Continue to focus on post-pandemic products to better assist our members to create a safer workplace for their staff and customers.

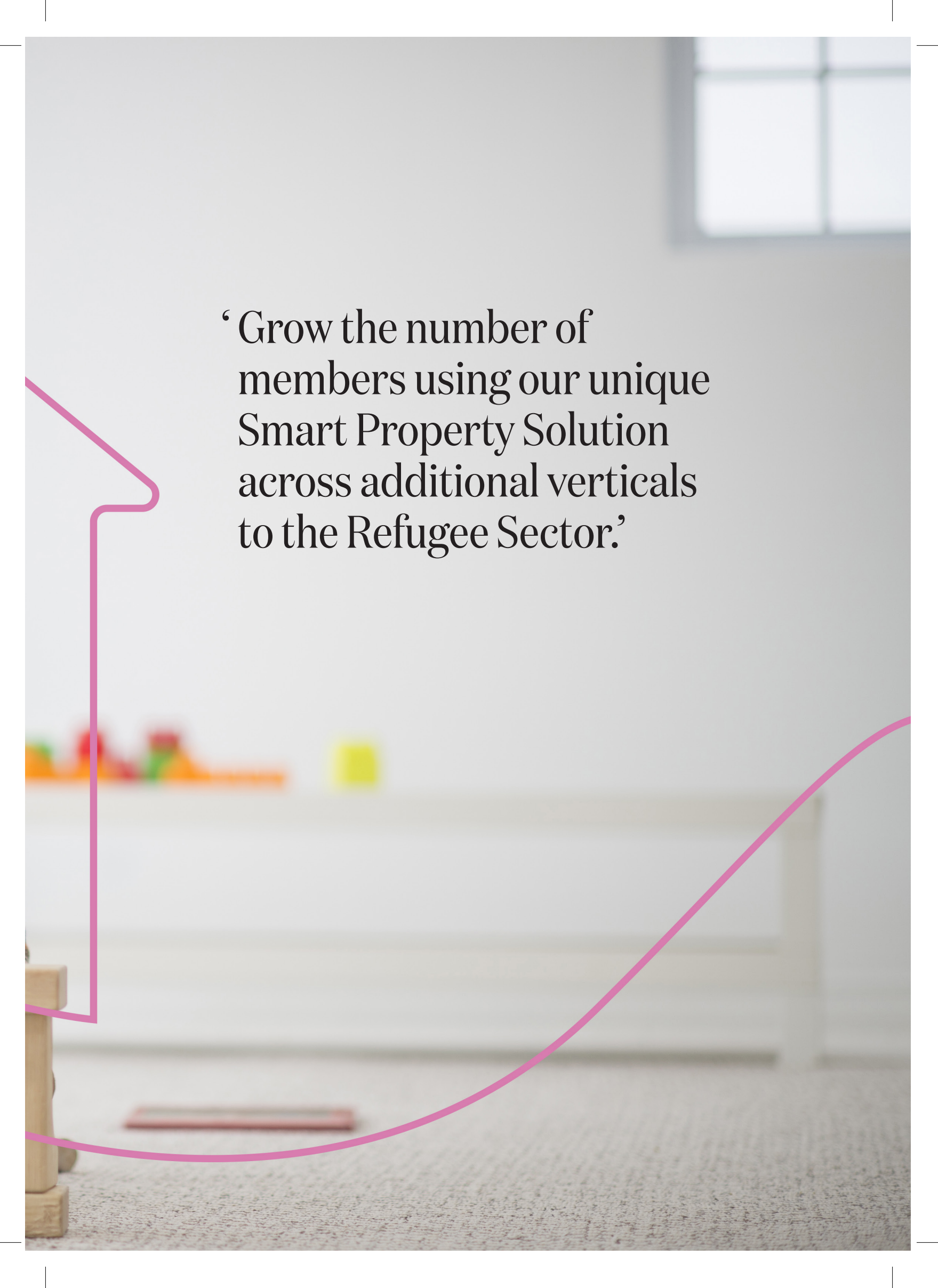


Develop our online-shopping programs for the B2B supply chain as many members are now continuing to look for no-touch supply.

The rapidly changing supply commitment and member requests from the Direct channel speak to the underlying importance of keeping our foundational procurement skills sharp. Procurement Australia is a trusted source of procurement programs throughout the nation, both from our traditional tendered/panel arrangements through to our wholesale supply. The continued success of our Direct channel depends on our ability to meet members needs as they change, a goal we are dedicated to continue achieving.





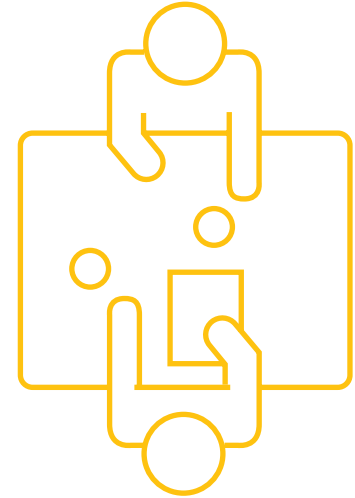


‘Grow the number of members using our unique Smart Property Solution across additional verticals to the Refugee Sector.’

Space Station

440

COLLINS STREET –
NEW HEAD OFFICE.



While the closing months of 2020 and first part of 2021 presented us with some opportunities to connect face-to-face with members, the majority of 2020-21 continued to be dominated by the pandemic and extended lockdowns. Faced with another year of working from home, our Space Station team got creative to find solutions that would steer the business through this financial year and beyond.

Strengthening Space Station

Space Station was designed to be a physical meeting hub for members and those looking for flexible workspaces to meet, collaborate and share ideas. Facing the realities of another pandemic year coloured by government-mandated restrictions, the team took the opportunity to streamline and strengthen Space Station's structure and services.

The Space Station team tackled this need for realignment of priorities in two ways. As in 2019-20, the team had to reevaluate the original vision for Space Station. In light of the ongoing lockdowns throughout 2021, we had to make decisions to lessen the financial impact on this side of our business. To help alleviate the pressure, our organisation decided to consolidate our spaces, moving out of 461 Bourke Street and making 440 Collins Street our head office. In addition to downsizing in Melbourne, our Sydney team also moved out of our Chatswood location and into a serviced office in the Sydney CBD. The move serves two purposes: it provides a more central location for our team to work from and it provides us with a stronger presence and higher profile in the CBD.

At the close of this financial year, only one flexible working space remains as part of our Space Station business at Level 10, 440 Collins Street. While the decision to reduce our physical workspaces was a difficult one, the team now has the opportunity to hone our efforts and maximise the capacity at this central Space Station location.

Along with reconfiguration of our physical offices, the Space Station team also introduced a new strategy this year to help counteract the effects of extended lockdowns, especially in Melbourne. To help our members stay connected and engaged, we introduced Virtual Offices as part of our Space Station offering. Our Virtual Offices are a bespoke work solution which allows businesses to increase their productivity without the usual associated overheads, operational and technology costs of physical office spaces. A considerable evolution in our business offering, our Virtual Offices provide the prestige, professionalism and credibility of a physical office location, while also providing the flexibility of accessibility from any location, including from home. Through this service we provide members and other businesses with a virtual address, flexible offices, discounted meeting rooms, virtual assistants and exclusive networking opportunities. Pleasingly, this option has already been taken up by many businesses looking for flexible, reliable online working options, giving them all the benefits of a Melbourne CBD address without the overheads.

'Despite the challenges of the pandemic and severe operational restrictions of the subsequent lockdowns, Space Station has managed to evolve to meet the demands of a virtual, working world.' / Tiz Loche, Business Manager, Space Station.

We are immensely proud of the team's efforts to adapt to the complexities the pandemic continued to present throughout 2020-21. Despite the uncertainty of a challenging two years, we have already noticed a sharp increase in interest in our private offices and flexible workspaces. We're delighted to report that two of our loyal long-term private office tenants have already re-signed their agreement for the coming year. The team is also in negotiations with numerous other potential long and medium-term tenants who are looking for offices in the new year.

It's been a long journey for our Space Station team. From opening our first location just before the pandemic hit in March 2020 to now, we have experienced a lot and learnt how we can offer the best possible service in the flexible space industry. Our dedicated front office Space Station team is ready to welcome new tenants into our physical offices. As with all our efforts at Procurement Australia, we're ready to go above and beyond each and every day to provide the very best service and experience for everyone who enters our Space Station location. Our aim is to make getting back to work easier than ever for our members.

Sales

At Procurement Australia, the core of our business is built around collaboration, partnerships and the pursuit of common goals. For our Sales team, this solid foundation was vital in combating the difficulties throughout 2020-21. As was the case for the rest of the Procurement Australia team, we had to counteract the impacts of ongoing lockdowns, COVID-related supply challenges and remote working, all while aiming towards our ambitious sales targets.

For many on our team, 2020-21 presented a similar environment to the previous financial year. We experienced difficulty connecting with members as they shifted once more from office work to remote. We witnessed an inevitable slowing of project momentum as persistent lockdowns affected supply chains and member priorities. For our leadership team, there were additional complications in maintaining our strong culture and high performance expectations. Through it all, we focused on the wins, and thankfully, 2020-21 did present us with a lot of reasons to celebrate.

Regardless of the impact ongoing lockdowns had on revenue due to volumetric declines, we still grew our active member base and made significant improvements to our category penetration. We continued to observe a noticeable increase in member requests in the procurement services sphere, an area we are continually developing. Our shift towards becoming one united organisation operating under one brand has been reflected in our not-for-profit member activity. In 2020-21, more not-for-profit members than previous years accessed greater value through the use of our aggregated tendered contracts. For our Sales team, this activity reflects our central strength as an organisation: our procurement expertise means our contracts and the value they delivered can be accessed by any member in any industry.

We are immensely proud of the resilience and flexibility the Sales team has demonstrated this year. With sales cycles becoming longer and a greater level of engagement required from our team to maintain our outstanding relationships from afar, we all had to rely on what sets us apart from others in the industry to succeed. While our team was no stranger to working remotely, we focused our efforts on embedding agile practices and discipline to counteract the effects of extended periods of working from home.

