

ANNUAL REPORT

2022/23



**PROCUREMENT
AUSTRALIA**



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**PROCUREMENT
AUSTRALIA**

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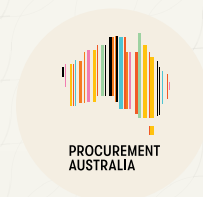
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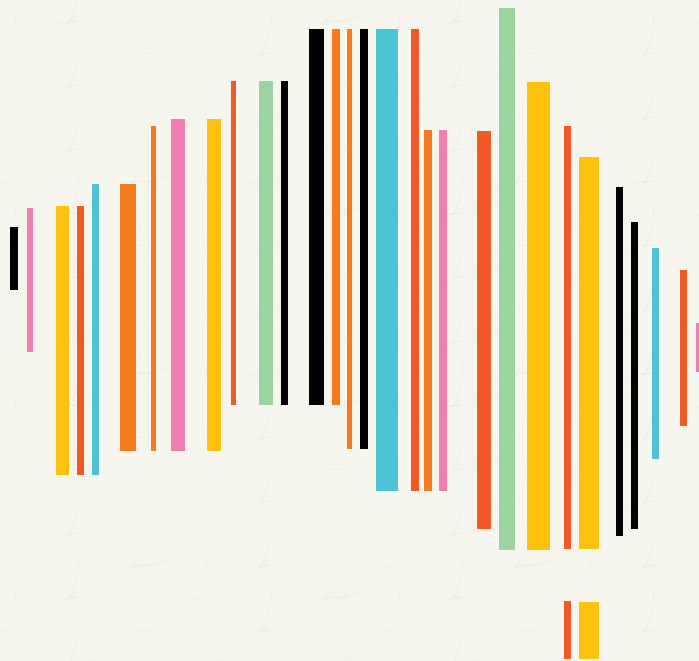
Interim Chief Executive Officer
BRENDAN HOARE



Interim Chief Executive
Officer Signature

Mike

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Our Annual Report 2022-23 describes activities undertaken between 1 October 2022 and 30 September 2023 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 8600 (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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ICEO Report

REVISE AND RENEW



Brendan Hoare

Interim Chief Executive Officer
Procurement Australia

2022/23 initiatives



Welcomed 3 New
Executive Team Members



30% member growth in Travel Solution
and Hotel Program from 2019 to 2023



Implemented our first Renewable
Generation Power Purchase
Agreement (PPA) in New South Wales

Upon commencing in the Interim CEO position in April 2023, my role was to ensure business stability and continuity; work with the Executive to reset the company culture; review and refine our key operating elements; and build on our existing strengths. In the first six months the business focused on and successfully delivered against 20 key priorities that enabled a leaner, more focused and cohesive business, well-positioned for its medium to longer term growth.

We commenced the process to build a new strategic plan to steer the company for the 2024 – 2027 period and that process is well-developed, and has included engagement with all staff, members, suppliers, and other stakeholders.

We were particularly pleased to support a defined cohort of New South Wales Council members via the implementation of our first Renewable Generation Power Purchase Agreement (PPA) in New South Wales. This major initiative provides renewable energy requirements for these Councils via the Metz Solar farm in rural New South Wales for a 10-year period.

Throughout 2022-23, the team worked diligently to source the best possible value for members across our wide range of product and service offerings. As key examples we were thrilled to offer members highly competitive outcomes with AGL Energy for our Small Business Energy Plan Agreement and WINC for our Workplace Supplies servicing the not-for-profit, care and education sectors. Similarly, we successfully conducted major tenders for categories vital to our members' daily operations including our popular and highly utilised Office Products, Retail Energy and Printing Services contracts.

As we turn our focus to the future, we do so from a members' perspective. To ready our business for what's to come, we will build upon areas where we've seen the most success. We will continue to simplify and streamline our product offerings for member ease of choice. We envision exponential growth in our individual programs, exemplified by over 30% member growth in the Travel Solution and Hotel Program in 2023 compared to pre-COVID member numbers in 2019.

Financially, we performed exceptionally well. We are pleased to report an operating profit of \$1.531M for the year ending 30 September 2023, which is a pleasing achievement considering the economic and global uncertainties facing the business during the year. After considering a \$409K increase in the fair value of our investment profile, the company's net profit for the year is \$1.941M against \$833K the previous year.

We're also delighted to offer our shareholders a 20 cents dividend for the year, an excellent return considering the challenges we've overcome in the previous couple of years.

As always, these results wouldn't have been possible without the dedication of our entire team from the Executive through to our staff located across the country, and of course, our Board who always provide sound guidance and advice.

To everyone, I extend my sincere thanks and appreciation. We look forward to working with our stakeholders to achieve our vision to be the number one procurement solution provider in Australia.

Brendan Hoare
Interim Chief Executive Officer - Procurement Australia

Chair Report

STEERING FOR GREATER COHESION



2022-23 was another momentous one for the entire Procurement Australia business.

In a year punctuated with moments of great change and opportunity, I'm proud to say the entire team from the Executive to all staff have shown exceptional resilience and dedication to their work to help members achieve more every day.

Having succeeded Procurement Australia's founding Director and Chair, Ken McNamara, in October 2022, my initial focus, alongside then Chief Executive Officer Joe Arena, was to continue to create the right environment to achieve the significant goals set as part of the 3-year Strategic Plan. Upon the CEO's resignation in April 2023, the changed conditions aligned with an opportunity to commence development of our new Strategic Plan – one that would propel us forward for the next 3 years.

This development fortuitously coincided with the appointment of Interim CEO, Brendan Hoare. Together, our focus along with the Executive team was to revise and renew the business.

The Board and I are pleased to see the impressive results of this renewed focus already evident in our processes, member outcomes and our people. Over the last year, the company has become visibly more energised and streamlined, thanks in large part to our talented, cohesive and empowered workforce. This cohesion is evident in our yearly Employee Experience and Engagement survey results, which demonstrably speak to the positive change:

- **Overall satisfaction increased from 66% in 2022 to 73% in 2023**
- **Overall job satisfaction had a rating of 80% compared to the sector average of 77%**

These increases in overall staff satisfaction with their work has translated into exceptional results for our members and business.

Net profit of the company for the year ended 30 September 2023 was \$1,941,563 an increase from \$833,242 in 2021-22. We were pleased to pass this success on to shareholders, increasing our dividend from 15 cents per share in 2021-22 to 20 cents per share this year.

As we turn our attention to what 2023-24 will bring, I am confident that the entire Procurement Australia team will continue to build on this year's successes and progress. At an Executive level, we will continue the recruitment process to identify the ideal candidate for the CEO role.

At a strategic level, we will continue to develop the IT Strategy and Roadmap to future proof and enhance our existing systems and technology, while introducing new customer facing systems in line with best practice procurement industry technology. We will develop of our new 3-year Strategic Plan to guide the growth and success of the organisation.

Of course, all of these aspirations would not be possible without the talent and strength of the entire Procurement Australia team, Executive Leadership Team and the Interim CEO. The Board and I sincerely thank them for their continued dedication and efforts.

I'd also like to acknowledge and thank our excellent Board of Directors – thank you for assisting me throughout my first year as Chair to set the right course for a higher performing, more adaptable and future-focussed business.

Glenn Patterson
Chair – Board of Procurement Australia



Glenn Patterson

Chair
Board of Procurement Australia

2022/23 Key Successes



20 New operational priorities implemented to reset the business



Overall employee satisfaction increased to 73%



Annual Profit increased by 133%

OUR BOARD



Glenn Patterson | Chair

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/IPAA Executive Integrity and Ethics Leadership Program graduate.

Appointed Board Member

25/05/2015.

Appointed Board Chair

01/10/2022.

With 35 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. 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.



Ken McNamara | Board Member

CE, Dip CE, DipAppScTp, BAppScPlan, FIE (Aust), FIMM, FAICD.

Appointed Board Member

21/12/1992

Appointed Board Chair

1996 - 2007, 21/02/2014 - 30/09/22

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 (VCAT).

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.



Leah Graeve | Board Member

Bachelor of Laws (Monash University), Grad Dip Legal Practice (Monash University), Bachelor of Arts (Monash University), Company Directorship (Australian Institute of Company Directors).

Appointed Board Member

01/07/22

Leah has extensive experience in strategy, governance, data analytics and risk management developed over the course of her career spanning a range of commercial and procurement leadership roles including Head of Strategic Sourcing & Procurement at Afterpay and Head of Procurement IT, Qantas Airways. Leah has also held commercial roles at Jetstar Airways and BHP Billiton. Leah is currently focussed on strategic partnerships at ANZ Banking Group. She brings a wealth of knowledge and experience from her time operating in a corporate capacity in these roles and is especially adept at driving governance improvements and mitigating operational risks, while also maintaining a strong organisational culture.

Leah is serving as a Board Director at a not-for-profit organisation, Rare Cancers Australia and is a former Non-Executive Director and Chair of the Nomination and Remuneration Committee for ELMO Software (formerly ASX: ELO).



Stephen Griffin | Board Member

Chief Executive Officer, State Emergency Service VIC

B.App Sc, DipEd, Grad Dip L.G, M.B Man.

Appointed Board Member

23/05/2014

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. While 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.



Tricia Klinger | Board Member

B Ec. M Comm. GAIDC.

Appointed Board Member

22/02/19.

Tricia Klinger joined the Procurement Australasia Ltd. Board on 22 Feb 2019. She brings to the board over 20 years' leadership experience in corporate governance, marketing strategy, reputation management and customer centred product innovation with leading brands in both Australia and Asia. Tricia is a Non-Executive Director of Aspermont, an ASX listed media company, and on the AMP Superannuation Ltd Board and is a former Board Director of Rigetti Australia, a computing startup owned by US based Rigetti Computing.



Vijaya Vaidyanath | Board Member

Senior Executive Fellow, John F Kennedy School of Government (Harvard University); Fellow of IPAA Victoria; MBA (JM Katz Graduate School of Business); MA (Economics) and a BA (Economics) (University of Bangalore).

Appointed Board Member

23/05/14

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. She has previously held positions as CEO of Homes Melbourne in the City of Melbourne, and earlier roles as the CEO, City of Yarra and CEO at two large metro councils in New Zealand. Vijaya is currently on the Boards of Parks Victoria, Ambulance Victoria and Vision Super and is also the current chair of Audit Risk and Compliance Committee at Parks Victoria.

OUR EXECUTIVE LEADERSHIP TEAM

*“As an executive leader in the business with over a decade’s tenure and experience, Brendan was the **ideal choice to lead** the Procurement Australia team through this transition period.”*

– Glenn Patterson, Chair, Procurement Australia



Read the Full Media Release announcing the appointment of Interim CEO, Brendan Hoare



Brendan Hoare | Interim Chief Executive Officer

Bachelor of Business

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 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 & 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 currently the Interim CEO with his substantive role being responsible for Procurement Australia's strategic procurement, tender and contract management team and functions along with their commercial and contractual outcomes.



Devraj Kanakappan | Director, Finance & Human Resources

Bachelor of Accounting, 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. 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. He also manages the company's Human Resources function and the Space Station business unit. His well-honed skills enable him to contribute constructively to strategic business planning, contract governance and administration.



Georgia Argyropoulos | Director, Strategy & Innovation / Company Secretary

Bachelor of Arts, Economics

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.

STRATEGIC IMPLEMENTATION AND REDEVELOPMENT

Our 3-year Strategic Plan is our blueprint for success. It outlines the details of how we will realise our vision to be the leading procurement solutions partner and our actions to achieve our mission to deliver exceptional customer experience.

In 2022-23, we had to strike a delicate balance with our Strategic Plan – implement what we had promised, and develop a plan for the next 3 years of Procurement Australia’s success.

We continued to focus on our priorities: to grow our business and expand our influence in the market. Through our commitment to actively listen to our member needs, we continue to explore and deliver best value outcomes.

