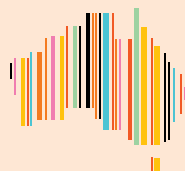


Annual report / 21-22.



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PROCUREMENT
AUSTRALIA

Our Annual Report 2021-22 describes activities undertaken between 1 October 2021 and 30 September 2022 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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Welcome to Procurement Australia’s 2021-22 Annual Report.

It’s nearly been a year since Australia was able to return to some form of pre-pandemic normalcy. Even though we’ve all been able to enjoy more freedoms, doing business was still affected throughout the year. The first part of our financial year was very much affected by lockdowns in both Victoria and New South Wales and the whole year has been subjected to supply chain issues, such as the shortage of semiconductors and other inventory inputs which businesses need to operate. Resourcing issues are impacting our members and suppliers alike. While we’re gradually accelerating back towards pre-pandemic activity, we’ve also been busy getting our own house in order.

In September 2021, we launched our new Procurement Australia brand. Since then, we’ve been in change management mode. We’ve made great strides integrating our previously separate Church Resources identity into our updated and united Procurement Australia brand.

A year on, we’re happy to report that this internal integration has been completed. We’re now turning our attention to one of our largest assets (our website) and how we can update it to reflect a complete picture of our unification as a business on every front. The strength of our brand and what it represents – integrity and conscience – is what differentiates us from our competitors.

As part of our brand update, we have also turned our attention to the overarching framework that will direct our decisions and actions into the future. Over the last year, we have consolidated this framework by diving headfirst into Environmental, Social and Governance (ESG). To ensure our brand, business and activities can stand the test of time, we knew we needed to build upon a solid foundation that we could all be proud of. Our four brand pillars – **Diversity and Inclusion; Social Procurement; Sustainability; Education** – are embedded into everything we do. This applies to our ESG goals and activities over the next few years and beyond. Our ESG materiality assessment establishes these goals in association with our brand pillars, outlining our intentions to improve our environment, strengthen our workplace, buy and supply responsibly, and create community alignment.

Operationally, we’ve also determined how we’re going to work together as a team to achieve all our ambitious, but attainable, goals. Our brand outlines how we’ll deliver on our promises to members and our communities, through

exceptional customer service, by competing on quality rather than price, by being customer obsessed, and by making working with us seamless and easy. With these strong criteria in place, and a committed team behind us, we’re confident that we can continue to create brand loyalty, inspire engagement, and invigorate brand champions throughout our growing network.

While we’ve been working towards getting our brand and organisational vision in order, we’ve also been working on achieving some big energy goals for our New South Wales members. Since 2020, we’ve been negotiating with suppliers and educating members on our second Power Purchase Agreement (PPA). Thanks to two years of hard work from our Strategic Sourcing team, we launched this PPA (the second in our portfolio) in early November 2022. Procurement Australia acted for several New South Wales councils to secure this 10-year PPA, allowing these councils to purchase 100% renewable energy for their nominated large market, small market and public lighting sites. Utilising the Metz Solar Farm near Armidale in New South Wales’ New England region, this PPA will commence in a staged approach from January 2023. This second PPA represents the success and replicability of our methodology built on rigour, a pragmatic approach to market development, and a reputation for transparency.

Our team has also been analysing the challenges of the Victorian Government Purchasing Board (VGPB) mandate and what it means for our government members. Section 109’s requirement for cross-council collaboration within The Local Government Act (2020) has upended some of our traditional approaches to council procurement. However, it’s also provided us with the opportunity to innovate our approach, especially as it relates to collaborative procurement. We’re looking forward to sharing more of this work as we enter 2023.

I’m pleased to report that all our different services have contributed to our overall profitability this past year. But I’m particularly happy with our Direct Channel’s performance, especially around the quick introduction of rapid antigen test kits when our members needed them most. Similarly, I’m delighted with the continued growth of our advisory function, which has more than doubled the expected revenue this year, all without a head of department. We expect this success to continue, especially since we have appointed Silke Therhaag as Director of Advisory Services in early November 2022.

Other sides of our business continued to be challenged under the weight of the pandemic aftermath. Our single Space Station site in Melbourne found it challenging to attract new tenants, mainly due to workers choosing to steer clear from the CBD. Although Space Station did not post a profit this year, it achieved better than expected results, which indicates slightly improved conditions in the coworking market.

Things are looking bright for our finances. Profitability is looking up, at almost three times the budgeted amount. This positive result was mainly driven by the sale of RAT kits, and the significant sign-on fee for our energy contract with Red Energy, along with the increase in the refugee resettlement programme thanks to the reopening of Australia’s borders post-pandemic.