We also continued to emphasise our ability to provide procurement services as part of our offering, from energy aggregation to bespoke Advisory consulting services. Last but not least, we applied a continuous improvement approach to ensure we were always acting in a way that was member-led. Whether through hosting of member forums to ensure optimal contract development or our Net Promotor Score response process, our team is always working with our members front of mind. All in all, there are more organisations using Procurement Australia across a greater volume of contracts than the previous year. This figure alone indicates that our members trust us to deliver what we promise, no matter the request.

Sales highlights

We are pleased to report a number of significant highlights in spite of this often fluctuating year. Perhaps most significantly, our focus on transitioning to more of a procurement services organisation has been beneficial for both our members and our team. This updated focus and evolution from more of a product focused offering has allowed us to provide our members with even greater support through the entire procurement lifecycle. Along with the provision of the highest quality products, our shift towards procurement of outstanding services has meant we can help

members to better identify and implement best practice approaches within their procurement function. This change has resulted in a development and launch of three key offerings: Smart Property Solutions, Advisory consulting services and our New South Wales power purchase agreement (PPA).

The relaunch of our Smart Property Solutions offering can be directly linked to the ingenuity of forward-thinking members in our Sales team. Seeing an opportunity to adapt the existing refugee-focused Community Housing offer, our team updated the solution to provide a hassle-free way for our members working in social, affordable and community housing to manage every element of the accommodation process. The popularity of our bespoke Advisory consulting services amongst our members also continued to grow throughout 2020-21, seeing us providing services and expert advice to high-profile clients, such as the City of Melbourne and Fire Rescue Victoria.

Our team was also able to assist the Strategic Sourcing team to develop and launch our second PPA, this time in New South Wales. The progression of this NSW PPA builds on the foundational success of our efforts in Victoria, further cementing our dedication to provide our members Australia-wide with reliable energy solutions that meet their individual sustainability and renewable goals. Our team worked closely with councils all around the state to identify opportunities to meet their individual energy targets all the way up to 100% renewable energy. Through our team's efforts we've secured commitment from seven local government authorities from around NSW, with members from all around the state. By acting on behalf of all our members, we have been able to develop and create a product that meets their unique needs, regardless of their differing energy targets or ranging circumstances.

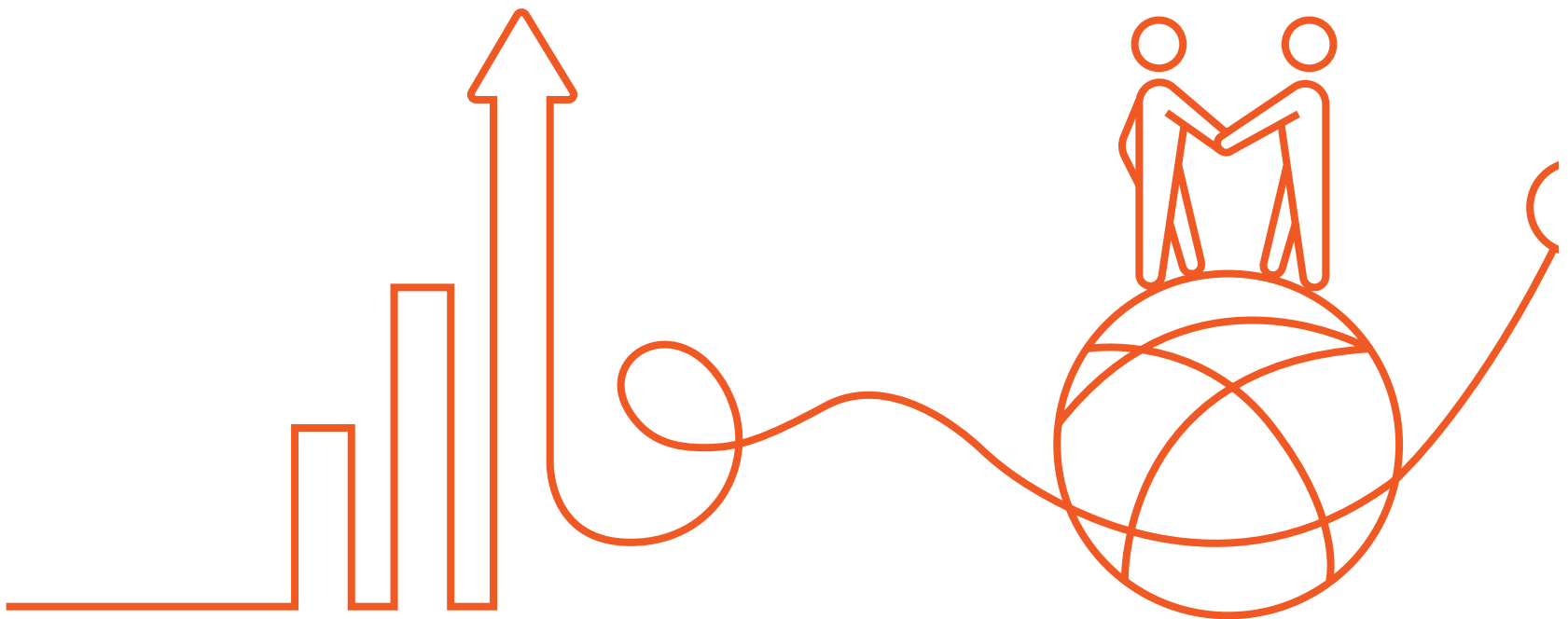
Our successful progression of this NSW PPA reinforces our overarching sustainability vision and secures our place as one of the country's leading renewable energy aggregators.

'I'm proud of the way in which we have continued to deliver value to our members, while always looking to enhance our offering to meet our members' ever-evolving needs' / Jason MacKenzie, Director - Sales.

Our member-focused future

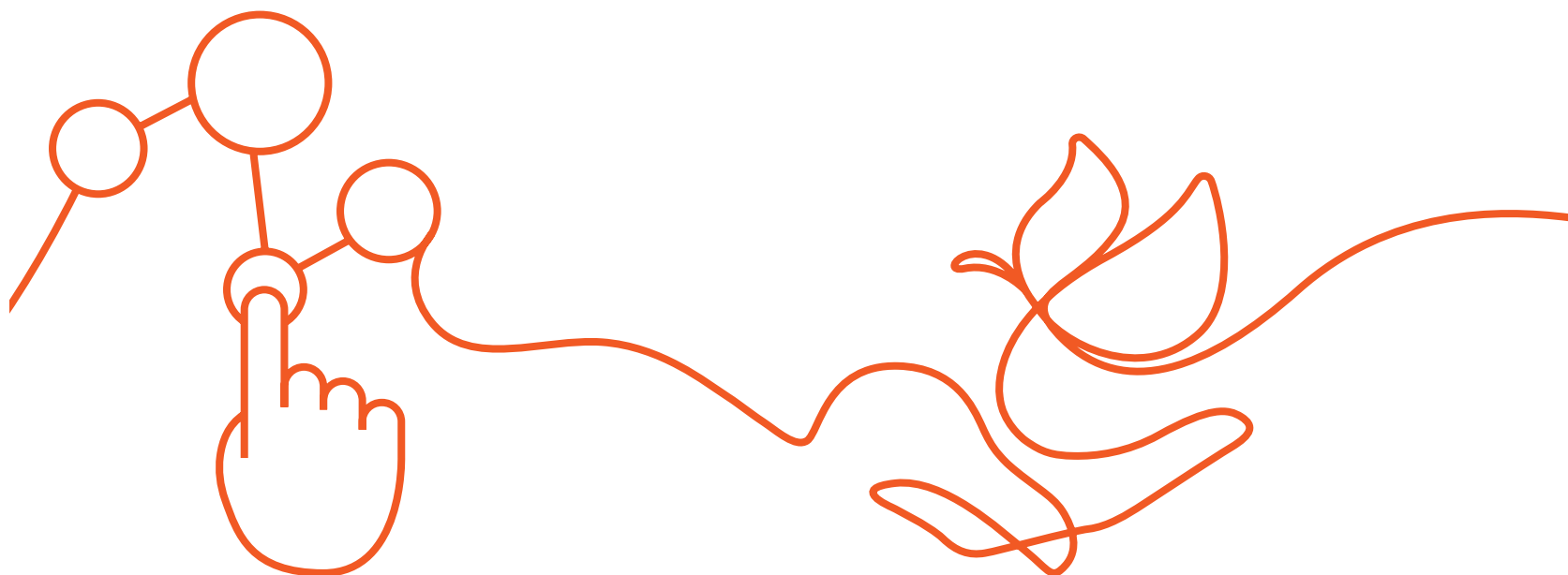
Achieving these outstanding results for our members under challenging conditions is no easy feat. Our shared success has inspired us to do more to grow the number of active members and the number of solutions they access through Procurement Australia. Looking ahead to 2021-22, our primary goals are to:

Enhance the coverage model so that we can support more members directly.



Continue to grow our procurement services offerings.

Enhance our environment,
social and sustainability
(ES&G) credentials so we
can continue to support
members to achieve their own
ambitions in this area.



Continue to provide
members with greater
involvement, flexibility
and choice when engaging
Procurement Australia
and our supply partners.

We are more confident than ever in our ability to
deliver outstanding value and options for our members,
especially as we progress forward as one united
organisation and with a singular Sales team.

Our Board members



Ken McNamara

Chair.

CE, Dip CE, DipAppSc Tp, BAppScPlan, FIE (Aust), FIMM, FAICD.

Appointed: 21/12/92 – Appointed Chair: 1996 to 2007 and 21st February 2014 to present day / Chair of the Board.

A founding Director of Procurement Australasia Ltd, Ken is a civil engineer, town planner and company director. With extensive experience as a Chief Executive, City Engineer and Consultant in Local Government, Ken is a sessional member of the Victorian Civil and Administrative Tribunal. He has served as a Government appointed independent chair of a number of major infrastructure projects including the Geelong Bypass, Sugarloaf Pipeline, Peninsula Link, Barwon Heads Bridge Echuca-Moama Bridge Projects, and the Western Highway – Anthony’s Cutting Project. Ken has direct expertise in governance, tendering and contract management together with an expansive understanding of procurement procedures across a range of public sectors.