We turned our strategic focus to technology. We invested in our systems to further enhance Procurement Gateway, our online platform that aims to support our members to fulfil

their individual procurement requirements. We also increased investment in our systems to prevent and respond to cyber security threats.

Through our uncompromising integrity we continue our commitment to Quality Assurance. Procurement Australia continues to hold the ISO 9001-2015 accreditation, an accreditation held since 1998. By adhering to the ISO standards together with being audited by the Victorian Auditor-General’s Office, we continue to provide our members procurement choices that adhere to statutory requirements as well as meet their individual compliance needs.

Looking to 2024 and beyond

In 2023-24, our team focused on enhancing our existing plans and procedures, and also laying the groundwork for the development of the new 3-year Strategic Plan that will guide the course of the organisation into the future.

Developing our new Strategic Plan

With our existing Strategic Plan due to expire in 2024, we spent much of 2023 laying strong foundations for the business' goals, aspirations and organisational plans.

As part of the process to develop our new 3-year Strategic Plan, we knew we had to get the right partners on board to steer us on the path to success.

The program to develop a Strategic Plan has a long runway with various stages including

- Workshops with the Board, Executive and entire organisation.
- Stakeholder interviews to ascertain insights from our members and suppliers.
- Market research to identify market trends and opportunities

We look forward to sharing the outcomes of this planning process through our updated 3-year Strategic Plan in 2024.

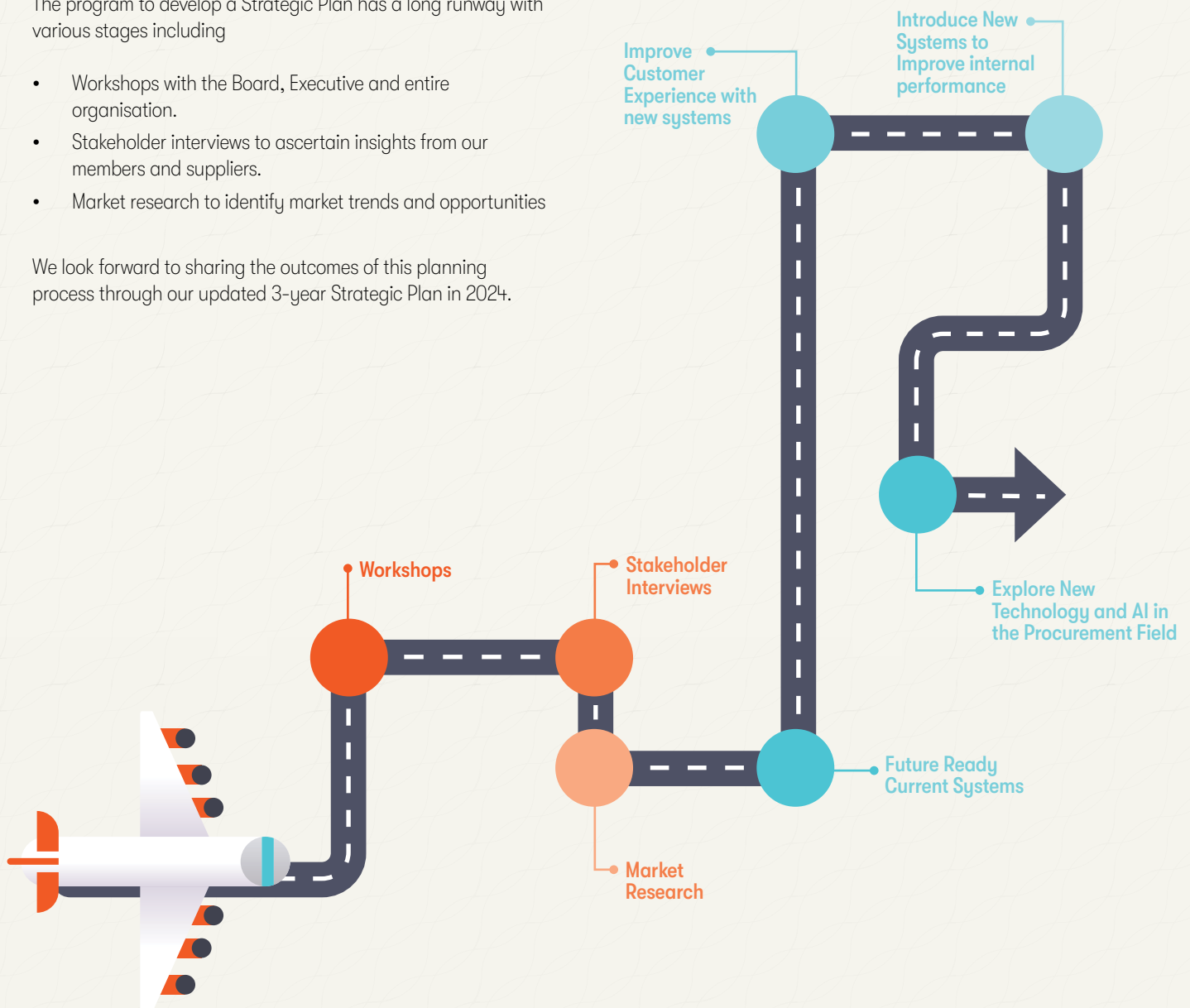
Developing our first IT Strategy and Roadmap

Cybersecurity, Artificial Intelligence (AI) and information security are posed to define the upcoming decades.

To ensure we stay up-to-date with technological developments, we have also embarked on the development of a 3-year IT Strategy & Roadmap in order to:

- Make our current systems future-ready
- Improve how customers experience our services by adding new systems
- Introduce new systems for our team to better match what customers expect with how we work behind the scenes
- Look at new tech and AI advancements in the procurement field and how they can help us achieve business goals

We look forward to sharing the outputs of the IT Strategy and Roadmap.



SOURCING QUALITY ASSURED, INNOVATIVE AND COMPETITIVE PRODUCTS FOR MEMBERS

Our Strategic Sourcing function is essential to laying strong foundations for our increasing range of contracts, maintaining invaluable supplier arrangements, and executing highly-requested bespoke agreements.

*In 2022-23,
we retendered **6 key contracts**,
negotiated pivotal agreements with
2 major suppliers, and initiated
7 bespoke requests from members*

Last year, we focused on further deepening our long-term relationships with members, suppliers and strategic partners. These relationships are imperative to guide the often-complicated process of broadening our product and service offerings across our many solutions. To get there, we turned our attention to continuous improvement efforts, tracking them throughout 22-23 through member feedback and improved data and resource management.

This invigoration of feedback and implementation of recommendations was not without its challenges. By focusing on our key roles and responsibilities, along with support from the leadership team and effective interdepartmental collaboration, the Strategic Sourcing team was able to achieve some impressive outcomes for members.

The result is notably improved efficiencies throughout our sourcing process, heightened focus on mission-aligned tasks, and enhanced member satisfaction.

Improving outcomes for members

Part of our promise at Procurement Australia is to always strive to provide our members with quality and innovative products they can trust, while also endeavouring to ensure the best possible value. But what truly sets our team apart is our unwavering commitment to uphold our professional integrity at all times. This year was no exception.

Procurement Australia members have always had sound knowledge that our products are consistently produced in accordance with our ISO accreditation, while not compromising on coverage, depth or value.

In 2022-23, we introduced even more ways for our members to tell us what they love about working with us, and where we could do more to support their procurement efforts.

Member feedback in action

In 2022-23, we introduced two key member processes:

Member feedback as standard at the start of every tender timeline: This new process ensures we capture valuable information about our member's tender experience from the very beginning.

Member opt-in requirement for each contract: This new requirement provides clarity for both the member and the supplier through clear instructions that inform a supplier of a member's sourcing decision. Having already received positive feedback from members regarding these two new processes, it is our intention to continue to develop these further throughout 2023-24.





A Strong Year for Retenders and Bespoke Work

Retenders and agreements

2022-23 saw us retender several key contracts across multiple solutions. This year, we have successfully retendered cluster work and standing offer contracts for:

- **Spray Sealing & Associated Services for North East RPEN Councils including:**
 - Moira Shire Council
 - Benalla Rural City Council
 - Towong Shire Council
 - Wodonga City Council
- **Mobile Bins**
- **Courier Services**
- **Office Products and Workplace Consumables**
- **Printing Services**
- **Retail Energy**

Many of our members rely on these well-used contracts to complete their day-to-day and project work. We are thrilled to be able to offer ongoing competitive price points on these important contracts.

We also directly negotiated key agreements with suppliers including:

- **New Workplace Supplies for NFP, Care and Education Agreement with WINC**
- **New Small Business Energy Plan Agreement with AGL**

Working harder for our members

In 2022-23, we saw a notable increase in the number of inquiries we received from members to undertake bespoke services. From event services to advisory work, this year saw us build upon the momentum from the previous year and extend our expertise into burgeoning areas. This year we conducted bespoke work on behalf of our members including:

- **Request for Tender for Facilities Maintenance Services on behalf of Knox City Council**
- **Request for Quotation for Debt Collections Services on behalf of Glen Eira City Council**
- **Request for Quotation for Provision of IT Hardware on behalf of Mornington Peninsula Shire Council**
- **Request for Proposal for Provision of Multifunctional Devices on behalf of Grampians Health**
- **Request for Quotation package for Cleaning Services on behalf of:**
 - Ability Options
 - Health Ability
 - IXOM Operations
 - Save the Children Australia
 - Wodonga Institute of TAFE
- **Request for Quotation package for Printing Services on behalf of:**
 - Brimbank City Council
 - Campaspe Shire Council
 - Glenelg Shire Council
 - Moorabool Shire Council
 - Southern Grampians Shire Council
- **Request for Quotation package for Courier Services on behalf of:**
 - Banyule City Council
 - Bayside City Council
 - City of Boroondara
 - City of Greater Dandenong
 - Frankston City Council
 - City of Kingston
 - City of Maribyrnong
 - Melton City Council
 - Merri-bek City Council
 - Yarra City Council
 - Yarra Plenty Regional Library