Overall, we’re pleased to report an operating profit of \$1405k for the year against \$154k in the previous year, an increase of almost 900% which is an outstanding achievement considering the economic and global uncertainties facing the business during the year.

After considering \$572k decrease in fair value of our investments (previous year - increase in fair value of \$472k) the net profit for the year is \$833k against \$585k in the previous year, an increase of 42%. We’re also delighted to offer our shareholders a 15 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 on the ground and of course, our dedicated Board who always provide sound guidance and advice. To everyone, I extend my sincere thanks and appreciation. Here’s to looking further ahead and to achieving our shared ambition to be the number one procurement solution provider in Australia.

Finally, to our valued members and suppliers, my sincere thanks and gratitude. Without you, we wouldn’t be able to achieve all we have this year, or to look to do more in the future. I hope you enjoy reading this year’s report and all we’ve done together.

Joe Arena, Chief Executive Officer,
Procurement Australia.

‘TO ENSURE OUR BRAND, BUSINESS AND ACTIVITIES CAN STAND THE TEST OF TIME, WE KNEW WE NEEDED TO BUILD UPON A SOLID FOUNDATION THAT WE COULD ALL BE PROUD OF. OUR FOUR BRAND PILLARS – DIVERSITY AND INCLUSION; SOCIAL PROCUREMENT; SUSTAINABILITY; EDUCATION – ARE EMBEDDED INTO EVERYTHING WE DO.’

833K

NET PROFIT FOR THE YEAR
– AN INCREASE OF 42%

15%

SHAREHOLDER DIVIDEND





We’ve managed to deliver impressive profitability results and great advances towards our vision to be *the nation’s leading procurement specialist.*

42%

INCREASE FROM LAST YEAR FOR OUR REPORTED NET PROFIT (833K)

19

NON-CONSECUTIVE YEARS AS CHAIR FOR PROCUREMENT AUSTRALIA

Looking back over what we’ve accomplished as an organisation this year, I was struck by what a good result we had recorded. In the face of economic challenges, the ongoing COVID situation, and complicated state government mandates, we’ve managed to deliver impressive profitability results and great advances towards our vision to be the nation’s leading procurement specialist.

Firstly, I’d like to thank our Board of Directors. In particular, I’d like to acknowledge the hard work and even harder decisions they’ve had to make along the way to ensure we stayed on course. Without your expertise, firm direction and commitment, we wouldn’t have been able to achieve such excellent results over the past year. Even seen from a purely financial perspective, the uptick is impressive. Our reported net profit of \$833K is a 42% increase from last year’s net profit – an incredible result that gives a slight glimpse into the hard work that has gone on behind the scenes over the last year.

Speaking of behind the scenes, there has also been a significant amount of movement within the Procurement Australia board. I’m pleased to announce the impending addition of Leah Graeve as a new Board Director. With a strong history of executive and senior procurement roles at Afterpay, Qantas Group and Jetstar Airways, Leah promises to bring her wealth of knowledge and experience to her role on the Procurement Australian Board in 2023.

I’d also like to formally welcome Procurement Australia’s new Chair, Glenn Patterson, into the role.

An existing Procurement Australia board member with over 33 years’ senior leadership experience, Glenn is also the current Chief Executive Officer for the City of Casey having previously served as CEO of the Yarra Ranges Council and CEO of Baw Baw and Colac Otways councils. Glenn’s local government executive experience is also bolstered by his commercial experience, having also been CEO of a Melbourne-based property development group, and owner of his own property-related business. In short, the position of Chair of the Procurement Australia board couldn’t be in safer hands, and I’m thrilled to handover the position to someone with such experience and vision for the future of our business.

With Glenn coming into the role, I’ve had time to also reflect on my own time as Chair for Procurement Australia. For 19 non-consecutive years, I’ve held the position of Chair. From 1992, a defining period for the company, I’ve been a member of the Board and have seen Procurement Australia go through some radical periods of transformation. Back then, Procurement Australia was the newly established MAPS Group Ltd and on the precipice of purchasing the Municipal Authorities Purchasing Scheme from the City of Melbourne. Within seven months of this purchase and trade as a public corporation, the company declared a profit of \$72K, the equivalent of \$147K today – a significant achievement considering the short turnaround.

In 1996, I took over as Board Chair while also assuming the position of CEO of the City of Hobsons Bay. With Managing Director Trevor McLean at the helm, we oversaw the expansion of the company into new products such as energy, and into new markets including South Australia. Fast forwarding to 2004, this year would signpost major developments that fundamentally shifted the direction of the business. A change of CEOs at that time was also accompanied by a physical relocation of the company to Hawthorn and a rebranding to Strategic Purchasing. At this point in time, we introduced new services such as brokerage and consulting, always looking to expand our offering for the benefit of our members.