Tricia Klinger

Director.

B Ec. M Comm. GAICD.

Appointed: 22/02/19 – Member, Finance Risk & Governance Committee.

Tricia Klinger joined the Procurement Australasia Ltd Board in 2019. She brings to the board over 20 years’ leadership experience in corporate governance, marketing strategy, reputation management and customer centered product innovation with leading brands in both Australia and Asia, most recently as General Manager Communications and Stakeholders at the NRMA. Tricia also holds a Board role at Rigetti Australia, a leading quantum computing startup owned by US based Rigetti Computing. Tricia is also a Non-Executive Director of Aspermont, an ASX listed media company, and on the AMP Superannuation Ltd Board.



Stephen J Griffin

Chief Executive Officer, State Emergency Service,
Victoria B.App Sc, DipEd, GradDip L.G, M.B Man.

Appointed: 23/05/14 – Chair, Finance Risk & Governance Committee.

Stephen started his local government career at the City of Melbourne in 1986 after a short career in secondary school teaching in Geelong. Stephen's career at City of Melbourne included management positions in recreation, home and community care and general management. Stephen then moved to Werribee – Wyndham City Council prior to local government amalgamation. Stephen managed the areas of Recreation, Enterprise Support and was Director of Corporate Services in a period where the population in the municipality grew by 8% per annum and was one of the fastest growing municipalities in Australia. Whilst at Wyndham, Stephen completed his Masters of Business Management. He took up the role of General Manager – Corporate Services at the City of Greater Geelong in 2007. In 2009 Stephen was appointed Chief Executive Officer of the City of Greater Geelong and then in 2014 became the Chief Executive Officer of the Victoria State Emergency Service. Stephen brings to the Board extensive experience in local government management, as well as broad management expertise developed over several years.



Susan Riley

MAICD.

Appointed: 18/09/09.

Susan has extensive experience in local government, having served three terms as Deputy Lord Mayor of Melbourne. First elected in 2001 Susan was the first female Deputy Lord Mayor of Melbourne, and went on to serve as a Councillor until October 2020. The Municipal Association of Victoria recognised Susan in 2020 for her service to local government by awarding a 15 years Councillor Service Award. In addition to experience in local government, Susan is a member of the Australian Institute of Company Directors. She has enjoyed a distinguished career spanning more than 26 years in the publishing and media industry. She is a Director of a city-based publishing company supporting local business, community networks and information exchange. Susan is a member of the Australian Intercultural Society Advisory Board and until recently was a member of the RMIT University School of Fashion and Textiles Advisory Group.

Our Board members (continued).



Brendan McGrath

Chief Executive Officer, Rural City of Wangaratta
/ B AppSc, G Dip Business Management.

Appointed: 25/09/15.

Brendan McGrath brings to the Procurement Australasia Ltd Board 20 years' Victorian local government and private sector management experience. With post graduate Business Management qualifications and in CEO roles since 2008, initially with Indigo Shire and now with Rural City of Wangaratta, Brendan's strengths lie in human and financial resources management and policy, strategy and business development. His B AppSc and early local government management experience in community and recreation areas give Brendan a strong understanding of people and the community within which they live, essential for local government. Brendan is also a member of North East Victoria Regional Tourism Board.



Glen Patterson

Chief Executive Officer, City of Casey / Bachelor of Business (RMIT),
Master of Business (RMIT), Graduate Australian Institute of Company
Directors Course / Institute of Executive Coaching and Leadership Level 2
accredited organisation coach.

Appointed: 25/05/15.

With 33 years' senior leadership experience, Glenn has been the City of Casey CEO since September 2018 having previously been CEO of Yarra Ranges Council for 10 years and CEO of Baw Baw and Colac Otway Councils. Glenn is a Director of the Casey Cardinia Foundation, a Director on the South East Melbourne Advanced Waste Processing Facility and is the lead CEO for the Greater South East Melbourne Group (GSEM) Group of 8 Councils. He has also been CEO of a Melbourne-based property development group and owned and operated his own property-related business on the Mornington Peninsula.



Vijaya Vaidyanath

Chief Executive Officer, Yarra City Council MBA, MA (Economics).

Appointed: 23/05/14 – Member, Finance Risk & Governance Committee.

Vijaya Vaidyanath is the CEO of the City of Yarra in Melbourne. Prior to this role, Vijaya spent close to a decade as CEO at two large metro Councils in New Zealand. She also worked for 15 years as a senior Executive in the Reserve Bank in India with brief stints in the USA before migrating to New Zealand. Vijaya is currently on the Boards of Parks Victoria and Zoos Victorian. She is also the current chair of the Audit Risk and Compliance Committee at Parks Victoria and Chair of the Werribee Expansion Steering Committee. She is a Fellow of IPAA Victoria. Vijaya's qualifications include: Senior Executive Fellow, John F Kennedy School of Government, Harvard University; an MBA from JM Katz Graduate School of Business, Pittsburgh, USA; an MA (Economics) and a BA (Economics) from the University of Bangalore. Vijaya is renowned for her innovation, integrity, inspiring leadership style and unique ability to deliver results, together with her interest in social justice and value-based leadership.

Our Executive team



Joe Arena

Chief Executive Officer. MBA, BBus, GAICD, ASA, MCIP.

A qualified and highly experienced leader, Joe has an accounting background with vast financial operations experience in the areas of procurement, taxation, banking, investments, management and financial accounting, and fleet management. Prior to joining Procurement Australia, Joe was Director, Financial Operations with La Trobe University, an organisation with an operating budget of more than \$650m spread over five campuses. A specialist in fostering collaborative client relationships, Joe drives the development and implementation of Procurement Australia's strategic plan, ensuring the business has the right people, structure and systems in place to meet and exceed its business objectives and client expectations.



Mark Hoperoft

Director, Marketing & Commercial Services.

Mark joined Church Resources in 2011, and became part of the Procurement Australia executive team after Church Resources was divested by Procurement Australia in 2017. Mark has extensive experience in marketing, property and business management from his background in senior management in banking & finance, sourcing, manufacturing and distribution (FMCG) sector business. Mark has an eye for future innovation through experience gained as executive director and shareholder of a large Australian third-party manufacturing business and some ground-breaking work in business reengineering and person-centred approaches after joining the NFP sector in 2005.



Georgia Argyropoulos

Director, Strategy & Innovation, BA (Econ).

Georgia Argyropoulos is a skilled executive with extensive experience in the banking and logistics industries. Georgia began her career with the Commonwealth Bank where she spent more than 15 years working first in retail banking and communications before moving into project management in a variety of fields including performance monitoring and reporting, and business process analysis and reengineering before joining Procurement Australia in 2014.

At Procurement Australia Georgia is responsible for Board matters, strategy execution across the business and the account management of the Information Technology and Quality Management portfolios. Georgia is also responsible for key cross functional business projects, their performance monitoring and reporting, and risk management.



Brendan Hoare

Director – Strategic Sourcing, BBus.

Brendan is a strategic procurement and logistics professional with a career spanning more than 20 years in industry and public sector entities across the eastern seaboard of Australia. Brendan joined Procurement Australia in 2011 having held previous positions of Director, Strategic Procurement with the University of Melbourne, Procurement Director at Victoria's largest public health service, Monash Health and Procurement Management roles with Hilton International and Carlton Hotel groups. Brendan is well versed in procurement and supply chain advisory, consulting to a range of industries across the nation.

With solid operational and project management expertise involving diverse procurement portfolios, Brendan is responsible for Procurement Australia's strategic procurement, tender and contract management team and functions, along with their commercial and contractual outcomes.

Our Executive team (continued).



Devraj Kanakappan

Director, Finance BAcc, CA, CPA.

Devraj is a professionally qualified and experienced finance executive with extensive senior level commercial, financial and accounting experience gained from working in the manufacturing, import, wholesale, retail, and construction industries in Australia, and overseas in Oman and India. Prior to joining Procurement Australia in 2016, he was the Financial Controller with Australia's national furniture and particle board manufacturer and importer, the DIM Group, based in Melbourne. Devraj is responsible for the company's annual budgets and forecasts, statutory accounts and monthly financial management reporting together with managing the company's investments, cash flow and treasury functions. His well-honed skills enable him to contribute constructively to strategic business planning, contract governance and administration.



Jason McKenzie

Director, Sales.

Joining Procurement Australia at the beginning of 2019 as Sales Director, Jason Mackenzie has more than 25 years' sales and general management experience spanning a range of industries including security, B2B consumables, warehousing and logistics. Prior to this, Jason was Head of Sales with Office Max, where he held a number of sales and managerial roles over a 20+ year career including as State, Regional and General Manager. Having held full P&L responsibility across sales, customer service, purchasing, warehousing and logistics, Jason is now responsible for sales and relationship management at Procurement Australia with a focus on delivering sustainable, long term growth for the group. He is recognised for his strong people management and leadership skills together with adopting a passionate strategic and tactical work approach.

Directors' Report

The Directors present their report together with the financial statements of Procurement Australasia Limited ("the Company") for the year ended 30 September 2021 and the Auditors' Report thereon.

DIRECTORS

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

Mr Ken McNamara.
C.E., DIP CE, DipAppSc Tp, BApp ScPlan,
FIE (Aust), FIMM, FAICD.
(Chair of Board of Directors)
Appointed: 21 December 1992.
Chair from: 1996 to 2007, and
21 February 2014 to present day.
Town Planner
Consultant Civil Engineer.

Ms Susan Riley
AICD.
(Non-Executive Director).
Appointed: 18 September 2009.

Mr Stephen Griffin .
BApp Sc, DipEd, Grad Dip, L.G.,
M.B. Man.
(Non-Executive Director)
Appointed: 23 May 2014
Chief Executive Officer –
Victoria State Emergency Service.