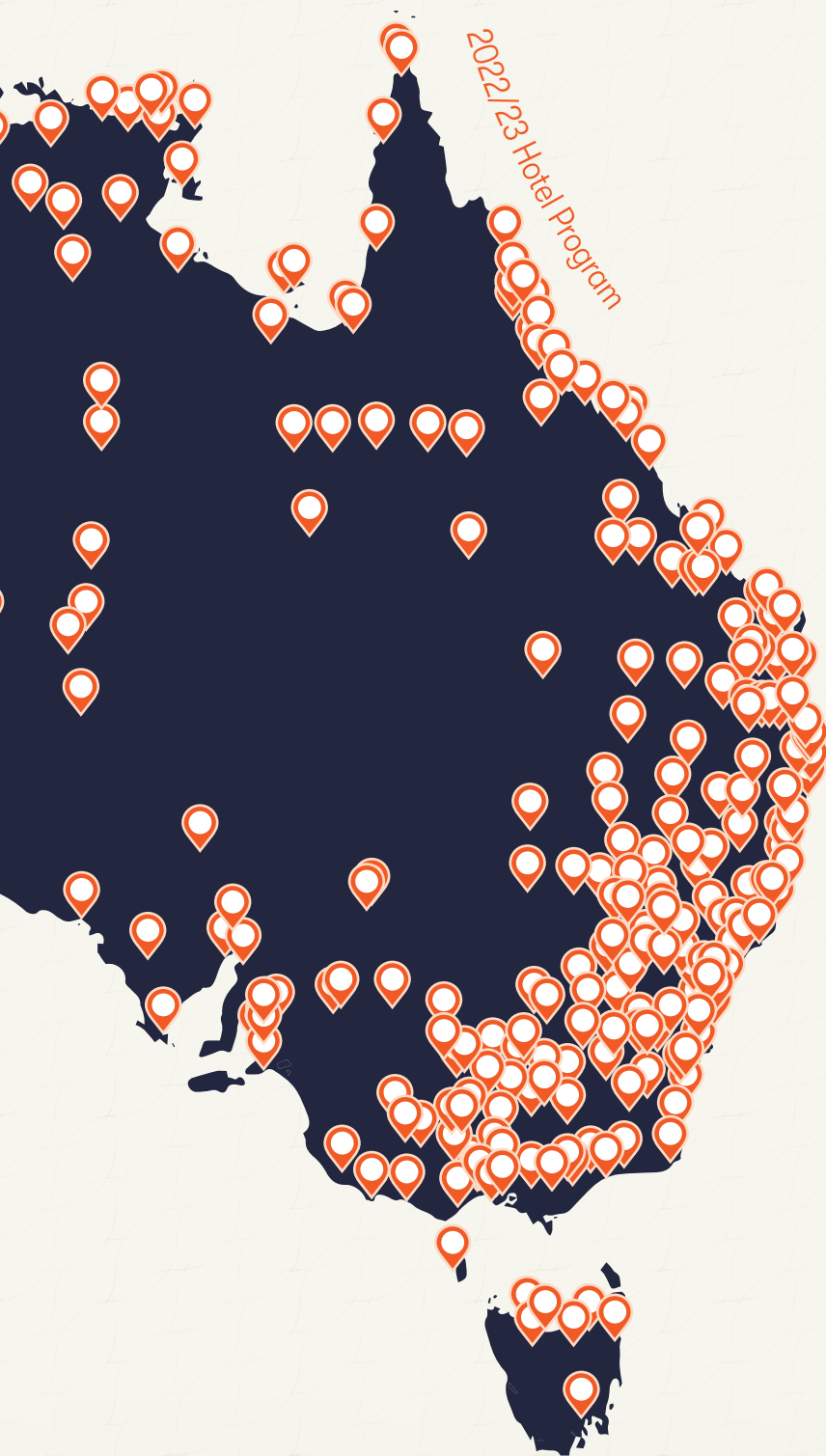
SOURCING MORE MEMBER STAYS AND EXPERIENCES THAN EVER BEFORE

2022-23 was a truly momentous one for our comprehensive Travel Solution incorporating Air, Hotel, and Car Programs. The first completely lock-down free year since 2019 was one our members took full advantage of – and the results speak to the program's immense popularity and impact.

This year saw us help more members to stretch every dollar to do their work more effectively, wherever it might take them around Australia or across the globe. 217 members representing medical and essential services through to humanitarian, aged care, religious and education sectors were able to leverage the program to do more work on the ground when and where they're needed.



*In 2022-23, the Travel Solution **accommodated more members in COVID-safe and value-aligned accommodation**, helped more members fly **domestically and internationally**, and provided **more car rental options** to ensure enhanced flexibility.*



\$42.5M
TOTAL SPEND

42,297
TOTAL BOOKINGS

\$4.4M
TOTAL SAVINGS

30.3%
MEMBER GROWTH

11%
AVERAGE MEMBER SAVING

“MEAGAN AND THE TEAM AT FCM TRAVEL HELPED US THROUGH OUR RESTRUCTURE, TAKING OWNERSHIP BY LIAISING WITH ALL NEW STAFF MEMBERS. THE TEAM ARE VERY QUICK TO ACCOMMODATE ALL OUR BUSINESS NEEDS AND REQUESTS, ALLOWING US TO IMPROVE OUR INTERNAL PROCESSES”

- Lisa Pedulla, Executive Officer to the National Executive Director & Trustees of EREA

CASE STUDY **BUSINESS NSW**

Turning discounts into continuous
improvement for Business NSW

Member snapshot **Business NSW**

Not-for-profit sector

Business NSW is a not-for-profit that works organisation focused on the wellbeing of the business community. Their purpose has always been to provide a strong, clear voice for businesses on the issues important to their livelihood.

Working closely with their members, they identify key issues and find practical policy solutions to ensure businesses across NSW prosper and grow. Their members form part of a strong alliance network of more than 200 Chambers of Commerce in NSW, reconciling the travel needs of many parties while also staying on top of data management is a constant challenge.

2422 \$181,037

BOOKINGS

TOTAL SAVINGS

Doubling savings

With over 30 employees travelling each month to mostly domestic locations, along with a handful of staff visiting

Asia regularly, Business NSW has a potentially demanding travel expenditure. With an eagerness to realise a slight edge in every part of their operations, continuous improvement has always been Business NSW focus through the Travel Solution.

How we helped Business NSW realise more savings

With the need for continuous improvement in mind, the benefits offered to Business NSW through the Travel Solution go beyond discounts on travel. They also include education programs that feed vital knowledge and experience back into the organisation, doubling the savings that can be realised through the program.

“WE’RE ALWAYS LOOKING FOR GREATER INSIGHT INTO WHERE OUR TRAVEL BUDGET IS GOING, AND HOW WE CAN MAKE IT GO FURTHER.

The savings we realise through the partnership between Procurement Australia and FCM allow us to do just that. By empowering our staff to learn more about the ins and outs of the travel industry – such as the best times to book and airfare types – we’re able to save even more. In 2022-23, our staff benefited greatly from the in-house training provided through the Travel Solution, helping us to finetune our operations even further.”

- Dan Hunter, CEO, Business NSW

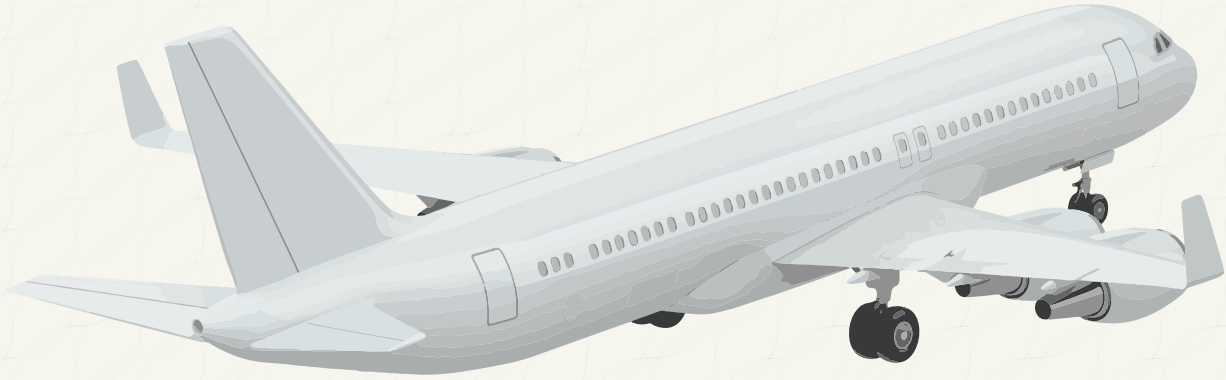
More Members Stayed

In 2022-23, more members stayed in accommodation options that met our rigorous selection criteria.

Our unique Hotel Program offers exclusively negotiated rates at over **80 hotels** in Australia, as well as discounted rates for **10 hotel chain groups** representing over **15,000 hotels** around the world.

*This year, our members booked
**57,536 room nights across 3,732
hotels totalling just over \$11.3M.**
Compared to pre-COVID hotel stays,
this represents a **132% increase** in
hotel stays by members thanks
to **better rates, more choice and
enhanced safety** as part of the
program's offering.*

Our focus 2024 program is to design a program where over 100 hotels are available and to our high standard in over 68 cities and towns around Australia, including 10 hotel chain groups.



More Members Flew

More members flew in 2022-23 than ever before as part of our Air Program.

We are one of the few organisations with a unique air travel deal with recognisable carriers including QANTAS and Virgin Australia at home, and British Airways, Emirates, Qatar, Singapore Airlines, and United Airlines overseas.

In 2022-23, members booked **31,454** air tickets domestically and internationally. Members used exclusively negotiated rates to travel to locations where they were needed most, including regional areas affected by natural disasters.

More Members Drove

In 2022-23, members took the road to complete their important work all over the country.

With exclusive car deals through Avis and our primary preferred partner Hertz, more members took up the opportunity to hire a vehicle as part of their travel plans.



*This year, members booked **31,294 car travel days** at heavily discounted rates, helping more members **save on their travel expenses** both here and abroad.*

CASE STUDY
**EDMUND RICE
EDUCATION AUSTRALIA**

Keeping travel costs low for
Edmund Rice Education Australia

Member snapshot
Edmund Rice Education Australia (EREA)
Not-for-profit sector

Edmund Rice Education Australia (EREA) encompasses a network of more than 55 schools around Australia. With a team in charge of managing a student body of 40,000 from coast to coast, the EREA team has to undertake a lot of domestic travel on a strict budget.

2145 **\$219,423**
BOOKINGS TOTAL SAVINGS

Teaching education members the value in powerful negotiation

With heavy domestic travel commitments from their National Executive, Leadership and Mission Service teams,

EREA is constantly under pressure to find the most competitive rates for their air travel, accommodation and car hire.

How we helped EREA keep travel costs low

The Travel Solution has allowed EREA to meet their domestic travel requirements, benefiting from Procurement Australia's negotiated discounts in their Air, Hotel, & Car Programs.

“BEING A NOT-FOR-PROFIT, EVERY DOLLAR COUNTS. EACH TRIP WE BOOK HAS TO DELIVER MAXIMUM VALUE, EVEN IN THE FACE OF HIGH DEMAND.

Since we've been a part of the Travel Solution, we no longer worry about getting the most from our travel. This year alone, we have saved more than the last three years combined [TBC], allowing us to redirect much-needed funds back into our core education programs.”

- Lisa Pedulla, Executive Officer to the National Executive Director & Trustees of EREA