Fast forward to 2007, and more developments would see our leadership and direction change. On the world scene, it was a time of great progress, with the founding of eBay, Google and Facebook. Optus was launched to rival the might of Telstra, and we were on the brink of major communication change with the release of the first iPhone in June 2007. In that year, we were also in the midst of great changes. The Board Chair changed from myself to Scott Chapman and then to Marianne Di Giallonardo in 2010. In 2010, we also had a change of identity once more from Strategic Purchasing to Your PA. It was also at this time we started to use our now highly recognisable Australia barcode logo – a key identifier that’s remained our calling card even on the back of the most recent 2020 brand update.

Moving into 2012, we had entered the Twitter age. I was acting as Deputy Chair and continued in a leadership role after the departure of the CEO from the business. At that time, Lydia Wilson and myself were instrumental in reinstating the pillars of corporate governance and executive leadership to the business. In 2013, we welcomed a new leadership team into the business, including Joe Arena as Chief Executive Officer. In that year, we also changed our trading name a final time, dropping Your PA in favour of Procurement Australia. The change seemed timely, especially as we approached our 30th anniversary. After a number of years away from the formal Chair position, it also seemed timely for me to step back into the position in 2014.

From 2014, the Board and Leadership Team saw an opportunity for Procurement Australia to enter a new arena: the private sector. This change opened up new doors for our business, including the establishment of a members lounge, subsequently rebranded as Space Station. It also encouraged us to pursue other opportunities, including the acquisition of Church Resources. Come 2016, we were able to celebrate a number of new firsts, including a Melbourne Renewal & Energy Project with the City of Melbourne, and the Smart Buyer Commodity Reform Project with the Department of Defence. By 2019, we were ready to make the final transitions we needed to meld our strengths and priorities together. Blending Procurement Australia’s history with Church Resources required a significant digital transformation effort. **Instead of being two brands in one company, we wanted to present the way we truly were – one company united by a single vision.**

We would need that momentum and unity to weather what was ahead. The pandemic rocked our business model significantly, especially in the face of consecutive lockdowns.

Through all the challenges of the last few years, we have continued to develop a clear and unified agenda to grow the business on strong foundations. We’ve maintained course and stuck to the priorities outlined in our Strategic Plan. If we continue to follow this roadmap, we are well on our way to realise our vision and mission to be Australia’s leading procurement solutions partner. Thanks to the strong leadership of our Executive Team and CEO, unwavering support from our staff, and dedication to always act with integrity, we will continue to grow our member base, services and industry network into the future.

“IN MY 30 YEARS AT PROCUREMENT AUSTRALIA, I’VE WITNESSED AMAZING GROWTH AND CHANGES. HAVING BEEN WITH THE COMPANY RIGHT FROM THE BEGINNING, I COULDN’T BE MORE PROUD OF WHERE WE’VE COME FROM, AND WHAT WE HAVE TO LOOK FORWARD TO AS A BRAND, AN INDUSTRY LEADER AND A HOME FOR PROCUREMENT EXCELLENCE.”

I thank you all for your support, energy and loyalty over these last three decades, it’s been a journey that I’ve been honoured to be a part of.

Ken McNamara,
Chair, Board of Procurement Australia.

OUR ONGOING STRATEGIC PLAN



OUR ONGOING STRATEGIC PLAN

The year of burgeoning freedom from the pandemic allowed us to amplify our efforts to achieve the Strategic Objectives we’d set for ourselves. Across all areas of the business, we were able to focus our attention on the priorities we’d set ourselves to do more for our members, our internal teams and our long-term mission and vision.