Ms Vijaya Vaidyanath.
MBA, MA (Economics), F John Kennedy
School of Government, FNZIM, MSLGM, ICMA
(USA), ALGA, MAV, LGPA.
(Non-Executive Director)
Appointed: 23 May 2014.
Chief Executive Officer
– Yarra City Council.

Mr Glenn Patterson.
Bachelor of Business (RMIT),
Master of Business (RMIT), GAICD.
(Non-Executive Director)
Appointed: 26 May 2015.
Chief Executive Officer – Casey City Council, Casey
Cardinia Foundation, GSEM.
Director – South East Melbourne Advanced Waste
Processing Facility.

Mr Brendan McGrath.
BAppSc, PG Dip Business Management.
(Non-Executive Director)
Appointed: 25 September 2015
Chief Executive Officer
– Rural City of Wangaratta.

Ms Tricia Klinger.
B Ec. M Comm. GAICD.
(Non-Executive Director).
Appointed: 22 February 2019.
Director – AMP Superannuation Ltd Board.
Director – Rigetti Australia.
Director – Aspermont.

COMPANY SECRETARY

Georgia Argyropoulos
Appointed: 22 April 2016.

Directors' Meetings

The number of Directors' Meetings including meetings of Committees of Directors and number of meetings attended by each of the Directors of the Company during the financial year are:

Number eligible to attend – reflects the number of meetings held for the time the Director held office during the year.

Number attended – number of meetings attended by each member in the reporting year.

Director	Directors' Meetings		Finance and Governance Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Mr. Ken McNamara	5	5	5	5
Mr. Stephen Griffin	5	3	5	5
Mr. Glenn Patterson	5	4	-	-
Mr. Brendan McGrath	5	4	-	-
Ms. Susan Riley	5	5	-	-
Ms. Vijaya Vaidyanath	5	4	5	5
Ms. Tricia Klinger	5	5	5	5

Principal Activities

The principal activities of the Company during the financial year were the establishment and management of general supply contracts and Procurement consultancy services for members.

Review of Operations

Financial Results

The net profit of the company for the year ended September 30, 2021, was \$585,183 (\$164,332 in FY 2020).

This includes increase in fair value of Investments amounting to \$431,433 (decrease in fair value of \$233,741 in FY 2020).

COVID-19 Impact

On 30 January 2020, COVID 19 was declared as a global pandemic by WHO. Since then, various measures were taken by the Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it, has continued to impact the company's revenue for the financial year ended 30 September 2021.

Impact on business operations

The business operations have progressed smoothly during the period with no adverse impact of COVID 19, although all the staff were working from home. This outcome was possible because the company had necessary technological systems in place, and face to face meetings were replaced by virtual meetings.

Impact on Revenue

Total revenues were \$12,839,902 (\$15,005,103 in FY 2020).

COVID-19 restrictions and lockdowns in all the states, state and international border closures has led to a decline in sales revenue for the company.

Trading Sales declined by \$2,503k over the previous year (47%), as the international border restrictions following the pandemic had a negative impact on the sales in Refugee resettlement category, and disruption in overseas supply of IT & White good products resulted in low trading sales volumes

Rental Income from our co-working and shared office premises amounted to \$584,799 (\$342,807 in FY 2020) an increase of 70% following rental income being generated from our premises at 440 Collins Street in the current year, in addition to the Bourke Street

premises. Rent income continues to be affected as offices were closed following Government restrictions, and staff required to be working from home.

Rebates from Contracts

Rebate revenue from contracts amounted to \$7,981,100, and accounted for 62% of total revenue in 2021 (\$7,948,023 & 53% in 2020).

Trading Sales

Trading Sales amounted to \$2,773,709, and accounted for 22% of total revenue in 2021 (\$5,276,765 & 35% in FY 2020).

Conferences

The sixth one day annual company conference scheduled for August 2021 could not be held due to the Government restrictions on public events in Victoria following the pandemic. Unfortunately, the annual conference could not be held for two years in a row.

Expenditure

Expenditure declined to \$12,254,719 (\$14,840,771 in 2020). The decrease was significantly driven by

- Cost of Trading Sales decreased to \$2,612,316 (\$4,666,069 in FY 2020) reflecting the decrease in Trading Sales
- Increase in Other Expenses on account of costs incurred in connection with early surrender of the office premises lease at 461 Bourke Street and moving the company's registered office to 440 Collins Street, Melbourne. This strategy aims to reduce overall expenditure in future years.

Dividends

Dividends paid or declared by the Company since the end of the previous financial year were:

Declared and paid during the year:

A final unfranked ordinary dividend of 10 cents per share amounting to \$39,686 in respect of the year ended 30 September 2021 was declared (7 cents for 30th Sep 2020 totalling \$27,785). The 2020 dividend was remitted to shareholding members on 17 December 2020.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company during the financial year under review.

Environmental Regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Auditor's Declaration under Section 307C of the Corporations Act 2001.

The lead Auditor's Independence Declaration is set out on page 59 and forms part of the Directors' Report for the year ended 30 September 2021.

Likely Developments

The Company will seek to resume its policy of increasing profitability through consolidation and steady growth in existing markets and products, while at the same time continuing to develop and introduce other innovative opportunities across its markets.

Directors' Interests and Benefits

During the year ended 30 September 2021 no Director of the Company had received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the financial statements) because of a contract made by the Company or a related body corporate with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest.

During the year ended 30 September 2021, no Director of the Company had any personal interest in the Company. Some Directors held shares in trust for their respective employer organisations.

Indemnification and Insurance of Directors and Officers

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability, any person who is or has been an officer or auditor of the Company.

Insurance

The Company has paid premiums for Directors' and Officers' Liability for current Directors and Officers of the Company

As disclosure is prohibited under the terms of the contract, The Directors have not included details of the nature of the liabilities covered or premiums paid in respect of Directors' and Officers' liability insurance.

Signed in accordance with a resolution of the Directors:



KEN MCNAMARA
Chair of Board of Directors.

Dated at Melbourne this 10th Day of December 2021.

Our Financial report
for the year ended 30
September, 2021.

Independent Auditor's Report

To the Directors of Procurement Australasia Ltd

Opinion	<p>I have audited the financial report of Procurement Australasia Ltd (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 September 2021 • statement of profit and loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • declaration by directors. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 30 September 2021 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I confirm that the independence declaration required by the <i>Corporations Act 2001</i>, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

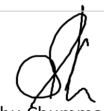
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where

MELBOURNE
24 December 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

OFFICIAL



Auditor-General's Independence Declaration

To the Directors, Procurement Australasia Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Procurement Australasia Ltd for the year ended 30 September 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "S. Chummar", is positioned above the printed name and title.

Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE
24 December 2021

OFFICIAL

Statement of Profit or Loss & other Comprehensive income

*for the year ended 30 September 2021.

	Note	2021 \$	2020 \$
Revenue			
Sales Rebate Revenue		7,981,100	7,948,023
Trading Sales		2,773,709	5,276,765
Consultancy Income		630,005	739,398
Interest		44,070	66,409
Rental Income		584,799	342,087
Other Revenue	2	826,219	632,422
		12,839,902	15,005,103
Expenses			
Trading Sales-Cost of Sales		2,612,316	4,666,069
Consultancy -Purchases		477,117	558,309
Employee Expenses		4,761,061	5,074,952
Leasing Rent and Outgoings		330,637	368,469
Interest on Lease Liabilities		130,914	133,980
Information Technology Expenses		340,248	280,982
Depreciation and Amortisation	3	1,238,230	1,343,123
Consultancy Fees		556,455	545,023
Promotional Activities		423,151	548,765
Incidentals		420,660	473,523
Other Expenses	4	963,930	847,575
		12,254,719	14,840,771
Profit for the year		585,183	164,332
Other Comprehensive Income			
Other Comprehensive Income		–	–
Total Comprehensive Income		585,183	164,332

The Statement of Profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

*for the year ended 30 September 2021.

	Note	2021 \$	2020 \$
Assets			
CURRENT ASSETS			
Cash and cash equivalents	6	4,289,672	4,697,512
Trade and other receivables	7	1,730,716	1,784,257
Inventories	8	1,942	5,763
Other assets	9	261,152	394,528
Investments and other financial assets	10	3,923,069	2,095,773
TOTAL CURRENT ASSETS		10,206,551	8,977,833
NON-CURRENT ASSETS			
Plant & equipment	11	1,481,279	1,962,239
Intangible assets	12	1,494,483	1,483,104
Right of Use Assets	15	3,462,590	4,839,685
TOTAL NON-CURRENT ASSETS		6,438,352	8,285,028
Total Assets		16,644,903	17,262,861
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	13	1,531,714	1,382,708
Lease Liabilities	15	344,898	723,078
Provisions	14	718,045	713,411
TOTAL CURRENT LIABILITIES		2,594,657	2,819,197
NON-CURRENT LIABILITIES			
Lease Liabilities	15	3,365,364	4,275,453
Provisions	14	117,647	146,473
TOTAL NON-CURRENT LIABILITIES		3,483,011	4,421,926
Total Liabilities		6,077,668	7,241,123
Net Assets		10,567,235	10,021,738
Equity			
Contributed capital	16a	403,862	403,862
Retained earnings	16b	10,163,373	9,617,876
Total Equity		10,567,235	10,021,738

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

*for the year ended 30 September 2021.

	Note	Contributed Capital \$	Retained Earnings \$	Total \$
Balance at 1 October 2019		403,862	9,481,329	9,885,191
Profit for the year		-	164,332	164,332
Other comprehensive income		-	-	-
Dividends paid /or provided for	16c	-	(27,785)	(27,785)
Balance at 30 September 2020		403,862	9,617,876	10,021,738
Profit for the year		-	585,183	585,183
Other comprehensive income		-	-	-
Dividends paid /or provided for	16c	-	(39,686)	(39,686)
Balance at 30 September 2021		403,862	10,163,373	10,567,235

The statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

*for the year ended 30 September 2021.