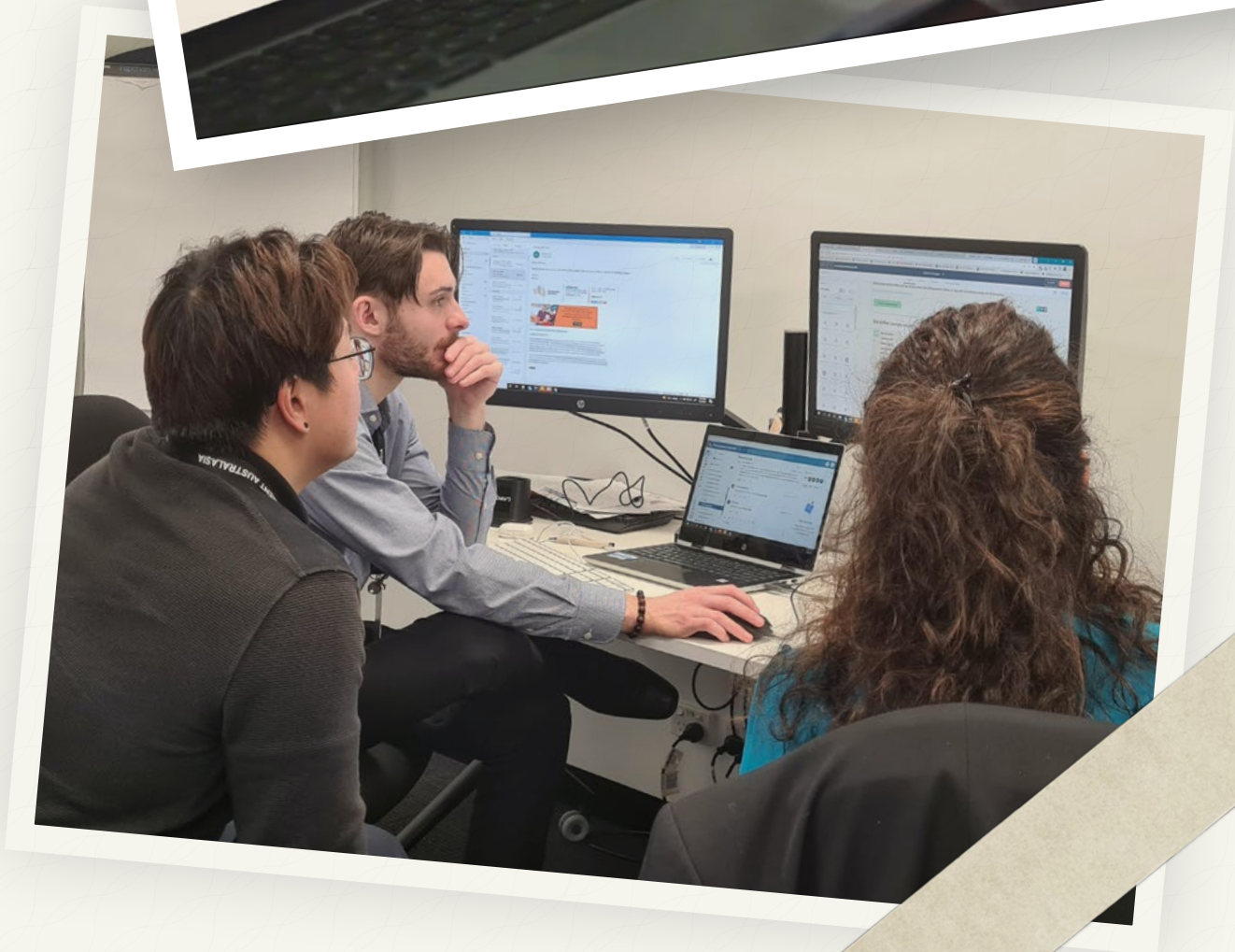
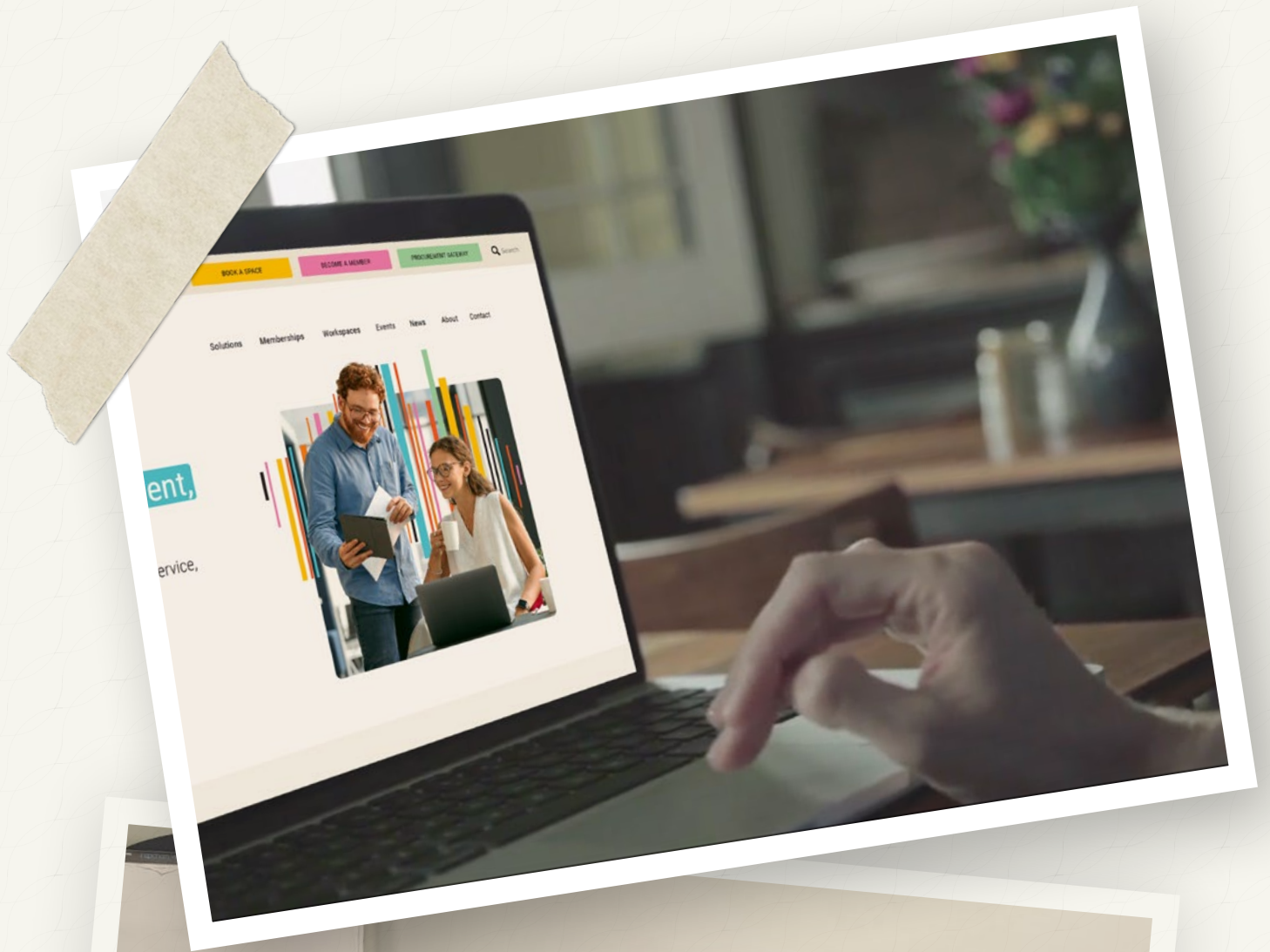
RAPIDLY APPROACHING OUR VISION

Connecting with members is a major part of how we deliver on our commitment and vision to becoming the most used and trusted procurement solutions provider. Across every project, solution, contract and opportunity, we hold fast to what keeps our organisation going – rigour, transparency, and consistency in our approach.

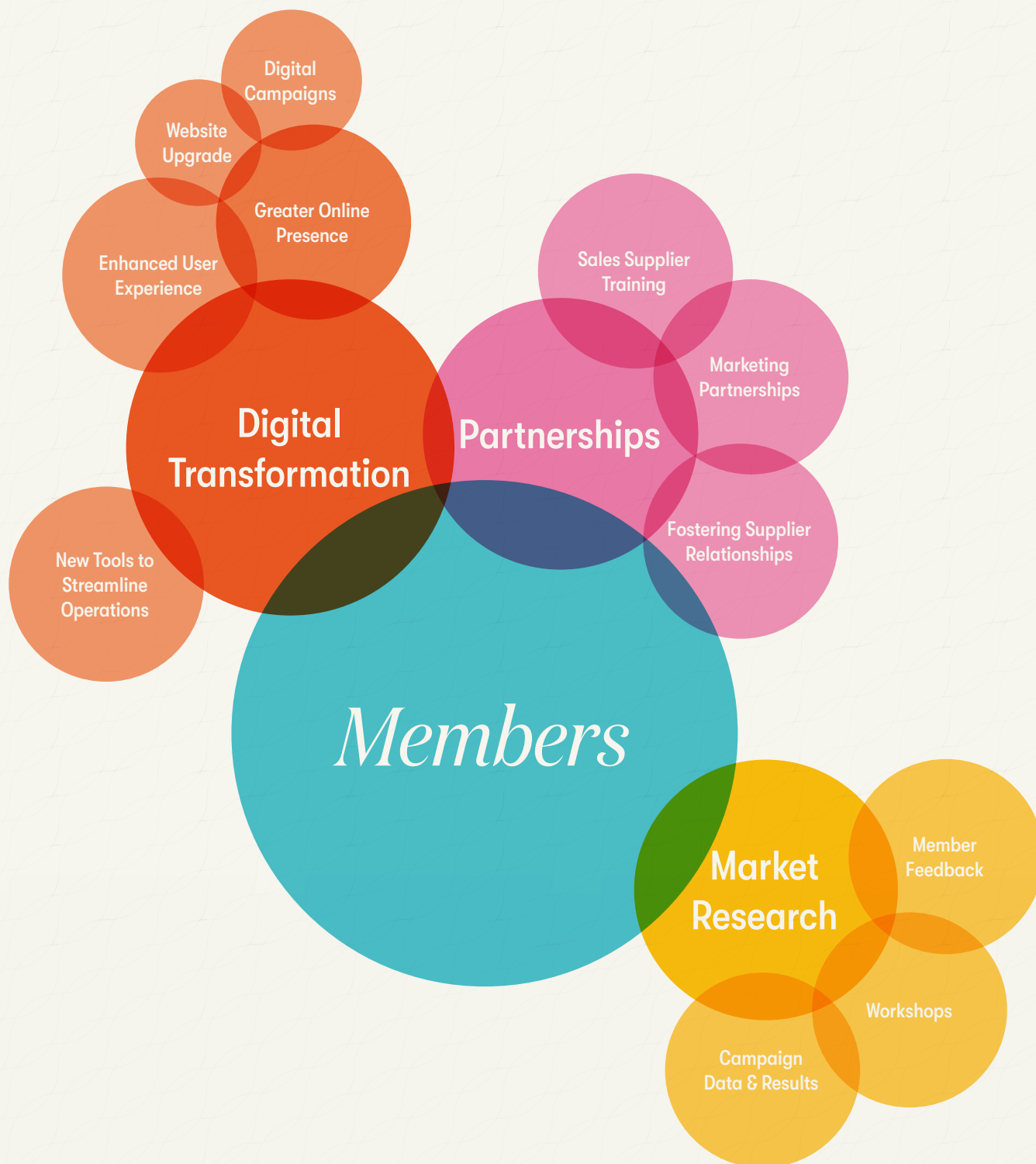
Our Marketing department is instrumental in delivering our value proposition to members across industries and sectors, connecting stakeholders in every section of the business, and strategically amplifying our presence in the marketplace.

*In 2022-23, our Marketing team **amplified and streamlined its digital marketing efforts, fostered and nurtured vital strategic partnerships, and enhanced our brand reach into new industries and sectors.***

Despite significant restructures throughout the business, the team united to address the challenges by amplifying our digital marketing efforts and collaborating with external experts to achieve our goals.



Keeping our *members* at the centre



Enhancing our member experience

Our member experience drives everything we do with our marketing and communications. Through our innovative and informative campaigns, we aim to elevate brand awareness, foster meaningful connections, and contribute to Procurement Australia's mission to deliver an exceptional customer experience, by always delivering what we commit to.

New year, new tools

In 2022-23, the Marketing team focused on how to do more for members in an increasingly competitive marketplace.

With digital transformation, enhanced user experience, website upgrades and greater presence on the digital landscape in our sights, we integrated new approaches, tools and technologies

into our strategy to streamline our operations and elevate member understanding of our services and solutions.

Teaming up for success

2022-23 was another year of successful sales supplier training within Procurement Australia.

This year, the Marketing team prioritised cultivating robust marketing partnerships with key suppliers, while simultaneously fostering strategic solid relationships with suppliers and partners including Dulux, Bunnings, FCM, OneCard, and WINC.

Our toolkit for member success

In 2022-23, we asked for more feedback from our members to help us create the perfect mix for member success. The results speak for themselves:

Enhanced Efficiency

Regular assessments empower us to identify unnecessary resource allocation and reallocate tasks for greater efficiency.

9,200

TASKS COMPLETED
IN 2022-23

Customer-Centricity

Regular reassessment allows us to stay attuned to the needs and preferences of our members. Our Marketing briefing workshops support a member-centric approach, ensuring that our products and services continue to provide value and meet their expectations.

21

MARKETING
BRIEFING
WORKSHOPS
CONDUCTED

Innovation

Frequent assessments of our systems and tools have encouraged creative thinking and innovation within the team.