OUR VISION

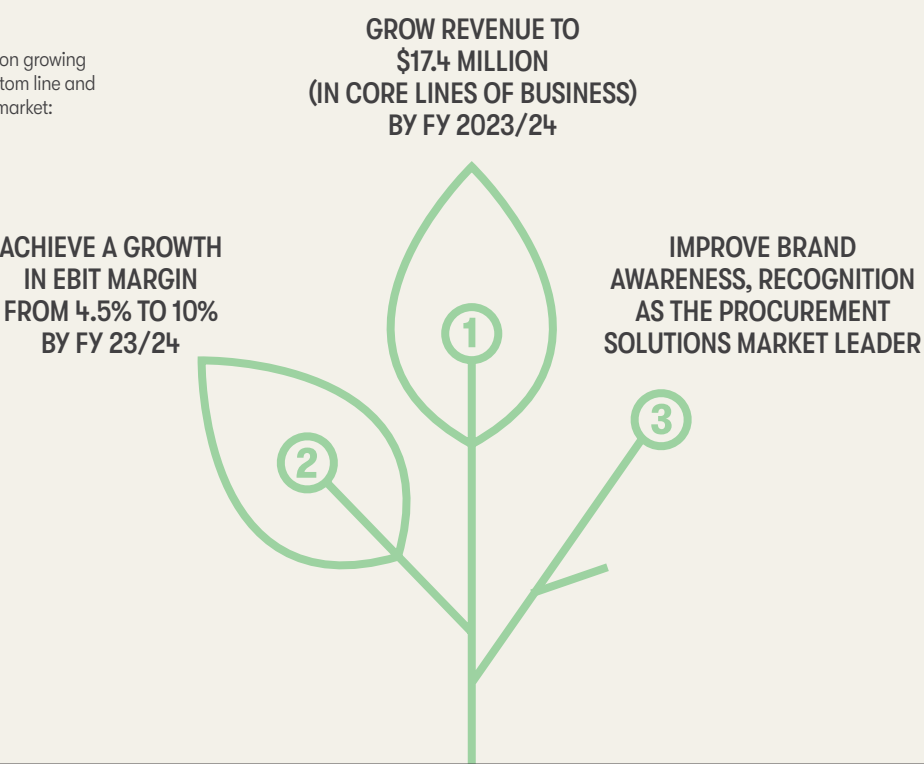
Procurement Australia will be the leading procurement solutions partner.

OUR MISSION

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

Our Strategic Objectives

Our Strategic Objectives centre on growing our business, improving our bottom line and expanding our influence in the market:



Our Key Strategies

We need strong strategic alignment across all areas of the business to deliver on these ambitious objectives. This year, we turned our attention to how to sustainably grow the business.

OUR FOCUS:

Growth.

To drive profitable revenue growth through increased market share within our existing customer segments through:

- Product offer refinement
- New product innovations
- Increase share of wallet
- Cross selling & new member acquisition

SPECIFIC GROWTH STRATEGIES

To grow, we needed all areas of the business to be involved. We focused on specific growth strategies across different sections of our service offering:

- Development of the Rebate business through expansion in existing market verticals and new geographies.
- Optimisation of revenue scale and margin, new offer and product development, and increased market share in the Direct business.
- Elevate our position as the leader in procurement consultancy by leveraging our existing members and relationships, targeting the local government and not-for-profit sectors.
- Relaunch of Space Station as a complete flexible business solution with office space, meeting room hire and virtual office, driving revenue through a ‘one stop shop’ for small to medium size businesses offering flexible offices, meeting room hire and virtual office solutions.

OUR ONGOING STRATEGIC PLAN

Our future Strategic focus

We’re always looking ahead to where we can improve our performance year-to-year.

Our Strategic team is developing a plan to continue to grow aligned product offerings, improve our brand reach and provide members with the latest technology and solutions.

New Product Development

Continue to develop our structure for product management, development and innovation, including our internal capability to manage and create new products and solutions.

Marketing

Hone our marketing capability in market insights and analytics to enable continuous improvement in business positioning, customer engagement and brand recognition.

Culture

Reinforce a single culture across the entire Procurement Australia business.

Technology

Continue investing in core and online systems and tolls to enable improved customer experience.

Our commitment to Quality Assurance

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

This ongoing recognition of compliance with independent global standards also provides a solid foundation for our practices and processes with our members and suppliers. By adhering to international standards and aligning with our company values, we can continue to provide members, products and services that adhere to statutory requirements and meet our members’ individual governance requirements.

Our key 21-22 Strategic projects

In 2021-22, all business units focused on ways to grow the business to meet both short-term requirements and long-term goals. This took the form of developments to our new product development process, upgrades to our technology and connected offerings, and expansion of some of our most successful projects to date.

NEW PRODUCT DEVELOPMENT FRAMEWORK

Developed as part of our larger Strategic Plan to grow revenue through new product development, this New Product Development Framework is designed to help structure the new product development process throughout the organisation.

The Framework runs through the 5 stages for product development including:

- 1 **Idea Generation** – How the product idea is generated and from where
- 2 **Validation** – Confirming the need through market and customer research and analysis
- 3 **Product Development** – Mapping of the product operational processes and customer journey
- 4 **Launch** – Go to market activities
- 5 **Performance Review** – Review of product performance and customer feedback based on criteria established at the Validation stage.

The purpose of this process is to ensure that we are putting products and services into the market that our members need.