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		13,671,179	17,113,386
Interest received		44,070	66,409
Employee salaries and benefits		(4,785,253)	(5,240,904)
Payments to suppliers		(6,866,662)	(9,491,946)
Net cash flows from operating activities	17	2,063,334	2,446,945
Cash flows from investing activities			
Purchase of plant & equipment		(125,761)	(1,641,508)
Payments for intangibles		(161,806)	(112,186)
Payments for financial assets		(1,390,407)	(1,484,409)
Proceeds from sale of plant & equipment	5	47,500	-
Net cash flows from/(used in) investing activities		(1,630,474)	(3,238,103)
Cash flows from financing activities			
Dividends paid	16c	(39,686)	(27,785)
Interest Paid – lease liability		(130,914)	(133,980)
Repayment of lease liabilities		(670,100)	(751,348)
Net cash flows from/(used in) financing activities		(840,700)	(913,113)
Net increase/(decrease) in cash held		(407,840)	(1,704,271)
Cash and cash equivalents at 1 October		4,697,512	6,401,783
Cash and cash equivalents at 30 September	6, 17b	4,289,672	4,697,512

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1 / Statement of accounting policies

The financial statements are for Procurement Australasia Ltd (the Company), a Company limited by shares. The Company was incorporated on 14th December 1992, and is domiciled in Australia. The purpose of the Company is to negotiate and facilitate contracts for common use goods and services on behalf of its members.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The functional and presentation currency of the Company is Australian dollars.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected balances. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

(b) Significant Accounting Policies

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 September 2021. The Company's assessment of

the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

New or amended Accounting Standards and Interpretations adopted

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

(c) Trade and other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(d) Plant and Equipment

All non-financial physical assets are measured initially at cost less accumulated depreciation and impairment.

Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 11 Plant and Equipment.

The fair value of plant and equipment, is normally determined by reference to the asset's depreciated replacement cost.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of assets under Note 1(a) Impairment of Assets.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. A summary of the depreciation method and depreciation rates for each class of attached is as follows:

	Class of Asset	Depreciation Rate	Method
Rates used are consistent with prior year	Plant & Equipment	10%-33%	S/L

(e) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(f) Trade and other Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are net 30 days.

Note 1 / Statement of accounting policies (continued)

(g) Goods and Services Tax

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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Income Tax

The Australian Taxation Office provided the Company with Income Tax exemption on 29 December 1995 stating that "the Company is exempt from income tax under paragraph 23(d) of the Income Tax Assessment Act (1936) on the grounds that it is a 'public authority'. This exemption is effective for the years ending on or after 30 September 1996. Under this exemption, the Company will not be required to lodge a return for income tax purposes.

(i) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from

a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs, including super and payroll tax. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits, including related on-costs.

Those cash flows are discounted using market yields on National Government Bonds with terms to maturity that match the expected timing of cash flows.

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

(l) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Rent

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised on a straight-line basis over the lease term. Contingent rentals are recognised as income in the period when earned.

Rebates Revenue

Rebates Revenue is recognized based on the reports submitted by suppliers. Sales to the Company members not reported by suppliers at balance date are used as a base for the accrual of rebate revenue.

(m) Comparative Information

Where necessary, the previous year's figures have been reclassified to facilitate comparisons.

(n) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately. Subsequent to initial recognition these instruments are measured as set out below:

Categories of financial assets

Financial assets at amortised cost

Assets measured at amortised cost are financial assets where: the business model is to hold assets to collect contractual cash flows; and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Note 1 / Statement of accounting policies (continued)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

The Company's financial liabilities measured at amortised cost comprise trade and other payables (excluding statutory payables); and borrowings (including lease liabilities).

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the statement of financial position when, and other when, the Company has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Company does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an "other economic flow" in the statement of profit or loss and other comprehensive income.

Reclassification of financial instruments

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through profit and loss, fair value through other comprehensive income and amortised cost when and only when the Company's business model for managing its financial assets has changes such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in profit or loss.

Impairment

At each reporting date, the Company assess whether there is objective evidence that a financial instrument has been impaired.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Company will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings.

The Company applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumption about risk of default and expected loss rates. The Company has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Company's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

(o) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. Such assets are subsequently measured at fair value.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(p) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

Note 1 / Statement of accounting policies (continued)

All transaction costs incurred in relation to the business combination, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

The amount of goodwill recognised on acquisition in which the Company holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Company can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the identifiable net assets ("proportionate interest method"). In such circumstances, the Company determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Company's cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an Company include the carrying amount of goodwill related to the Company sold.

(q) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 16). Any impairment loss of a revalued asset is treated as a

revaluation decrease in accordance with that other Standard.

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

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

(r) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) Fair Value of non-financial physical assets

At each balance date, the Company reviews the carrying value of the individual classes of non-financial physical assets to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value the class of assets is revalued.

The Directors have made an assessment that the written down value of the plant and equipment the Company holds is a reasonable approximation of their fair values, based on the nature of these assets and insignificant fluctuation in their replacement cost.

(ii) Accrual of rebate revenue

At the end of each reporting period, the Company makes an estimate of the rebate revenues earned on sales made before the end of the reporting period, but had not been reported by the supplier to the Company at year end.

The Directors make this estimate based on previous reporting activity received and invoiced. The Directors believe this provides a reasonable basis for estimating this revenue earned.

Key judgements

(i) Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

With respect to cash flow projections for cash-generating units, growth rates of 10% have been factored into valuation models for

the next five years on the basis of management's expectations regarding the Company's continued growth. Cash flow growth rates of 10% subsequent to this period have been used as this reflects expected trends. Discount rates of 10.32% have been used in all models. Goodwill, which management considers to be particularly subject to variability in respect of these assumptions, are carried in the statement of financial position at a written-down value of \$1,221,664. No impairment has been recognised in respect of goodwill at the end of the reporting period.

In the current year, the Directors were of the opinion that no such indicators of impairment existed over the Company's long-term assets, and no detailed impairment assessment was undertaken.

(ii) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

(iii) Employee benefits

For the purpose of measurement, AASB 119 Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Directors consider that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(iv) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 1 / Statement of accounting policies (continued)

(s) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(t) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note, refer to Note 18 Capital and Leasing Commitments at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(u) Events After the Reporting Period

There were no events which occurred after the reporting date that require disclosure as a subsequent event.

(v) Impact of COVID 19 Pandemic on Company Operations and 2020-21 Financial Report

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus and has been extended to 18 November 2021. To contain the spread of the virus and to prioritise the health and safety of our communities' various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Procurement Australia.

COVID 19 restrictions and lockdowns in all the states, particularly Victoria & New South Wales has led to a decline in revenue for the Company, resulting in low profits for the year as compared to previous years.

Rental Income from our office premises was also impacted, as offices were closed following Government restrictions, and staff required to be working from home. Rental income was \$300k lower than estimated.

Trading Sales declined by 52% due to domestic and international border closures, lockdown restrictions which affected sales opportunities and caused supply irregularities.

(w) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 21 Contingent Assets and Contingent Liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Note 2 / Other revenue

	2021 \$	2020 \$
Energy Contract Access Fees	-	236,500
Tenders Online	17,601	28,436
Forums and Seminars Revenue	33,057	23,961
OneCard Fuel and Management Fee Revenues	153,984	168,044
Sundry Revenue	79,057	16,868
Dividends	104,653	56,746
Profit on Sale of Investments	6,434	1,867
Government Cash Flow Boost	-	100,000
Increase in Fair Value of Investments	431,433	-
	826,219	632,422

Note 3 / Depreciation and amortisation

	2021 \$	2020 \$
Depreciation Right-of-Use Assets	758,926	910,194
Depreciation Plant and Equipment	348,669	328,019
Amortisation of Intangible Assets	130,635	104,911
	1,238,230	1,343,123

Note 4 / Other expenses

	2021 \$	2020 \$
Business Development	20,495	24,775
Bad Debts	3,459	3,629
Auditors Remuneration - Audit Services (Refer Note 19)	20,400	4,500
Printing Postage Stationery	8,755	14,609
Travel Accommodation and Entertainment	50,337	100,154
Insurance	41,367	51,316
Lease Surrender costs	153,530	-
Utilities and Maintenance	111,370	63,467
Financial Legal Secretarial	111,876	119,046
Directors' Fees	217,455	232,336
Decrease in Fair Value of Investments	-	233,741
Loss on Sale / disposal of Fixed Assets (Refer Note 5)	224,888	-
	963,930	847,575

Note 5 / Sale of non-current assets

	2021 \$	2020 \$
Proceeds from Disposals of Assets	47,500	-
Less: Written-Down Value of Assets Sold	272,388	-
Loss returned on sale of Non-Current Assets	(224,888)	-
Net Gain (Loss) on Disposal	(224,888)	-

Note 6 / Cash and cash equivalents

	2021 \$	2020 \$
Cash on Hand and at Bank	2,609,247	2,019,423
Short Term Deposit	1,680,425	2,678,089
	4,289,672	4,697,512

Short Term Deposits have an effective interest rate of 0.30 % and an average maturity of 3 months (2020: 1.28% and 3 months).

Note 7 / Trade and other receivables

	2021 \$	2020 \$
Trade Debtors	1,169,159	985,340
Accrued Revenue	558,146	798,745
Other Receivables	4,194	955
Less Provision for Impairment of Receivables	(783)	(783)
Total Receivables	1,730,716	1,784,257

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms.

Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. No provision for impairment is recognised.