In 2022-23, we explored new approaches, tools, and technologies to stay ahead in a competitive marketplace.

17

DIFFERENT CUTTING
EDGE TOOLS
AND SYSTEMS
IMPLEMENTED

How we achieved more for members

In 2022-2023, the Marketing team made substantial contributions to Procurement Australia's mission and vision by nurturing strong partnerships, prioritising member-aligned launches, and integrating valuable member feedback into our strategy and approach.

Cultivating Strategic Partnerships

Partnerships are central to every contract and solution we have at Procurement Australia.

Throughout 2022-23, we maintained our commitment to long-standing business-as-usual projects, while also nurturing strong relationships with key partners.

This dual focus allowed us to deliver highly targeted campaigns to members while also delivering on future-focused promises to always seek more value and opportunity for our valued stakeholders.

Member-aligned launches

In 2022-23, we highlighted a diverse mix of well-established products and contracts alongside exciting new launches across our marketing program.

Going Direct

The Marketing team helped the Direct team by:

- Launching Integrated Solutions to our membership base
- Increasing industry presence to attract new members
- Successfully launching the Your Member Benefits (YMB) Solution with a new go-to-market approach.

Keeping up with energy demands

This year, we witnessed demand for our energy solutions like never before.

To keep up with members' needs, we redeveloped older assets to align more with our updated solution for smaller volume members, renaming the solution 'Small Business Energy'.

We also embarked on a successful campaign for 'Fixed Term Fixed Energy' that resonated well with our members. The team also supported and launched the NSW Energy Power Purchasing Agreement (PPA) headed up by the Strategic Sourcing team.

Supercharging Our Travel Solution

In 2022-23, the entire Procurement Australia team was delighted by member response to our rejuvenated Travel Solution.

We made significant strides by launching the Travel Solution with accompanying thought leadership strategies, including leveraging our blog and social marketing channels. These integrated marketing efforts further solidified our position as a valuable procurement partner, especially for our not-for-profit members.

Integrating member feedback

We know that when we listen to our members, good things happen.

In 2022-23, we focused on growing the brand by integrating member feedback regarding the campaigns they receive, the content we create, and the usability of our website.

Growing organically

This year, our focus was to enhance organic growth and uplift our membership from a brand perspective.

By directing energy and resources to our website content, we witnessed an increase in organic website traffic.

Ready to collaborate for purpose

After a two-year hiatus, the entire procurement community is eagerly awaiting our upcoming 2024 conference.

Preparations are already underway with the conference theme for 2024 – Collaborating for Purpose: A New Era of Impactful Procurement – promising an exciting, purpose-driven event that reflects our dedication to the future of the industry.

Two-way communication

In 2022-23, we had ambitious goals to reactivate our content marketing across various areas of the business.

This year, we succeeded in relaunching the Procurement Australia News by sharing more relevant content of interest to our members, suppliers and partners. We have also taken significant steps to revitalising our Space Station business by creating engaging content and implementing a new website strategy.

Our members' insights are a valuable resource for us to learn where we have room to grow and improve. By introducing a new 'how did you hear about us' field in all our forms, we have further enhanced our understanding of our stakeholders, including their preferences for communications, news and updates.

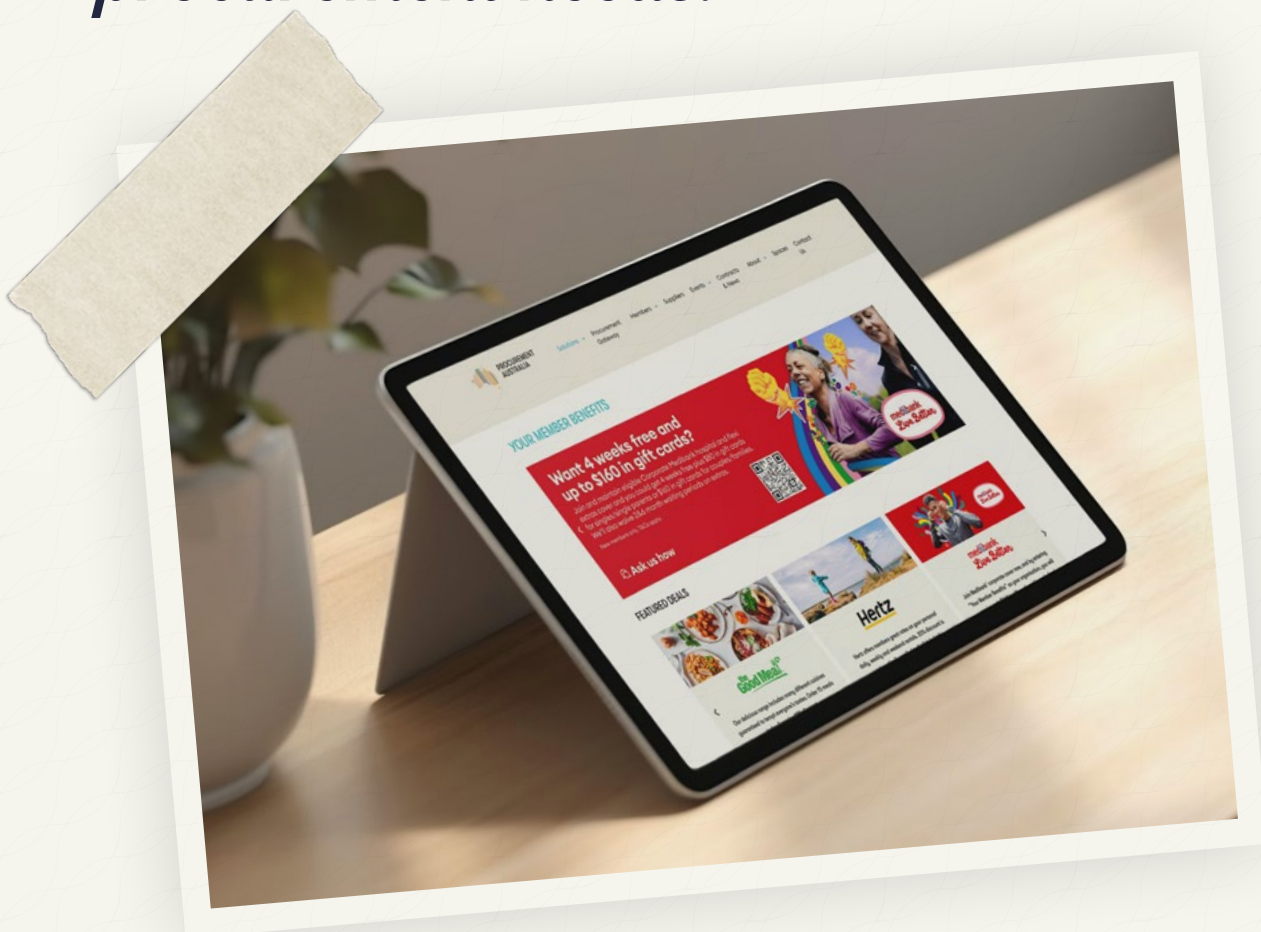


GOING DIRECT TO THE SOURCE

The Direct team works with suppliers to improve supply processes and experiences for members. Being member-led, our goal is to ensure member satisfaction is high by sourcing the

best quality, fit-for-purpose products and services in a timely fashion at the most competitive prices.

In 2022-23, the Direct department simplified our product offering, streamlined processes for clearer alignment across the business, and enhanced our members' experience through detailed mapping of end-to-end procurement needs.



Creating a Welcoming Home for New Australians

Procurement Australia provides support to the Red Cross Humanitarian Settlement Program for refugees settled in Wagga Wagga, Albury, Wollongong and Canberra.

We provide a holistic procurement service for the set-up of accommodation for families entering these four locations through the Red Cross. We do this by leveraging our long-term supply agreements with suppliers to attain the best price in electrical and whitegoods, furniture, linen, household and kitchen items, and delivery.

In 2022-23, we reengineered existing supplier relationships vital to this program to improve the commercial terms and arrangements. Through this negotiation process, we saw the numbers of refugees assisted by this program increase by 46% compared to the previous year, where we saw 656 refugees grow to 959 refugees being granted assistance. This was also reflected in the 41% growth in the number of cases, increasing from 171 to 242 families who were successfully provided with settlement over four locations.

The first half of the fiscal period continued the processing of backlogged visa holders being processed into Australia. The Federal Government has signalled further potential increases from the Ukrainian crisis as well as the Israeli-Gaza crisis for this humanitarian program although the numbers are still not exact at the moment.

Planned Improvements across the board

The Direct team is always searching for ways to improve the member experience and savings across our entire portfolio.

Restructuring Information Technology

We understand that navigating the IT space can be a challenge for members. In 2023-24, we plan to simplify the procurement process of all IT products by merging all available brands into a single solution.

By restructuring the portfolio in collaboration with the Marketing and Sales departments, our goal is to improve member outcomes in this important area through enhanced product knowledge and informed purchasing processes.

Smarter Property Solutions

After successfully launching in April 2022, the Smart Property Solution has grown, helping more members within the social, affordable and community housing sector to access necessary goods to establish and fitout accommodation outlets for those in need.

In 2022-23, we welcomed several new members using this solution, including GenU, Berry Street, Vinnies Queensland and Western Australia, and BaptistCare New South Wales, resulting in a 10% growth in this category.

In the coming year, we intend to work closely with Sales to further enhance the exponential growth of this program by bringing more strategic members onboard to service the program's expanding electrical, whitegoods and furniture requirements.

More Member Benefits

Developed in collaboration with the Marketing team, we transformed the established and well-utilised Your Member Benefits (YMB) program to be even more beneficial for members.

Launched in mid-23, the fresh face of this B2C solution included a suite of new suppliers offering a greater diversity of products and services through the YMB program. We look forward to seeing this offer grow into the new year.



CONTINUOUS IMPROVEMENT FOR OUR MEMBERS

Our dedicated Relationship Managers are always looking for ways to improve the processes and systems that support members to get what they want, when they need it. We are very particular about the types of products, goods and suppliers

we engage. Each new offer has to undergo our rigorous testing based on two key questions: what procurement problem does it solve? Does it align with our wider mission and vision to be the leading procurement solutions organisation?

*In 2022-23, our Relationship Managers prioritised **collaboration with suppliers to meet member needs** and **supercharging cross-organisational problem-solving** to ensure the best outcome could be achieved.*

How we put our members first

We are a proudly member-led procurement services organisation. This year, we upheld and strengthened this promise by focusing on engagement, improving our internal training, and driving collaboration wherever possible.

The successes of our practical approaches to deliver our member-led promise have inspired us to do even more in the upcoming year. Our Relationship Managers will continue to focus on developing innovative contracts in the sustainability space, alongside identification of collaborative activities in critical solution areas such as insurance, waste and social procurement.

Resparking invaluable connections

Relationship Managers are the conduit between our members and suppliers. It is a role we take very seriously.

In 2022-23, the team focused on meaningful engagement with our membership base after the lifting of the final lockdowns. However, this ambition wasn't without its challenges. For one, meeting members face-to-face – an activity the entire Sales team relished pre-COVID – became increasingly rare due to enduring work from home policies across the member base.

Despite these complications, we are proud of the outcomes we generated for our members this year. With major contract wins across the country, especially throughout Victoria and New South Wales, we are seeing the results of our hard work paying off for members. We are particularly proud of the collaboration outcomes around renewable energy requirements, including member excitement for additional renewable energy contracts in New South Wales on the back of our successful Power Purchase Agreement (PPA) in Victoria.

Collaborating for renewable energy

On 1 January 2023, the energy started to flow to the councils in New South Wales participating in the first Power Purchase Agreement (PPA) in the state.

We are proud to see enthusiasm for this product type expanding across large parts of the country. The success of this initial PPA in New South Wales includes a roll-in capability to other New South Wales Councils – one we are already seeing increased demand for in other councils around the state.