TECHNOLOGY UPGRADE PROJECT

In line with our Strategic Plan the organisation embarked on a project to upgrade security protocols with the following key elements:

- Salesforce security upgrade
- Intune/Mobile Device Management
- Cybersecurity Upgrades
- New device deployment

This is a large program of work which will ensure we stay in line with best practice standards and continue to meet the ‘Essential Eight’ strategies to mitigate cyber security incidents. These technology upgrades are increasingly important as we enter an era that is likely to be defined by cyber crime, and our ability to withstand its impacts.

MEMBER ACCESS ENHANCEMENTS THROUGH PROCUREMENT GATEWAY

We’re always looking to make accessing our contracts and their benefits easier for members. Similarly, we want suppliers to be able to easily demonstrate what they can offer members.

As part of this commitment, we made significant enhancements to Procurement Gateway this year. These enhancements were made in direct response to feedback we received from members and suppliers.

Overall, our goal with these enhancements is to continually improve the customer experience with Procurement Gateway, from accessing contracts and generating RFQs, through to reviewing preferred pricing arrangement and direct chat functionality.

OUR MATERIALITY ASSESSMENT

This year, we focused on enhancing our ESG and energy programs and projects.

On the ESG front, we made significant advances to creating our own ESG framework. This framework is aligned with all the elements that define and separate us in the marketplace. Namely, our commitment to be transparent, member-led, sustainability-focused, rigorous and diverse.

The result is an organisation-wide Materiality Assessment. This document serves two purposes. It firmly states what ESG means for us as an organisation. It also outlines 32 indicators to determine if we are meeting our six Social & Sustainable Development Goals around the environment, our workplace, how we buy and sell, our community, our ethics & values, and how our business operates.

OUR COMMITMENT TO SOCIAL, ETHICAL AND SUSTAINABLE PROCUREMENT



OUR COMMITMENT TO SOCIAL, ETHICAL
AND SUSTAINABLE PROCUREMENT



Since the redevelopment of our brand two years ago,
we have continued to develop our processes to
the best ‘member-led’ model possible.

The foundations of our brand have been developed
from our shared vision, a brand based on:

DELIVERING AN EXCEPTIONAL MEMBER EXPERIENCE;

A PROGRAM COMPETING ON QUALITY, NOT ON PRICE;

A BUSINESS CULTURE THAT IS CUSTOMER-OBSESSED,
ALWAYS SEEKING TO EVOLVE AND DELIVER;

AND

DELIVERING OUR BUSINESS IN A SIMPLE PROCESS,
MAKING ACCESS FOR OUR MEMBERS A SATISFYING
AND REWARDING EXPERIENCE.

Our overarching brand promise to,
‘create a fairer world for all’ embodies the
four key pillars from our original brand vision:

WE STAND FOR DIVERSITY AND INCLUSION;

WE WILL EXEMPLIFY A SOCIAL AND ETHICAL PROCESS;

OUR FOCUS WILL BE ON SUSTAINABILITY WHEREVER POSSIBLE; AND

WE WILL CONTINUE TO STRIVE TO EDUCATE OURSELVES AND OUR MEMBERS IN BEST-PRACTICE.

Becoming the industry leader we strive to be, is proving to be a journey of continual self discovery and self recognition. We need to recognise the status of the wider social and environmental climate. Alongside this, we also need to develop operational processes which allow Procurement Australia play a role in improving it, our ourselves and for the planet. On top of all this, we also need to maintain strong partnerships built on the unshakeable foundations of rigour and integrity.

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

Throughout this year, we have continued taking a closer look at our brand, our shared values and operations to ensure are in line with our vision and our strategic ambitions. This is especially important as our ambitions, goals and objectives become more focused on social and sustainable procurement.

Our approach to social and sustainable procurement

Social and sustainable procurement strives to minimise adverse impacts by providing the right conditions for more positive environmental, social, and economic actions throughout the procurement life cycle. Procurement Australia has developed a range of principles to uphold the tenets of social and sustainable procurement including:

- Accountability
- Transparency
- Ethical behaviour
- Respect for human rights
- A focus on innovation and continuous improvement

These principles are upheld in our policies and procedures, our Quality Management System and more recently, in the development of our six Social & Sustainable Development Goals as part of our ESG Materiality Assessment.

Our program this year was to develop the following areas of our business:

- Regular review and update of policies, procedures and processes that meet the needs of the present, without compromising the ability of future generations to meet their own needs;
- Development of our own ESG framework to both monitor and manage our impact on society and the environment through transparent and ethical behaviour; and
- Inclusion of a process that aligns with sustainable development, including the health and welfare of the broader community.

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

Aligning our brand with our sustainable goals

In 2021, we established an ESG Steering Committee to conduct a review of the environmental, social and governance aspects within our business. This committee was assembled to determine how our actions aligned with the high-level Procurement Australia Strategic Plan.