Note 7(a): Impairment of Receivables

The Company applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Company has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Company's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Company determines the closing loss allowance at the end of the financial year as follows:

30 September 2021	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate (%)	0%	0%	0%	0%	10%	
Gross carrying amount of contractual receivables (\$)	391,013	679,000	84,761	14,385	0	1,169,159
Loss allowance (\$)	0	0	0	0	0	0

30 September 2020	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate (%)	0%	0%	0%	0%	10%	
Gross carrying amount of contractual receivables (\$)	167,511	619,965	138,835	59,029	0	985,340
Loss allowance (\$)	0	0	0	0	0	0

Note 7(a): Impairment of Receivables (continued)

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2021 \$	2020 \$
Balance at beginning of the year	783	783
Increase in provision recognised in the net result	-	-
Reversal of provision of receivables written off during the year as uncollectible	-	-
Reversal of unused provision recognised in the net result	-	-
Balance at end of the year	783	783

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Note 8 / Inventories

	2021 \$	2020 \$
Stock in Trade	1,942	5,763
	1,942	5,763

Note 9 / Other assets

	2021 \$	2020 \$
Deposits	19,451	1,851
Prepayments	241,701	392,677
	261,152	394,528

Note 10 / Investments and other financial assets

	2021 \$	2020 \$
LISTED SECURITIES IN THE AUSTRALIAN STOCK EXCHANGE – HELD FOR TRADING:		
Opening balance	2,095,773	845,105
Investments purchased during the year	1,479,333	1,441,790
Investments disposed during the year	83,470	13,185
Fair value adjustment through profit or loss	431,433	(204,306)
Closing Balance	3,923,069	2,095,773

Note 11 / Plant and equipment

	2021 \$	2020 \$
Fair Value		
Plant & Equipment	1,877,689	2,911,683
Less Accumulated Depreciation	(396,410)	(949,444)
Total Plant & Equipment at Fair Value	1,481,279	1,962,239

Fair Value Measurement Hierarchy for Assets as at 30 September

	Carrying Amount as at 30 Sep 21	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Plant and equipment at fair value				
Plant and equipment	1,481,279	-	-	1,481,279
Total of plant, equipment at fair value	1,481,279	-	-	1,481,279

	Carrying Amount as at 30 Sep 20	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Plant and equipment at fair value				
Plant and equipment	1,962,239	-	-	1,962,239
Total of plant, equipment at fair value	1,962,239	-	-	1,962,239

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 September 2021.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliations of the carrying amounts of plant & equipment at the beginning and end of the current financial year is set out below.

Level 3 Tangible Assets - identified as:

Assets whose valuation techniques for which the lowest level input that is significant to the fair value measurement are unobservable.

	Plant and Equipment \$	
	2021	2020
Opening Balance	1,962,239	648,750
Additions	125,761	1,641,508
Disposals	(258,052)	-
Depreciation (see note 3)	(348,669)	(328,019)
Closing Balance	1,481,279	1,962,239

Note 11 / Plant and equipment (continued)

Description of significant unobservable inputs to Level 3 Tangible Asset valuations:

There have been no changes to inputs of ranges since the prior year

	Valuation Technique	Significant Unobservable Inputs	Range / Cost (weighted average)	Sensitivity of Fair Value measurement to changes in Significant Observable Inputs
Plant and equipment	Cost	Cost per unit \$	240 to 20,000 (average 4,330 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant & equipment	2 to 10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note 12 / Intangible assets

	2021 \$	2020 \$
Computer software, website and branding:		
At Cost	609,054	1,482,487
Accumulated Impairment Losses	-	(482,437)
Accumulated Amortisation	(336,236)	(738,610)
Net Carrying Value	272,818	261,440
Goodwill:		
At Cost	1,221,664	1,221,664
Accumulated Impairment Losses	-	-
Net Carrying Value	1,221,664	1,221,664
Total intangible assets	1,494,483	1,483,104

Reconciliation of Carrying Amounts	Software Systems \$		Web sites & Portals \$		Goodwill \$	
	2021	2020	2021	2020	2021	2020
Opening Balance	141,423	208,258	120,017	45,906	1,221,664	1,221,664
Additions	9,800	6,309	152,006	105,877	-	-
Disposals	-	-	(19,792)	-	-	-
Amortisation (see note 3)	(75,442)	(73,144)	(55,194)	(31,766)	-	-
Closing Balance	75,781	141,423	197,037	120,017	1,221,664	1,221,664

Note 12 / Intangible assets (continued)

Reconciliation of Carrying Amounts	Total	
	2021	2020
Opening Balance	1,483,104	1,475,828
Additions	161,806	112,186
Disposals	(19,792)	-
Transfers	-	-
Impairment Provision	-	-
Amortisation (see note 3)	(130,636)	(104,910)
Closing Balance	1,494,482	1,483,104

Impairment assessment of goodwill

The carrying amount of goodwill is allocated to cash-generating units (CGUs) (being the relevant operations to which goodwill relates), which represent the lowest level at which goodwill is monitored by management. No impairment has been recognised in respect of goodwill for the year ended 30 September 2021. The key assumptions used in calculating the recoverable amount include current revenues derived by the Company from the operations of the NFP sector, less rebates plus the residual profits of CGUs accruing to the Company.

Note 13 / Trade and other payables

	2021	2020
	\$	\$
Current		
Trade Creditors	512,431	535,378
Security Deposit	20,239	13,833
Accrued Expenses	490,277	576,533
Other Payables	200,914	300
PAYG and GST Payable	238,686	197,604
Superannuation	29,472	31,275
Dividends Payable	39,695	27,785
	1,531,714	1,382,708

Note 14 / Provisions

	2021 \$	2020 \$
Short Term		
Accrued staff bonuses	14,7576	203,481
Annual Leave - expected to be settled within 12 months	223,708	228,114
Annual Leave - expected to be settled after 12 months	120,458	122,831
Long Service Leave - expected to be settled within 12 months	209,539	144,407
Unpaid FBT	2,186	-
Other Provisions	14,578	14,578
Total	718,045	713,411
Long Term		
Long Service Leave - expected to be settled after 12 months	117,647	146,473
Total Provisions	835,692	859,884

Note 15 / Leases

Company as a lessee

The Company has leases over office premises.

Information relating to the leases in place and associated balances and transactions are provided below

TERMS AND CONDITIONS OF LEASES:

The Company has an office premises on lease at Collins Street, Melbourne, Victoria with an initial terms of 10 years, with 8 years remaining on the lease. The company has an option, at it's discretion to terminate the lease after 7 years. The lease is subject to a fixed annual rental increase of 3.75%. The office premises at Bourke Street Melbourne, which had it's lease expiry in June 2023, was surrendered back to the landlord in June 2021. The lease on the office premises in Sydney expired in February 2021.

The Company leases office equipment under agreements of less than five years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Right-of-use assets	Office Premises \$
Year ended 30 September 2021	
Balance at beginning of year	4,839,685
Deductions to right-of-use assets	(618,169)
Depreciation charge	(758,926)
Balance at end of year	3,462,590
Year ended 30 September 2020	
Balance at beginning of year	-
Change due to adoption of AASB 16	5,749,879
Depreciation charge	(910,194)
Balance at end of year	4,839,685

No impairment has been recognised in respect of Right of Use Assets for the year ended 30 September 2021 and 2020.

Note 15 / Leases (continued)

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<1 year	1-5 year	>5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
	\$	\$	\$	\$	\$
2021					
Lease Liabilities	452,384	2,043,548	1,715,777	4,211,709	3,710,262
2020					
Lease Liabilities	858,034	2,525,710	2,262,897	5,646,641	4,998,530

Extension & Termination Options

The lease does not have extension options.

The lease with the 10 year period has an option to terminate the lease after 7 years at the Company's discretion

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below.

	2021 \$	2020 \$
Interest expense on lease liabilities	130,914	133,980
Depreciation of right-of-use assets	758,926	910,194
	889,841	1,044,174
Statement of Cash Flows		
Total cash outflow for leases	670,100	751,348

Note 16 / Equity and reserves

	2021 \$	2020 \$
(a) Contributed Capital		
396,862 (2020: 396,862) ordinary shares fully paid		
100% held by local councils and other organisations owned by local governments	403,862	403,862
(b) Retained Earnings		
Retained Earnings at the beginning of the year	9,617,876	9,481,329
Net Result for the year	585,183	164,332
Dividends Paid	(39,686)	(27,785)
Retained Earnings at the end of the year	10,163,373	9,617,876
(c) Dividends		
Dividends recognised in the current year by the Company are:		
10 cents per share - (2020: final ordinary dividend - 7 cents)	(39,686)	(27,785)

Note 17 / Reconciliation of net result for the year to net cash flows from operating activities

	2021 \$	2020 \$
(a) Reconciliation of net cash used in operating result		
Profit from ordinary activities after income tax	585,183	164,332
Non-Cash Movements		
Depreciation	1,107,595	1,238,212
Amortisation	130,635	104,911
Movement in Market Value	(431,433)	233,741
Interest costs -financing, not operating	130,914	133,980
Loss / (Gain) on disposal of non-current assets	224,888	-
Changes in Assets & Liabilities		
Decrease/(Increase) in Receivables	53,541	710,120
Increase/(Decrease) in Payables	149,006	38,932
Decrease/(Increase) in Prepayments	133,376	(10,838)
Increase/(decrease) in inventories	3,821	(493)
Increase/(decrease) in provisions	(24,191)	(165,952)
Net Cash From Operating Activities	2,063,334	2,446,945
(b) Reconciliation of cash		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on Hand and at Bank	2,609,247	2,019,423
Term Deposits	1,680,425	2,678,089
Cash and Cash Equivalents	4,289,671	4,697,512

Note 18 / Commitments

At 30 September 2021 and 2020, the Company has no commitments.

Note 19 / Auditors' remuneration

	2021 \$	2020 \$
Amounts received, or due and receivable for auditing the accounts by:		
* - Victorian Auditor-General's Office (Financial Statement Audit)	20,400	18,950
	20,400	18,950

Note 20 / Related party transactions

(a) The names of Directors who have held office during the financial year are:

Mr Ken McNamara, Ms Susan Riley, Ms Vijaya Vaidyanath, Mr Stephen Griffin, Mr Glenn Patterson, Mr Brendan McGrath, Ms Tricia Anne Klinger. No Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year end.

	2021 \$	2020 \$
(b) Amounts of a prescribed benefit given during the year by the company to a prescribed superannuation fund on behalf of Directors.	14,319	14,009

(c) Remuneration of Directors

	2021 \$	2020 \$
Short-term employee benefits	209,412	210,005
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total remuneration	209,412	210,005
Total number of directors	7	8

No. of Directors whose income from the company was within the following bands:

\$10,000-\$19,999	-	1
\$20,000-\$29,999	6	6
\$40,000-\$49,999	1	1
	7	8

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Share-based payments an agreement between the entity and the employee that entitles them to receive cash or other assets for amounts that are based on the price of shares/share options provided specified vesting conditions, if any, are met.