Knowledge sharing – inside and out

In 2022-23, we turned our focus to growing our knowledge base both internally and externally.

Within the Sales department, we enhanced our delivery of internal Sales Training and Supplier familiarisation sessions. Both sessions are a vital part of our internal processes. They equip internal staff with the technical knowledge needed to share the benefits of each solution with members. They also allow our Relationship Managers to meet directly with key suppliers and better understand how their product and service base aligns with our member needs and aspirations.

RFX events tailored to members

Our dedication to being subject matter experts extends beyond our internal team.

This year, we provided subject matter and process expertise to a large Victorian council. These RFX events included knowledge sharing on proposals, quotations and information specific to the council, leading to better engagements with internal stakeholders and clearer direction of where we can assist our members.

Driving improvements across all sectors

Our members span a diverse range of industries and sectors. We work hard to ensure we create and improve contracts that

service all the variable requirements across the member base. For our not-for-profit members, the challenge of decreased funding alongside sustained delivery expectations is a familiar internal challenge. We worked alongside individual not-for-profit members throughout the year to audit their existing procurement processes and search for much-needed savings and consolidation wherever possible to improve their bottom line.

Our government members continued to be the driving force behind the notable increases in collaborative procurement throughout the sector. This continued rise in collaborative procurement events was further supported by our team, who facilitated tenders for the Northern RPEN group and Eastern RPEN group, driving further engagement across members and suppliers in the sector.

Collaborating with purpose

Throughout 2022-23, we have witnessed a sizable increase in the number of collaboration groups across all sectors. The team saw several productive groups form this year, including Aged & Community Care Providers Association (ACCPA), NORTHLink, Melbourne Archdiocese Catholic Schools (MACS), CEWA, CEO Collab and EAGA. The Sales team will continue to focus on identifying these groups and working collaboratively with them to solve and anticipate their procurement needs.



A Year of Sales Highlights

Our promise to always be member-led resulted in several wins throughout the year.

Improving outcomes for regional networks and organisations

Throughout 2022-23, we have initiated several tenders and extended others for Victorian and New South Wales Regional Procurement Excellence Networks (RPENs) and Regional Organisation of Councils (ROCs).

Victorian RPENs

The Sales team facilitated several successful RPENs throughout Victoria:

- Eastern RPEN group – Road Resurfacing Tender
- Northern RPEN group – Spray Seal Tender
- Northern Council Alliance – Road Construction and Line Marking

New South Wales ROCs

The Sales team also extended contracts relied upon by numerous New South Wales councils:

- Extension of contract SSROC 2205/0332 – Hire of Part and Trucks (wet hire)

Uplifting members who serve others

Our team is passionate about delivering outstanding procurement outcomes for members who support others in the community.

Delivering for the Dioceses of Maitland and Ballarat

The team conducted a detailed data analytics program for the Diocese of Maitland-Newcastle in New South Wales.

Through a close analysis of the Diocese total spend over 24 months, the team determined:

- All addressable expenditure across six key agencies
- Spend categorised by Number of Vendors/Invoices Volume/Local Suppliers/Contracted Spend and P2P Costs
- Opportunities for procurement benefits evaluated with Procurement and Finance Teams, and aligned with Dioceses' Strategic Plan
- Ongoing partnership between Procurement Australia and the Diocese across multiple agencies to drive cost savings and procurement efficiencies.

The team also analysed where further cost savings could be realised for the Catholic Diocese of Ballarat as part of the Catholic Development Fund for Ballarat.

On the back of accessing our tendered outcome for small site Electricity and Gas across over 250 sites, additional cost savings were discovered. These high cost savings resulted in the Diocese extending their involvement with our energy tender to June 2025.

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Procurement Australasia Limited (“the Company”) for the year ended 30 September 2023 and the Auditors’ Report thereon.

Directors

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

Mr Glenn Patterson

Bachelor of Business (RMIT), Master of Business (RMIT), GAICD (Chair of Board of Directors)
Appointed: 26 May 2015
Chief Executive Officer – Casey City Council

Mr Ken McNamara

C.E, DIP CE, DipAppSc Tp, BApp ScPlan, FIE (Aust), FIMM, FAICD (Non-Executive Director)
Appointed: 21 December 1992
Chair from: 1996 to 2007, and 21 February 2014 to 30 September 2022.
Town Planner, Consultant Civil Engineer.

Mr Stephen Griffin

BApp Sc, DipEd, Grad Dip, L.G., M.B. Man (Non-Executive Director)
Appointed: 23 May 2014
Chief Executive Office – 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 – Homes Melbourne – Melbourne City Council
Non-Executive Director- Parks Victoria, Ambulance Victoria, Vision Super.

Ms Tricia Klinger

B Ec. M Comm. GAICD (Non-Executive Director)
Appointed: 22 February 2019
Non-Executive Director – Aspermont, and AMP Superannuation Ltd Board

Ms Leah Graeve

Bachelor of Laws (Monash University), Grad Dip Legal Practice (Monash University),
Bachelor of Arts (Monash University), GAICD (Non-Executive Director)
Appointed: 1 July 2022
Non-Executive Director, Rare Cancers Australia.

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:

Director	DIRECTORS' MEETINGS	
	Number Eligible to Attend	Number Attended
Mr. Glenn Patterson	7	7
Mr. Stephen Griffin	7	5
Mr. Ken McNamara	7	7
Ms. Vijaya Vaidyanath	7	5
Ms Tricia Klinger	7	7
Ms Leah Graeve	7	6

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.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were the establishment and management of General Supply Contracts, Trading Sales, and Procurement Advisory Services.

Review of Operations

Financial Results

The net profit of the company for the year ended 30 September 2023, was \$1,941,563 (\$833,242 in 2022). The net profit includes the impact of an increase in fair value of Investments amounting to \$409,713 (decrease in fair value of \$572,667 in 2022).

Rebates from Contracts

Rebate revenue from contracts increased by 7% over the previous year and amounted to \$8,523,519, accounting for 52% of total revenue in 2023 (\$7,978,638 & 52% in 2022).

Trading Sales

Trading Sales amounted to \$4,493,549 and accounted for 28% of total revenue in 2023 (\$4,664,658 & 30% in FY 2022).

Advisory Services

Income from Advisory Services amounted to \$1,569,427 (\$1,338,535 in 2022), an increase of 13% derived from delivering services to our members.

Expenditure

Expenditure during the year was \$14,367,003 (\$14,619,501 in 2022). The decrease was significantly driven by:

Increase of \$409,713 in fair value of investments (decrease of \$572,667 in 2022)

Cost of Trading Sales was \$4,089,823 (\$4,228,008 in 2022) reflecting the decrease in Trading Sales.

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 20 cents per share amounting to \$79,372 in respect of the year ended 30 September 2023 was declared (15 cents for 30th Sep 2022 totalling \$59,529).

The 2022 dividend was remitted to shareholding Members on 19 December 2022.

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 40 and forms part of the Directors' Report for the year ended 30 September 2023.

Likely Developments

The Company will seek to continue its policy of providing procurement services to its members, 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 2023 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 2023, no Director of the Company had any personal interest in the Company.

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:



Glenn Patterson (Chair of Board of Directors)
Dated at Melbourne this 8th Day of December 2023

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 2023 statement of profit or 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 2023 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 believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Directors of the company are responsible for the Other Information, which comprises the information in the company's annual report for the year ended 30 September 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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.

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

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 applicable, related safeguards.

MELBOURNE
20 December 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board of 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 June 2023, 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.



MELBOURNE
20 December 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 September 2023

	Note	2023 \$	2022 \$
REVENUE			
Rebates		8,523,519	7,978,638
Trading Sales		4,493,549	4,664,658
Advisory Services		1,569,427	1,388,535
Interest		241,780	56,224
Rent		583,922	606,635
Other Revenue	2	896,369	758,053
		16,308,566	15,452,743
EXPENSES			
Trading Sales–Cost of Sales		4,089,823	4,228,008
Consultancy –Purchases		1,278,189	1,117,788
Employee Expenses		5,488,509	5,218,799
Leasing Rent and Outgoings		370,607	288,211
Interest on Lease Liabilities		96,780	107,486
Information Technology Expenses		444,608	476,173
Depreciation and Amortisation	3	748,498	763,426
Consultancy Fees		502,836	471,077
Promotional Activities		448,384	475,349
Incidentals		371,778	293,150
Other Expenses	4	526,991	1,180,034
		14,367,003	14,619,501
PROFIT FOR THE YEAR		1,941,563	833,242
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		1,941,563	833,242

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 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	6,578,382	5,561,595
Trade and other receivables	7	2,080,398	2,130,482
Inventories	8	9,350	1,916
Other assets	9	284,466	308,923
Investments and other financial assets	10	4,611,089	3,879,084
Total Current Assets		13,563,685	11,882,000
Non-Current Assets			
Plant and equipment	11	1,165,666	1,272,685
Intangible assets	12	1,355,805	1,398,217
Right-of-use assets	15	2,596,942	3,029,766
Total Non-Current Assets		5,118,415	5,700,668
TOTAL ASSETS		18,682,100	17,582,668
LIABILITIES			
Current Liabilities			
Trade and other payables	13	1,553,580	1,604,389
Lease liabilities	15	413,451	378,245
Provisions	14	877,571	1,044,868
Total Current Liabilities		2,844,603	3,027,502
Non-Current Liabilities			
Lease liabilities	15	2,573,668	2,987,118
Provisions	14	60,690	227,100
Total Non-Current Liabilities		2,634,358	3,214,218
TOTAL LIABILITIES		5,478,961	6,241,720
NET ASSETS		13,203,139	11,340,948
EQUITY			
Contributed capital	16a	403,862	403,862
Retained earnings	16b	12,799,277	10,937,086
TOTAL EQUITY		13,203,139	11,340,948

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 2023

	Note	Contributed Capital \$	Retained Earnings \$	Total \$
Balance at 1 October 2021		403,862	10,163,373	10,567,235
Profit for the year			833,242	833,242
Other comprehensive income		-	-	-
Dividends paid /or provided for	16c		(59,529)	(59,529)
Balance at 30 September 2022		403,862	10,937,086	11,340,948
Profit for the year		-	1,941,563	1,941,563
Other comprehensive income		-	-	-
Dividends paid /or provided for	16c	-	(79,372)	(79,372)
Balance at 30 September 2023		403,862	12,799,277	13,203,139

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 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,202,552	16,490,637
Interest received		241,780	56,224
Employee salaries and benefits		(5,822,215)	(4,782,523)
Payments to suppliers		(9,560,636)	(9,425,799)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	2,061,481	2,338,539
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant & equipment		(122,107)	(13,209)
Payments for intangibles		(45,900)	(13,763)
Payments for financial assets		(573,150)	(560,843)
Proceeds from sale of financial assets		250,859	32,162
Proceeds from sale of plant and equipment	5	-	950
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(490,298)	(554,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	16c	(79,372)	(59,529)
Interest paid - lease liability		(96,780)	(107,486)
Repayment of lease liabilities		(378,244)	(344,898)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(554,396)	(511,913)
NET INCREASE/(DECREASE) IN CASH HELD		1,016,787	1,271,923
CASH AND CASH EQUIVALENTS AT 1 October		5,561,595	4,289,672
CASH AND CASH EQUIVALENTS AT 30 September	6, 17b	6,578,382	5,561,595

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. The financial statements are prepared on a Going Concern basis.

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 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, Intangible Assets

i) Plant and Equipment

All non-financial physical assets are measured initially at historical 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.

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

ii) Intangible Assets

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria AASB 138 Intangible Assets is met, internally generated assets are recognised at cost. Subsequently intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

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

Subsequent measurement

Intangible produced asset with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between four and five years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is four to five years.

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.

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.