As part of the committee’s review, we extensively surveyed our members and staff to better understand what they expected of us as a procurement leader, both now and in the future. This process included two development sessions and incorporated the views of all Procurement Australia staff.

This review was completed in this fiscal year. As a result of these review processes, an ESG Materiality Assessment was developed based on six Social & Sustainable Development Goals.

Primarily, this Materiality Assessment is a snapshot of what ESG means to all of us, and what we can do collectively as a business to improve our processes to create a fairer world for us all. These six goals are:

Goal 1 Improving our Environment

Goal 2 Strengthening our Workplace

Goal 3 Buying & Supplying Responsibly

Goal 4 Creating Community Alignment

Goal 5 Ethics & Values

Goal 6 Governance

Beneath the six Development Goals are 32 indicators allowing the business to monitor success and outcomes achieved. Some indicators include:

Goal 1 – Improving our Environment

Indicator – By the end of FY 2022 Procurement Australia will move to using FSC/PDFC approved and registered paper and aim to be printer-less by FY End 2023.

Goal 2 – Strengthening our Workplace

Indicator – Establish a panel of presenters to educate Procurement Australia staff on diversity and inclusion by June 2023.

Goal 3 – Buying & Supplying Responsibly

Collaborate and partner across our entire supply chain with environmentally and socially responsible organisations.

Goal 4 – Creating Community Alignment

Indicator – Select two charitable organisations at the beginning of each FY beginning 2023 and match the value of donations raised by Procurement Australia staff in equal share.

Goal 5 – Ethics & Values

Indicator – Support our Members achieve their sustainability rankings in Procurement Gateway.

Goal 6 – Governance

Indicator – Support potential suppliers how to best understand and respond to our ESG guidelines.

OUR COMMITMENT
TO SOCIAL, ETHICAL AND
SUSTAINABLE PROCUREMENT

Our sustainable
business commitments

Procurement Australia’s sustainable business commitments continue to be built on five main pillars that are aligned with the four pillars of our brand:

We are transparent
We embody social and ethical processes.

We are member-led
We continue to strive to educate our members in best-practice.

We are sustainability-focused
We are honing our focus on sustainability.

We are rigorous
We employ social and ethical processes.

We are diverse
We prioritise diversity and inclusion.

Our brand statement still holds true throughout all our established and continuing activities:

“WE’RE WORKING WITH OUR MEMBERS TO DEVELOP HOLISTIC, ETHICAL, AND INCLUSIVE WAYS FOR OUR WIDER COMMUNITY TO COLLABORATE AND GROW TOGETHER. OUR TEAM IS GUIDED BY TRANSPARENCY AND INTEGRITY – WE KNOW WHEN WE ALL WORK TOGETHER, WE CAN ACHIEVE GREAT THINGS. WE ARE STRIVING TOWARDS OUR GOAL – TO CREATE A FAIRER WORLD TOGETHER.”

Our 21-22 Environment,
Social and Governance
(ESG) activities

During this period, we have:

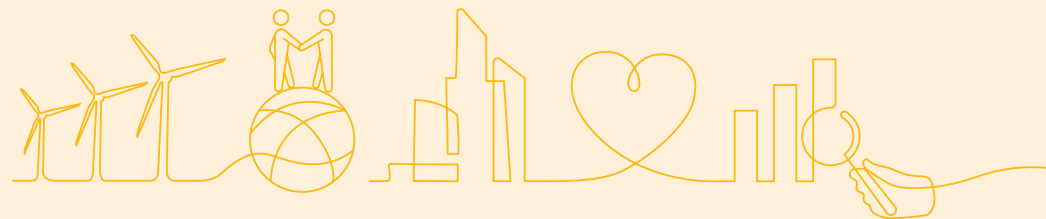
- Prioritised understanding what ESG means to our staff and internal teams. As part of this, we’ve created a shared Materiality Assessment, developed an actionable roadmap to support our ESG Program, and outlined actions for specific staff and executives to manage and monitor to determine the success of our six Development Goals.
- Independently monitored our success with compliance to our Brand Style Guide and Communications Process that aligns the business and our messaging with our burgeoning ESG goals.
- Completed development of a:
 - **Social & Sustainable Procurement Policy**
 - **Modern Slavery Policy**
 - **Environmental Management Plan**

- Completed development of the Procurement Australia ESG Compliance Dashboard for launch early in the new fiscal year. This new development will assist suppliers to determine their ESG rating against a number of key criteria including:
 - **Environment**
 - **Fair Operating Practices**
 - **Consumer Issues**
 - **Community**
 - **Climate Risk**
 - **Governance**
 - **Human Rights (including Modern Slavery)**
 - **Indigenous Relations**
 - **Labour**

STRATEGIC SOURCING



STRATEGIC SOURCING



Our Strategic Sourcing team has been busier than ever this year. While we always aim to apply a strategic approach to all our procurement activities, in 21-22 we had to become even more innovative to counteract micro and macroeconomic issues.