Note 20 / Related party transactions (continued)

(d) The Company did not have any other transactions with Directors and their related entities.

(e) The Company did not make payments to other contractors charged with significant management responsibilities from 1 October 2020 to 30 September 2021.

(f) Executive Officers' Remuneration

The names of Executive Officers who have held office during the financial year are:

Mr Joe Arena - Chief Executive Officer
 Ms Annette Mackay - Director, People & Experience (resigned 21 January 2021)
 Mr Brendan Hoare - Director, Strategic Sourcing
 Mr Devraj Kanakappan - Director, Finance
 Ms Georgia Argyropoulos - Director, Strategy & Major Projects
 Mr Jason Mackenzie - Director, Sales
 Mr Mark Hopcroft, - Director, Marketing and Commercial Services

The number of executive officers, other than responsible persons, whose total remuneration falls within the bands above \$100,000 at 30 September 2021 are as follows:

Income band (\$)	2021	2020
\$130,000-\$139,999	1	1
\$150,000-\$159,999	1	1
\$160,000-\$169,999	-	2
\$170,000-\$179,999	1	-
\$180,000-\$189,999	1	-
\$200,000-\$209,999	1	-
\$220,000-\$229,999	-	2
\$280,000-\$289,999	1	-
\$290,000-\$299,999	-	1
Total number of employees for the above bands	6	7

	2021 \$	2020 \$
Short-term employee benefits	1,214,549	1,364,811
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total remuneration	1,214,549	1,364,811
Total number of executives	7	7
Total annualised employee equivalents *	1,381,350	1,364,811

* Annualised employee equivalent is based on the time fraction worked over the reporting period

(g) Related party disclosure

During the period, the Company did not enter into any other transactions with related parties, there were no outstanding balances, loans or any commitments to/from related parties. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

Note 21 / Contingent assets and contingent liabilities

	2021 \$	2020 \$
Contingent Liabilities		
Bank Guarantees related to Level 18, 461 Bourke Street, Melbourne, Victoria 3000	97,366	97,366
Bank Guarantees related to Level 5, 9 Help Street, Chatswood, NSW 2067	-	198,952
Bank Guarantees related to Level 10, 440 Collins Street, Melbourne, VIC 3000	523,600	523,600
Total Contingent Liabilities	620,966	819,918

There are no known contingent assets for the company.

Note 22 / Events occurring after the reporting date

Since 30 September 2021, no matter or circumstance has arisen which has significantly affected, or which may significantly affect, the operations of the organisation or of a related Company.

Note 23 / Financial instruments

Financial Instruments: Categorisation

The Company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivables and payables and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2021 \$	2020 \$
Contractual Financial Assets		
FINANCIAL ASSETS HELD AT AMORTISED COST		
Cash and cash equivalents	4,289,672	4,697,512
Trade and other receivables (excluding statutory receivables) *	1,730,716	1,784,257
	6,020,389	6,481,769
FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS		
Other financial assets	3,923,069	2,095,773
	3,923,069	2,095,773
Total Contractual Financial Assets	9,943,458	8,577,542

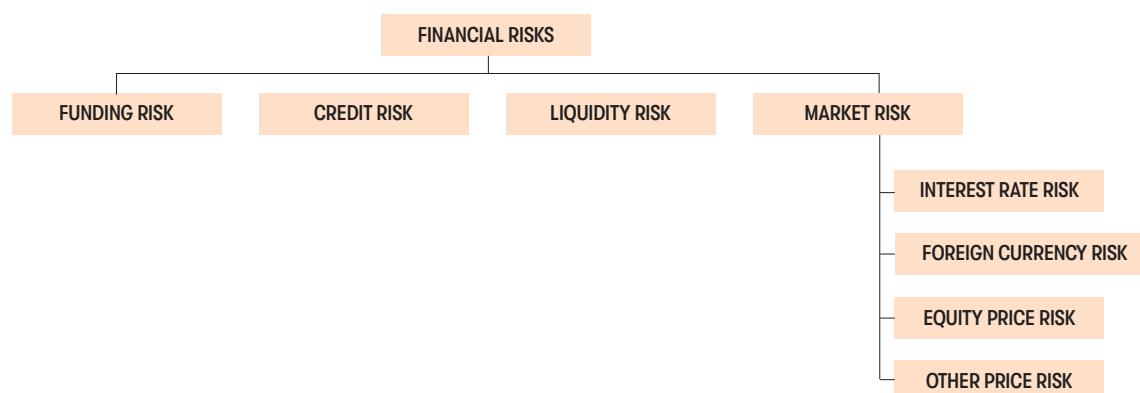
Note 23 / Financial instruments (continued)

	2021 \$	2020 \$
Contractual Financial Liabilities		
FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables (excluding statutory payables) *	1,531,714	1,382,708
Lease liabilities	3,710,262	4,998,530
Total Contractual Financial Liabilities	5,241,976	6,381,238

Note:

* The total amounts disclosed here exclude statutory amounts (e.g. amounts payable to or recoverable from the Australian Taxation Office).

Financial risk management objectives and policies



As a whole, the Company's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of management, and the basis on which income and expenses of each class of financial asset, financial liability and equity instrument above are disclosed in Note 1(n) to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Company's financial risks within the company's Investment strategy.

The Company's main financial risks include funding risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, equity price risk and other price risk. The Company manages these financial risks in accordance with its financial risk management policy.

The Company uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with management, with regular reporting to and review by the Board.

Funding Risk

Funding risk is the risk of over reliance on a funding source to the extent that a change in that funding source could impact on the operating result for the current year and future years.

There has been no significant change in the Company's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Company's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Company. Credit risk is measured at fair value and is monitored on a regular basis.

The Company minimises concentrations of credit risk in relation to trade accounts receivable by only undertaking transactions with customers who have been approved for credit through the company's credit evaluation process and procedures.

Note 23 / Financial instruments (continued)

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days from date of invoice.
- payments are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Payables are normally settled on 30 day terms.
- debtors with accounts in excess of 30 days are sent a statement of account, indicating terms to make payment.
- debtors with arrears are sent a reminder notice to make payment before reference of their debt to a debt collection agency.
- debtors which represent government departments or agencies are not referred to a debt collection agency, but managed by the Company directly with agency contacts..

The Company invests surplus funds with financial institutions which have a recognised credit rating, and in listed equities and exchange traded funds, as per the Company's approved Investment strategy.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Company's credit risk profile in 2021.

Credit quality of financial assets (a)

2021	Notes	Financial Institutions (triple-A credit rating)	Financial Institutions (double-A credit rating)	Financial Institutions (A+ credit rating)	Other (unknown credit rating)	Total
		\$	\$	\$	\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss						
Cash and deposits (with no impairment loss recognised)	6	-	-	4,289,672	-	4,289,672
Statutory receivables (with no impairment loss recognised)	7	-	-	-	1,214	1,214
Listed Equities, Exchange traded Funds & Fixed Interest Investments	10	-	-	-	3,923,069	3,923,069
Financial assets with loss allowance measured at lifetime expected credit loss:						
Contractual receivables applying the simplified approach for impairment	7	-	-	-	1,169,159	1,169,159
Total financial assets		-	-	4,289,672	5,093,442	9,383,115
2020	Notes	Financial Institutions (triple-A credit rating)	Financial Institutions (double-A credit rating)	Financial Institutions (A+ credit rating)	Other (unknown credit rating)	Total
		\$	\$	\$	\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss						
Cash and deposits (not assessed for impairment due to materiality)	6	-	-	4,697,512	-	4,697,512
Statutory receivables (with no impairment loss recognised)	7	-	-	-	955	955
Listed Equities, Exchange traded Funds & Fixed Interest Investments	10	-	-	-	2,095,773	2,095,773
Financial assets with loss allowance measured at lifetime expected credit loss:						
Contractual receivables applying the simplified approach for impairment	7	-	-	-	985,340	985,340
Total financial assets		-	-	4,697,512	3,082,068	7,779,580

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

Note 23 / Financial instruments (continued)

Impairment of financial assets under AASB 9

The Company records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment are the Company's contractual receivables.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

Impairment of the Company's contractual receivables have been disclosed in Note 7(a).

LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Company operates under a policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Company is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the statement of financial position and the amounts related to financial guarantees. The Company manages its liquidity risk by:

- closing monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the Company's maximum exposure to liquidity risk.

MARKET RISK

The Company's exposures to market risk are primarily through interest rate risk, foreign currency risk, share market risk and other price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

The Company has an immaterial exposure to interest rate risk, foreign currency risk, other price risk, credit risk and liquidity risk. The Company does not use derivative financial instruments to hedge against risk exposures nor for speculative purposes. Financial risks are reported to the Board at each meeting.

Sensitivity disclosure analysis and assumptions

The Company's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Company's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of between -0.10% to +0.50 % (2020: -0.1% to +0.5%) in interest rates from year-end rates
- A parallel shift of between -7% to +5% (2020: -7% to +5%) in investment prices from year-end prices

Where relevant, tables that follow show the impact on the Company's net result and equity for each category of financial instrument held by the Company at the end of the reporting period, if the above movements were to occur.

Note 23 / Financial instruments (continued)

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal exposure to cash flow interest rate risks through cash and deposits, and term deposits and bank overdrafts that are at floating rate.