Trading Sales

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

Advisory Services

Revenue from Advisory 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 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

Rebates is recognised 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.

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.

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) 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 8% 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 8% subsequent to this period have been used as this reflects expected trends. Discount rates of 15.23% 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.

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 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) 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

	2023 \$	2022 \$
Contract Access Fees	245,680	334,493
Tenders Online	3,418	16,292
Forums and Seminars Revenue	-	3,109
Annual Conference	-	174,422
Sundry Revenue	71,333	61,893
Dividends	166,225	145,143
Profit on Sale of Investments	-	22,701
Increase in Fair Value of Investments	409,713	-
	896,369	758,053

NOTE 3: DEPRECIATION AND AMORTISATION

Depreciation Right-of-Use Assets	432,824	432,824
Depreciation Plant and Equipment	227,363	220,574
Amortisation of Intangible Assets	88,311	110,028
	748,498	763,426

NOTE 4: OTHER EXPENSES

	2023 \$	2022 \$
Business Development	3,435	6,671
Bad Debts	386	1,220
Auditors Remuneration - Audit Services (refer Note 19)	26,500	23,825
Printing Postage Stationery	11,446	7,396
Travel Accomodation and Entertainment	123,585	89,159
Insurance	36,219	34,581
Annual Conference	7,683	119,857
Utilities & Maintenance	34,363	25,517
Financial Legal Secretarial	66,191	54,155
Director's Fees	198,271	199,444
Loss on Sale of Investments	1,606	-
Decrease in Fair Value of Investments	-	572,667
Loss on Sale/Disposal of Fixed Assets	1,764	279
Sundry Expenses	15,540	45,262
	526,991	1,180,034

NOTE 5: SALE OF NON-CURRENT ASSETS

	2023 \$	2022 \$
Proceeds from Disposals of Assets	-	950
Less: Written-Down Value of Assets Sold	1,764	1,229
Loss returned on sale of Non-Current Assets	(1,764)	(279)
Net Gain (Loss) on Disposal	(1764)	(279)

NOTE 6: CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash on Hand and at Bank	2,182,474	3,496,921
Short Term Deposits	4,395,908	2,064,674
	6,578,382	5,561,595

Short Term Deposits have an effective interest rate of 4.88 % and an average maturity of 3 months. (2022: 0.92% and 3 months)

NOTE 7: TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Trade Debtors	1,154,471	1,426,689
Accrued Revenue	924,384	702,049
Other Receivables	1,966	1,743
Less Provision for Impairment of Receivables	(423)	-
TOTAL RECEIVABLES	2,080,398	2,130,482

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 2023	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 (\$)	38,309	951,850	109,635	54,677	0	1,154,471
Loss allowance (\$)	0	0	0	0	0	0

30 September 2022	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 (\$)	243,172	880,307	195,346	107,864	0	1,426,689
Loss allowance (\$)	0	0	0	0	0	0

NOTE 7(a): Impairment of Receivables (cont'd)

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

	2023 \$	2022 \$
Balance at beginning of the year	-	783
Increase in provision recognised in the net result	423	-
Reversal of provision of receivables written off during the year as uncollectible	-	(783)
Balance at end of the year	423	-

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

	2023 \$	2022 \$
Stock in Trade	9,350	26,981
Less Provision for Slow Moving Stock	-	(25,065)
	9,350	1,916

NOTE 9: OTHER ASSETS

	2023 \$	2022 \$
Deposits	20,051	19,451
Prepayments	264,415	289,472
	284,466	308,923

NOTE 10: INVESTMENTS AND OTHER FINANCIAL ASSETS

	2023 \$	2022 \$
Listed Securities in the Australian Stock Exchange - held for trading:		
Opening balance	3,879,084	3,923,069
Investments purchased during the year	573,150	560,843
Investments disposed during the year	250,859	32,162
Fair value adjustment through profit or loss	409,713	(572,667)
Closing Balance	4,611,089	3,879,084

Fair Value Measurement Hierarchy for Investments and other Financial Assets as at 30 September 2023

	Carrying Amount as at 30-Sep-23	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Investments and other Financial Assets at fair value Listed Securities	4,611,089	4,611,089	-	-
Total of Investments and other Financial Assets at fair value	4,611,089	4,611,089	-	-

	Carrying Amount as at 30-Sep-22	Fair Value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Investments and other Financial Assets at fair value Listed Securities	3,879,084	3,879,084	-	-
Total of Investments and other Financial Assets at fair value	3,879,084	3,879,084	-	-

NOTE 11: PLANT & EQUIPMENT

Cost	2023 \$	2022 \$
Plant & Equipment	1,899,258	1,888,608
Less Accumulated Depreciation	(733,592)	(615,924)
Net Carrying Value	1,165,666	1,272,685

Plant and equipment

Plant and equipment is initially measured at cost.

Plant and Equipment is subsequently measured at historical cost less accumulated depreciation and any allowance for impairment.

There were no changes in valuation techniques throughout the period to 30 September 2023

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

PLANT & EQUIPMENT

	\$	\$
	2023	2022
Opening Balance	1,272,685	1,481,279
Additions	122,108	13,209
Disposals	(1,764)	(1,229)
Depreciation (see note 3)	(227,363)	(220,574)
Closing Balance	1,165,666	1,272,685

NOTE 12: INTANGIBLE ASSETS

Computer software, website and branding:	2023	2022
	\$	\$
At Cost	668,716	622,817
Accumulated Amortisation	(534,574)	(446,264)
Net Carrying Value	134,141	176,553
Goodwill:		
At Cost	1,221,664	1,221,664
Net Carrying Value	1,221,664	1,221,664
TOTAL INTANGIBLE ASSETS	1,355,805	1,398,217

Reconciliation of Carrying Amounts

	Software Systems		Websites & Portals		Goodwill	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Opening Balance	34,004	75,781	142,548	197,037	1,221,664	1,221,664
Additions	35,676	7,723	10,224	6,040	-	-
Amortisation (see note 3)	(26,259)	(49,499)	(62,052)	(60,529)	-	-
Closing Balance	43,421	34,004	90,720	142,548	1,221,664	1,221,664

Reconciliation of Carrying Amounts

	Total	
	2023 \$	2022 \$
Opening Balance	1,398,216	1,494,482
Additions	45,900	13,763
Amortisation (see note 3)	(88,311)	(110,028)
CLOSING BALANCE	1,355,805	1,398,217

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. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication that the asset may be impaired. No impairment has been recognised in respect of goodwill for the year ended 30 September 2023. The key assumptions used in calculating the recoverable amount include current year revenue and profit, budgets for the next year, discount rate and terminal growth rates derived by the Company from the operations of the NFP sector.

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT	2023 \$	2022 \$
Trade Creditors	609,591	559,867
Security Deposit	14,987	19,831
Accrued Expenses	531,831	549,815
Other Payables	17,884	181,543
PAYG and GST Payable	190,510	201,184
Superannuation	109,386	32,600
Dividends Payable	79,391	59,548
	1,553,580	1,604,389

NOTE 14: PROVISIONS

CURRENT	2023 \$	2022 \$
Accrued staff bonuses	371,843	557,895
Annual Leave - expected to be settled within 12 months	148,986	205,442
Annual Leave - expected to be settled after 12 months	80,223	110,623
Long Service Leave - expected to be settled within 12 months	263,756	149,781
Unpaid FBT	12,763	13,627
Other Provisions	-	7,500
TOTAL CURRENT PROVISIONS	877,571	1,044,868
Non - Current		
Long Service Leave - expected to be settled after 12 months	60,690	227,100
TOTAL PROVISIONS	938,261	1,271,968

NOTE 15: LEASES

Company as a lessee

The Company has lease over office premises.

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

Terms and conditions of lease

The Company has an office premises on lease at Collins Street, Melbourne, Victoria with an initial terms of 10 years, with 5 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 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 2023	
Balance at beginning of year	3,029,766
Additions to right-of-use assets	-
Deductions to right-of-use assets	-
Depreciation charge	(432,824)
Balance at end of year	2,596,942
Year ended 30 September 2022	
Balance at beginning of year	3,462,590
Deductions to right-of-use assets	-
Depreciation charge	(432,824)
Balance at end of year	3,029,766

No impairment has been recognised in respect of right-of-use assets for the year ended 30 September 2023 and 2022

Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease Liabilities	498,516	2,216,890	568,893	3,284,299	2,987,119
2022					
Lease Liabilities	475,026	2,128,356	1,155,943	3,759,325	3,365,364

NOTE 15: LEASES (CONT'D)

Extension & Termination Options

The lease does not have extension options.

The office premises lease which is signed for 10 years, 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.

	2023 \$	2022 \$
Interest expense on lease liabilities	96,780	107,486
Depreciation of right-of-use assets	432,824	432,824
	529,604	540,310

Statement of Cash Flows

Total cash outflow for leases	378,244	344,898
-------------------------------	----------------	----------------

Company as a lessor

The Company has signed agreements with tenants for lease of its premises at Collins Street, Melbourne for terms ranging from 6 months to 3 years. The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023 \$	2022 \$
Less than one year	129,619	163,871
One to two years	1,768	27,958
Two to three years	-	1,768
Total Undiscounted lease payments receivable	131,387	193,597

NOTE 16: EQUITY AND RESERVES

	2023	2022
	\$	\$
(a) Contributed Capital		
396,862 (2022: 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	10,937,086	10,163,373
Net Result for the year	1,941,563	833,242
Dividends Paid	(79,372)	(59,529)
Retained Earnings at the end of the year	12,799,277	10,937,086
(c) Dividends		
Dividends recognised in the current year by the Company are:		
20 cents per share -		
(2022: final ordinary dividend - 15 cents)	(79,372)	(59,529)

NOTE 17: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2023 \$	2022 \$
(a) Reconciliation of net cash used in operating result		
Profit from ordinary activities after income tax	1,941,563	833,242
Non-Cash Movements		
Depreciation	660,187	653,398
Amortisation	88,311	110,028
Movement in Market Value	(409,713)	572,667
Interest costs -financing, not operating	96,780	107,486
Loss / (Gain) on disposal of non-current assets	1,764	279
Changes in Assets & Liabilities		
Decrease/(Increase) in Receivables	50,084	(399,766)
Increase/(decrease) in Payables	(50,810)	72,675
Decrease/(Increase) in Other Assets	24,457	(47,771)
Increase/(decrease) in inventories	(7,435)	24
Increase/(decrease) in provisions	(333,706)	436,276
Net Cash From Operating Activities	2,061,481	2,338,539

(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	2,182,474	3,496,921
Term Deposits	4,395,908	2,064,674
Cash and Cash Equivalents	6,578,382	5,561,595

NOTE 18: COMMITMENTS

At 30 September 2023 and 2022, the Company has no commitments.

NOTE 19: AUDITOR'S REMUNERATION

	2023 \$	2022 \$
Amounts received, or due and receivable for auditing the accounts by:		
- Victorian Auditor-General's Office (Financial Statement Audit)	26,500	23,825
	26,500	23,825

NOTE 20: RELATED PARTY TRANSACTIONS

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

Mr Ken McNamara, Ms Vijaya Vaidyanath, Mr Stephen Griffin, Mr Glenn Patterson, Ms Tricia Anne Klinger, Ms Leah Graeve

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.