As supply chains struggled to recover post-pandemic, we were also impacted by political unrest overseas, technological disruption and market volatility. Despite this, we managed to achieve some *significant results for our members*, while also *continuing to grow our energy portfolio* in New South Wales.

Travel

5m+

DELIVERED BETWEEN
MARCH AND
SEPTEMBER 2022

In spite of the long lockdowns in various parts of the country, the Travel category product offering showed significant resilience. In fact, the Travel category exceeded expectations across the year, rebounding quicker and better than the general market levels.

Thanks to concerted efforts across the team to focus on new business, the Travel program has been able to rebound significantly, delivering \$5M+ between March and September 2022. This success has demonstrated to us that travel is still very much on our members' minds and remains essential to their business. The ramping up of the travel sector also coincided with some healthy additions to the member numbers accessing the Hotel Program.

Hotel program

Our Hotel program continued to develop and grow with uptake from members increasing steadily throughout 21-22. This increased demand for our Hotel Program was a welcome sight for our team, allowing us to improve the compliance and coverage percentage to be greater than 43% and 64% respectively from the previous year.

This result was further exceeded with the latest figures showing compliance at 60% and coverage at 76%, which was an excellent result considering the circumstances. The team is now turning its attention to 2023, where the goal is to reach compliance and coverage levels of 70% and 80% respectively. We look forward to reporting on these targets in next year's annual report.

New South Wales Renewable Energy Power Purchase Agreement

This year also saw the team finalise another renewable energy Power Purchase Agreement (PPA), the second in our portfolio and our first in New South Wales. Having secured binding commitment from several local government agencies in 2021, this year we focused on educating the New South Wales councils about the details of the 10-year agreement, and exactly how it would secure their individual renewable energy requirements for their nominated large market, small market and public lighting sites. Following this we executed a go to market strategy and broader tender event.

This second renewable energy PPA is consistent with the energy category strategy we employed in Victoria last year, and our involvement in the delivery of the PPA for the MREP group prior to that. Utilising the Metz Solar farm near Armidale in the New England region of New South Wales, this New South Wales PPA will provide these councils with their individual renewable energy requirements from January 2023.

While the team is delighted with this result, this was a decidedly more difficult PPA to facilitate and negotiate. Over the long project duration between August 2020 through to November 2022, we prepared and presented no less than 20 member forums, briefings, updating and education sessions.

Adding to this significant education piece, we also had to contend with numerous external challenges and complications. Despite our success in Victoria, we couldn't guarantee that we'd have the same buy in for the PPA offering in New South Wales. Securing seven binding committed members in our first energy category offering in this state is a fantastic achievement.

At a macro level, we also had to contend with unprecedented increase in wholesale power prices and power price volatility generally.

The trust the binding committed members put into our team to facilitate this contract on their behalf speaks volumes about the care and attention put into the education piece of this PPA. This diligence and customer focus is what has set us apart in this market. This PPA, as with all our PPAs, is a member-led project from start to signing.

‘ Reaching this final signing stage today wasn't easy, but it has been immensely worthwhile. Even in the face of a challenging macro environment, a two-year participant engagement and education process, and the unravelling of other products around us, *we've successfully delivered a PPA that is competitive, tailorable, and truly collaborative.*’

BRENDAN HOARE, DIRECTOR OF STRATEGIC SOURCING

Collaboration Tendering

Collaborative procurement is the future of strategic procurement. It assists with cost consolidation, streamlining processes and stronger shared relationships. We've made collaborative tendering a focus of ours this year, especially as it applies to our local government members.

EASTERN REGIONAL PROCUREMENT EXCELLENCE NETWORK (RPEN) COLLABORATION ROAD RESURFACING AND ASSOCIATED SERVICES

We facilitated and coordinated a collaborative tender and contract for five councils in the eastern metropolitan Melbourne region for road resurfacing requirements, including:

- Whitehorse
- Boroondara
- Knox
- Monash
- Stonnington

NORTHERN COUNCIL ALLIANCE ROAD RESURFACING AND ASSOCIATED SERVICES

We also facilitated and coordinated a second collaborative tender and contract for seven councils in the northern metropolitan Melbourne for road resurfacing requirements.