The Company manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Company to significant bank risk, management monitors movement in interest rates on a regular basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Company's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instrument

	Notes	Weighted Average Interest Rate		Interest rate exposure						Total Carrying Amount Per Balance Sheet	
				Fixed Interest Rate		Variable Interest Rate		Non-Interest Bearing			
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		%	%	\$	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS											
Cash and deposits	6	0.3	1.2	1,680,425	2,678,089	2,609,247	2,019,423	-	-	4,289,671	4,697,512
Receivables*	7	-	-	-	-	-	-	1,730,716	1,784,257	1,730,716	1,784,257
Other Financial Assets	10	-	-	-	-	-	-	3,923,069	2,095,773	3,923,069	2,095,773
Total Financial Assets				1,680,425	2,678,089	2,609,247	2,019,423	5,653,785	3,880,030	9,943,456	8,577,542
Financial Liabilities											
Payables*	13	-	-	-	-	-	-	1,531,714	1,382,708	1,531,714	1,382,708
Total Financial Liabilities				-	-	-	-	1,531,714	1,382,708	1,531,714	1,382,708
Net Financial Asset/ Liabilities				1,680,425	2,678,089	2,609,247	2,019,423	4,122,071	2,497,323	8,411,742	7,194,834

Notes:

* The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

Note 23 / Financial instruments (continued)

Interest rate risk sensitivity

Interest Rate Exposure 2021	Current Rate (%)	Amount	Annual return at current rate	Rates move by:		Rates move by:	
				-0.10% Possible effect Profit or loss	-0.10% Possible effect Equity	0.50% Possible effect Profit or loss	0.50% Possible effect Equity
Financial Assets							
Cash at Bank	0.22%	2,609,247	5,740	(2,609)	-	13,046	-
Short Term Deposit	0.26%	1,680,425	4,369	(1,680)	-	8,402	-
Receivables	0.00%	1,730,716	-	-	-	-	-
Total Financial Assets		6,020,388	10,109	(4,290)	-	21,448	-
Financial Liabilities							
Trade creditors and accruals	0.00%	1,531,714	-	-	-	-	-
Total Financial Liabilities		1,531,714	-	-	-	-	-
Possible effect movement in interest income in profit or loss				(4,290)	-	21,448	-

Interest Rate Exposure 2020	Current Rate (%)	Amount	Annual return at current rate	Rates move by:		Rates move by:	
				-0.10% Possible effect Profit or loss	-0.10% Possible effect Equity	0.50% Possible effect Profit or loss	0.50% Possible effect Equity
Financial Assets							
Cash at Bank	0.25%	2,019,423	5,048	(2,018)	-	10,098	-
Short Term Deposit	0.50%	2,678,089	13,390	(2,678)	-	13,390	-
Receivables	0.00%	1,784,257	-	-	-	-	-
Total Financial Assets		6,481,769	18,438	(4,697)	-	23,489	-
Financial Liabilities							
Trade creditors and accruals	0.00%	1,382,708	-	-	-	-	-
Total Financial Liabilities		1,382,708	-	-	-	-	-
Possible effect movement in interest income in profit or loss				(4,697)	-	23,489	-

Foreign currency risk

The Company has no exposure to changes in the foreign exchange rate.

Equity price risk

The Company is exposed to equity price risk through its investments in listed shares and exchange traded funds.

Such investments are allocated and traded to match the investment objectives appropriate for the Company.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio in accordance with the limits set by the Company.

The Company's sensitivity to equity price risk is set out below:

Note 23 / Financial instruments (continued)

Equity price risk sensitivity

Price Risk Exposure 2021	Amount	Price move by:		Price move by:	
		-7.00% Possible effect Profit or loss	-7.00% Possible effect Equity	5.00% Possible effect Profit or loss	5.00% Possible effect Equity
Investments and other Financial Assets					
Listed Securities in the Australian Stock Exchange	3,923,069	(274,615)	-	196,153	-
Total Investments and other Financial Assets	3,923,069	(274,615)	-	196,153	-
Possible effect movement in fair value of investment in profit or loss		(274,615)	-	196,153	-

Price Risk Exposure 2020	Amount	Price move by:		Price move by:	
		-7.00% Possible effect Profit or loss	-7.00% Possible effect Equity	5.00% Possible effect Profit or loss	5.00% Possible effect Equity
Investments and other Financial Assets					
Listed Securities in the Australian Stock Exchange	2,095,773	(146,703)	-	104,790	-
Total Investments and other Financial Assets	2,095,773	(146,703)	-	104,790	-
Possible effect movement in fair value of investment in profit or loss		(146,703)	-	104,790	-

Other price risk

The Company has no significant exposure to other price risk.

Fair value

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

Financial Instruments	2021		2020	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Financial Assets				
Cash and cash equivalents	4,289,672	4,289,672	4,697,512	4,697,512
Receivables	1,730,716	1,730,716	1,784,257	1,784,257
Equity Securities	3,923,069	3,923,069	2,095,773	2,095,773
Total Financial Assets	9,943,457	9,943,457	8,577,542	8,577,542
Financial Liabilities				
Trade creditors and accruals	1,531,714	1,531,714	1,382,708	1,382,708
Total Financial Liabilities	1,531,714	1,531,714	1,382,708	1,382,708

The fair value of instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price.

Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at face value, which is their fair value.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

The fair value of financial liabilities for disclosure purposes is estimated by discounting future cash flows at the current market interest rate that is available to the Company for similar financial assets.

Note 24 / Statutory information

The registered office and principal place of business of the Company is:
Level 10, 440 Collins Street, Melbourne Victoria 3000

Procurement Australasia LTD – Declaration by Directors

Financial Statements Year Ended 30 September 2021

In accordance with a resolution of the directors of Procurement Australasia Ltd,
the directors of the Company declare that

1. The financial statements and notes of the Company set out on pages 57 to 88 are in accordance
with the Corporations Act 2001 and:

(a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1
to the financial statements, constitutes compliance with International Financial Reporting Standards, and

(b) gives a true and fair view of the Company's financial position as at 30 September 2021 and
of the performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay
its debts as and when they become due and payable.



KEN MCNAMARA

Chair of Board of Directors

Dated this 10th day of December 2021.

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Melbourne

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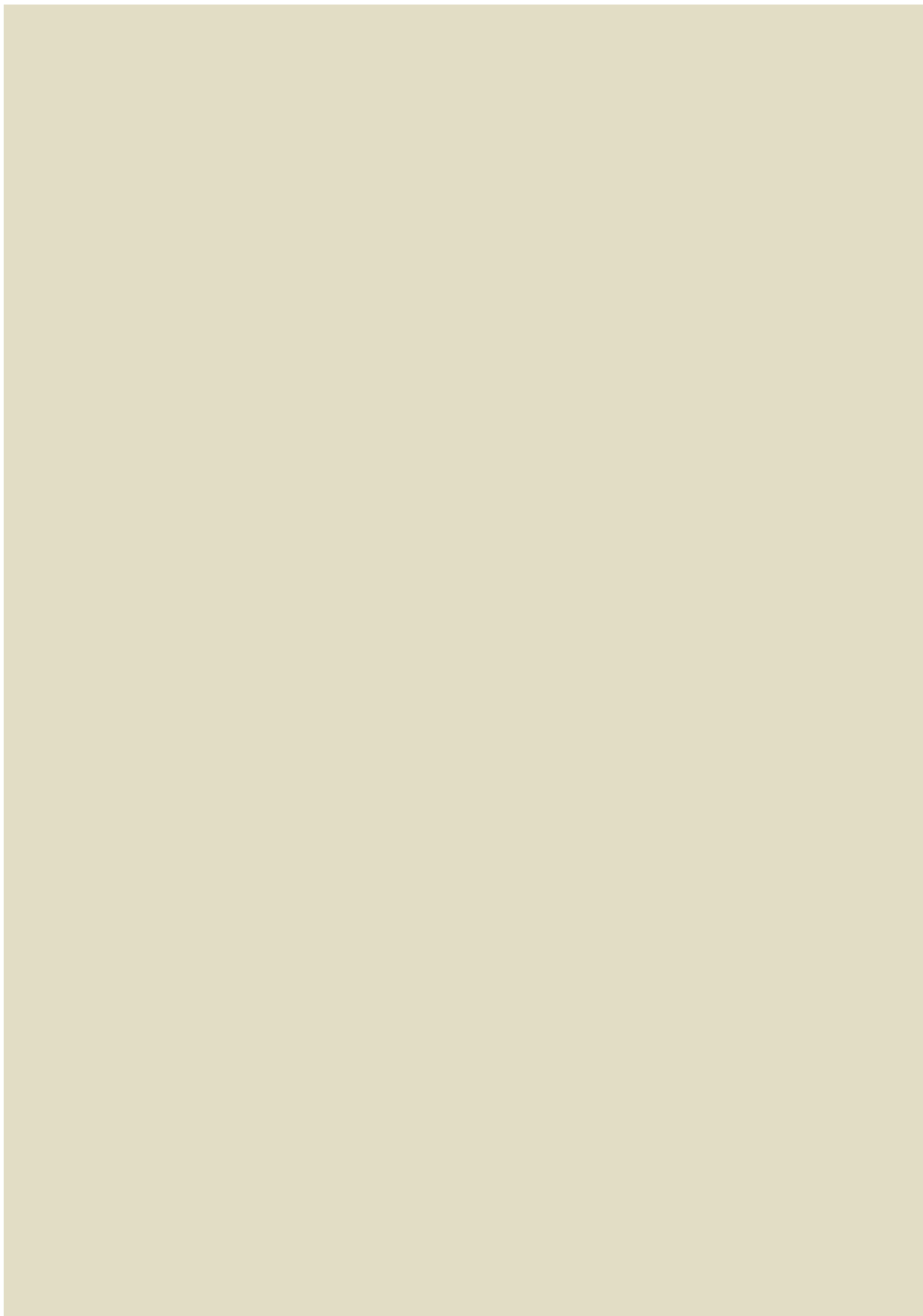
Sydney

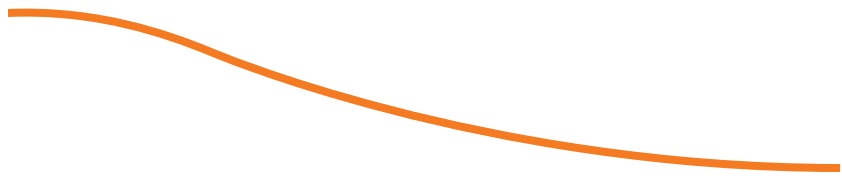
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