	2023 \$	2022 \$
(b) KMP Remuneration - Non Executive Directors		
Short-term employee benefits	172,741	177,022
Post-employment benefits	15,473	13,385
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total remuneration	188,214	190,407
Total number of directors	6	8

No. of Non - Executive Directors whose income from the company was within the following bands:	2023	2022
\$1,000-\$9,999	-	1
\$10,000-\$19,999	-	2
\$20,000-\$29,999	5	4
\$40,000-\$49,999	1	1
	6	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 superannuation contributions, 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 (CONT'D)

(c) KMP – remuneration - Executive Directors and other KMP's

The names of Senior Executive Services who have held office during the financial year

Chief Executive Officer

Director, Finance

Director, Strategic Sourcing

Director, Strategy & Major Projects

Director, Sales

Director, Marketing and Commercial Services

Director, Advisory Services (2 November 2022 to 18 August 2023)

Senior Marketing Manager (5 June 2023 to 30 September 2023)

The number of Senior Executive Officers, who report directly to a member of the Key Management Personnel, whose total remuneration falls within the bands above

Income band (\$)	2023	2022
\$40,000-\$49,999	1	-
\$150,000-\$159,999	-	1
\$170,000-\$179,999	-	1
\$180,000-\$189,999	1	-
\$200,000-\$209,999	1	-
\$210,000-\$219,999	1	-
\$220,000-\$229,999	1	2
\$230,000-\$239,999	-	1
\$260,000-\$269,999	1	-
\$300,000-\$309,999	-	1
\$310,000-\$319,999	1	-
\$520,000-\$529,999	1	-
Total number of employees for the above bands	8	6

	2023 \$	2022 \$
Short-term employee benefits	1,488,464	1,199,373
Post-employment benefits	160,499	119,876
Other long-term benefits	13,253	27,455
Termination benefits	321,822	-
Share based payments	-	-
Total remuneration	1,984,038	1,346,704
Total number of executives	8	6
Total annualised employee equivalents *	1,984,038	1,346,704

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

(d) Transactions with Directors and Related Entities

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

(e) Payments to Contractors

The Company did not make payments to other contractors charged with significant management responsibilities from 1 October 2022 to 30 September 2023.

(f) 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

	2023 \$	2022 \$
Contingent Liabilities		
Bank Guarantees related to Level 10, 440 Collins Street, Melbourne, VIC, 3000	523,600	523,600
Total Contingent Liabilities	523,600	523,600

There are no known contingent assets for the Company.

NOTE 22: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 September 2023, 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.

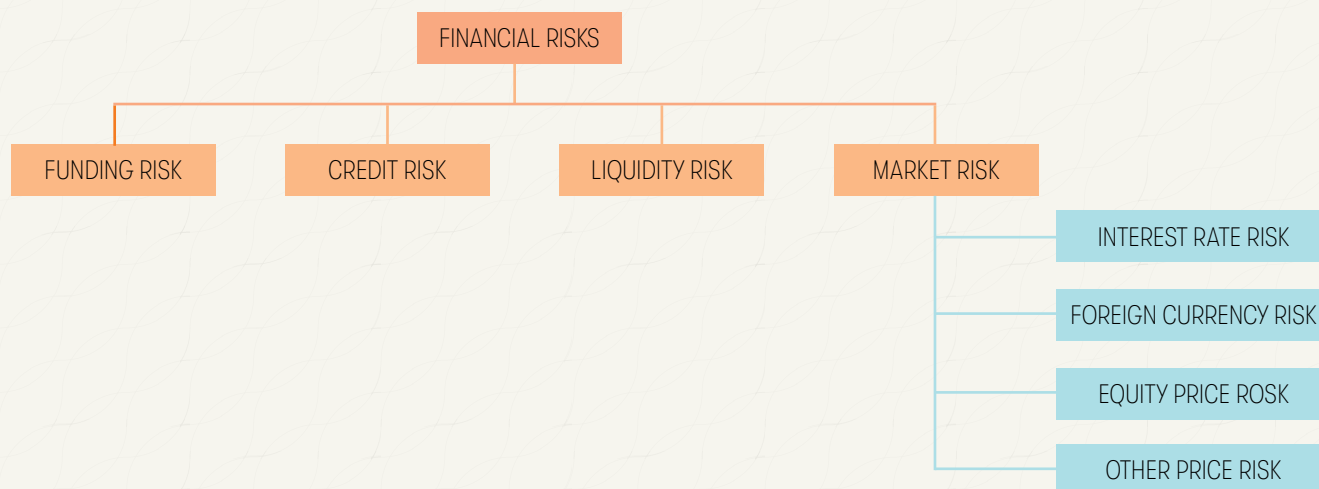
The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2023 \$	2022 \$
Contractual Financial Assets		
Financial assets held at amortised cost		
Cash and cash equivalents	6,578,382	5,561,594
Trade and other receivables (excluding statutory receivables) *	2,080,398	2,130,482
	8,658,780	7,692,076
Financial assets held at fair value through profit and loss		
Other financial assets	4,611,089	3,879,085
	4,611,089	3,879,085
Total Contractual Financial Assets	13,269,869	11,571,161
Contractual Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables (excluding statutory payables) *	1,553,580	1,604,389
Lease liabilities	2,987,119	3,365,364
Total Contractual Financial Liabilities	4,540,699	4,969,753

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.

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.

NOTE 23: FINANCIAL INSTRUMENTS (CONT'D)

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 2023.

Credit quality of financial assets ^(a)

2023		Financial Institutions (triple-A credit rating)	Financial Institutions (triple-A credit rating)	Financial Institutions (A+ credit rating)	Other (unknown credit rating)	Total
	Note	\$	\$	\$	\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss						
Cash and deposits (with no impairment loss recognised)	6			6,578,382		6,578,382
Statutory receivables (with no impairment loss recognised)	7	-	-	-	1,966	1,966
Listed Equities, Exchange Traded Funds & Fixed Interest Investments	10				4,611,089	4,611,089
Financial assets with loss allowance measured at lifetime expected credit loss:						
Contractual receivables applying the simplified approach for impairment	7				1,154,471	1,154,471
Total financial assets				6,578,382	5,767,526	12,345,908

2022		Financial Institutions (triple-A credit rating)	Financial Institutions (triple-A credit rating)	Financial Institutions (A+ credit rating)	Other (unknown credit rating)	Total
	Note	\$	\$	\$	\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss						
Cash and deposits (not assessed for impairment due to materiality)	6			5,561,595		5,561,595
Statutory receivables (with no impairment loss recognised)	7	-	-	-	1,648	1,648
Listed Equities, Exchange Traded Funds & Fixed Interest Investments	10				3,879,084	3,879,084
Financial assets with loss allowance measured at lifetime expected credit loss:						
Contractual receivables applying the simplified approach for impairment	7				1,426,689	1,426,689
Total financial assets				5,561,595	5,307,421	10,869,016

Notes

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

Impairment of financial assets under AASB 9

The Company records the allowance for expected credit loss for the relevant financial instruments applying the expected Credit Loss approach per AASB 9. The company's contractual receivables are subject to impairment assessment per AASB 9. 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;
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's double-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. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

The carrying amount detailed in the table above 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 -0.50% to +0.50 % (2022: -0.25% to +1.00%) in interest rates from year-end rates
- A parallel shift of between -10% to +10% (2022: -10% to +15%) 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.

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.

NOTE 23: FINANCIAL INSTRUMENTS (Cont'd)

Interest rate exposure of financial instruments

	Notes	Weighted Average Interest Rate		Interest rate exposure						Total Carrying Amount Per Statement of Financial Position	
				Fixed Interest Rate		Variable Interest Rate		Non-Interest Bearing			
		2023 %	2022 %	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial Assets											
Cash and deposits	6	4.88	0.92	4,395,908	2,064,674	2,182,474	3,496,921	-	-	6,578,382	5,561,595
Receivables *	7			-	-	-	-	2,080,398	2,130,482	2,080,398	2,130,482
Other Financial Assets	10			-	-	-	-	4,611,089	3,879,084	4,611,089	3,879,084
Total Financial Assets				4,395,908	2,064,674	2,182,474	3,496,921	6,691,487	6,009,566	13,269,869	11,571,160
Financial Liabilities											
Payables *				-	-	-	-	1,553,580	1,604,389	1,553,580	1,604,389
Total Financial Liabilities	13			-	-	-	-	1,553,580	1,604,389	1,553,580	1,604,389
Net Financial Asset/Liabilities				4,395,908	2,064,674	2,182,474	3,496,921	5,137,907	4,405,177	11,716,289	9,966,771

Notes:

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

NOTE 23: FINANCIAL INSTRUMENTS (Cont'd)

Interest rate risk sensitivity

INTEREST RATE EXPOSURE 2023	Current Rate (%)	Amount	Annual return at current rate	Rates move by:		Rates move by:	
				-0.25%	-0.25%	0.50%	0.50%
				Possible effect Profit or loss	Possible effect Equity	Possible effect Profit or loss	Possible effect Equity
Financial Assets							
Cash at Bank	3.08%	2,182,474	67,220	(5,456)	-	10,912	-
Receivables	0.00%	2,080,398	-	-	-	-	-
Total Financial Assets subject to interest rate exposure		4,262,872	67,220	(5,456)	-	10,912	-
Financial Liabilities							
Trade creditors and accruals	0.00%	1,553,580	-	-	-	-	-
Total Financial Liabilities		1,553,580	-	-	-	-	-
Possible effect movement in interest income in profit or loss				(5,456)	-	10,912	-

INTEREST RATE EXPOSURE 2022	Current Rate (%)	Amount	Annual return at current rate	Rates move by:		Rates move by:	
				-0.25%	-0.25%	1.00%	1.00%
				Possible effect Profit or loss	Possible effect Equity	Possible effect Profit or loss	Possible effect Equity
Financial Assets							
Cash at Bank	2.40%	3,496,921	83,926	(8,742)	-	34,969	-
Receivables	0.00%	2,130,482	-	-	-	-	-
Total Financial Assets subject to interest rate exposure		5,627,403	83,926	(8,742)	-	34,969	-
Financial Liabilities							
Trade creditors and accruals	0.00%	1,604,389	-	-	-	-	-
Total Financial Liabilities		1,604,389	-	-	-	-	-
Possible effect movement in interest income in profit or loss				(8,742)	-	34,969	-

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:

Equity price risk sensitivity

PRICE RISK EXPOSURE 2023	Amount	Price move by:		Price move by:	
		-10.00% Possible effect Profit or loss	-10.00% Possible effect Equity	10.00% Possible effect Profit or loss	10.00% Possible effect Equity
Investments and other Financial Assets Listed Securities in the Australian Stock Exchange	4,611,089	(461,109)	-	461,109	-
Total Investments and other Financial Assets	4,611,089	(461,109)	-	461,109	-
Possible effect movement in fair value of investment in profit or loss		(461,109)	-	461,109	-

PRICE RISK EXPOSURE 2022	Amount	Price move by:		Price move by:	
		-10.00% Possible effect Profit or loss	-10.00% Possible effect Equity	15.00% Possible effect Profit or loss	15.00% Possible effect Equity
Investments and other Financial Assets Listed Securities in the Australian Stock Exchange	3,879,084	(387,908)	-	581,863	-
Total Investments and other Financial Assets	3,879,084	(387,908)	-	581,863	-
Possible effect movement in fair value of investment in profit or loss		(387,908)	-	581,863	-

NOTE 23: FINANCIAL INSTRUMENTS (Cont'd)

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	2023 Carrying Value \$	2023 Fair Value \$	2022 Carrying Value \$	2022 Fair Value \$
Financial Assets				
Cash and cash equivalents	6,578,382	6,578,382	5,561,595	5,561,595
Receivables	2,080,398	2,080,398	2,130,482	2,130,482
Equity Securities	4,611,089	4,611,089	3,879,084	3,879,084
Total Financial Assets	13,269,869	13,269,869	11,571,160	11,571,160
Financial Liabilities				
Trade creditors and accruals	1,553,580	1,553,580	1,604,389	1,604,389
Total Financial Liabilities	1,553,580	1,553,580	1,604,389	1,604,389

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 2023

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 41 to 72 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 2023 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



Glenn Patterson

Chair of Board of Directors

Dated this 8th day of December 2023

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Registered office

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**PROCUREMENT
AUSTRALIA**