- Nillumbik
- Darebin
- Hume
- Merri-bek
- Banyule
- Mitchell
- Whittlesea

Advisory Consulting

Throughout 21-22, we continued to expand our Advisory services, securing a number of key wins in the local government and health sectors.

BRIMBANK CITY COUNCIL
PROCUREMENT BUSINESS REVIEW

We secured the opportunity to provide advisory consulting services to Brimbank City Council in Melbourne. Undertaken by Brendan Hoare and Dennis Tran, this project will involve an end-to-end review of the council's procurement department and functions.

PENINSULA HEALTH PROFESSIONAL ADVISORY SERVICES – PROCUREMENT/SUPPLY DEPARTMENT REVIEW

We secured an opportunity for the business to provide advisory consulting services to Peninsula Health in Frankston. Undertaken by Brendan Hoare and Dennis Tran and scheduled to commence in November 2022, this project will involve an end-to-end review of the council's procurement department and functions.

CONNECTING AND INVIGORATING OUR MEMBERS





This last year was one of immense growth for our brand. In October 2021, we facilitated the rollout of the new Procurement Australia brand. The rebrand was a fundamental shift in how we presented ourselves to the market and to our members. *At its heart, the rebrand's purpose was to ensure that the entire organisation was rationalised into one brand, speaking with one voice;* all based on our four key pillars of:

- DIVERSITY AND INCLUSION
- SOCIAL AND ETHICAL PROCESSES
- SUSTAINABILITY
- EDUCATION, FOR OURSELVES AND OUR MEMBERS
IN BEST PRACTICE FOR ALL OF THE ABOVE

Throughout the entire rebranding process, we had to reevaluate how we communicated with members, and how our visual identity defined us in the public eye.

Launches and reinvigorated partnerships

Throughout 21-22, the Marketing team supported the development and member communication strategy for the next iteration of the Power Purchase Agreement (PPA). This work culminated in a 12-month member communication and engagement program to support both the Sales and Strategic Sourcing teams.

We also saw a valued supplier, SPC, come back into Procurement Australia strategic supplier group. After a short time being internationally owned, SPC is now a proudly Australian owned and operated brand. The previous long-standing partnership between SPC and Procurement Australia will provide members with access to some of Australia's most loved and recognised food brands, including Ardmona®, Goulburn Valley®, SPC® and SPC ProVital™.

‘WE ARE PROUD TO WELCOME SPC BACK INTO THE PROCUREMENT AUSTRALIA FAMILY. WE LOOK FORWARD TO WORKING WITH OUR MEMBERS TO MAXIMISE THEIR ACCESS TO SPC’S AMAZING RANGE OF PRODUCTS.’

Brendan Hoare, Director of Strategic Sourcing

As SPC came back into our strategic supplier group, we also launched the Good Meal Company readymade meals to support our aged care members. The Good Meal Company is one of Australia's leading producers of world-class, authentic, restaurant-quality prepared meals, making them an ideal partner to help us to deliver top-quality meals for our members.

Staying member-led

As part of our brand update, we recommitted ourselves to being a member-led organisation. In practice, this means putting our members' needs first and doing all we can to fulfil them.

A significant need of members' last year was access to Rapid Antigen Tests (RATs). As demand soared around the country at the end of 2021, we sought every avenue to supply our members with a reliable source of RATs, even amidst the chaos of high demand. We employed a new marketing and communications strategy to ensure as many members as possible knew how to access these kits. Through detailed sector segmentation, we prioritised our health care and critical care members to ensure they were serviced first.

Our members in various sectors were also clear about another priority of theirs: the environment. As part of our ESG and sustainability programs, we launched the ASPIRE solution, seeing the first of our sustainability solutions kick-off. ASPIRE is an online matchmaking tool for material resource exchange. By partnering with ASPIRE, our goal is to make it easier for members to feel empowered to exchange their waste as a resource through an easy-to-use online platform.

This partnership with ASPIRE is just the beginning of our shift towards more sustainability-focused solutions. Our new sustainability solutions landing page will house all of our solutions as they become available to members.

Find out more about sustainability solutions at www.paltd.com.au/sustainability-solutions

New solutions

Along with our high-profile energy and foodservice launches, we also developed a range of new solution launches.



Building Compliance and combustible cladding remediation



SwabMe – On-Site Rapid Antigen Testing



OneCard relaunch



4 Bins – Victorian Bin campaign



Library Program 2022



Bunnings Trade relaunch



Procurement Australia Shop Furniture Campaign

These campaigns involved reconfiguring our brand tone and segmenting our audience to ensure we were communicating consistently with members who had a direct interest in the solution offered.

Conference 2022



After two years of lockdowns due to the pandemic, we were thrilled to run an open Annual Conference once again this year.

This year’s theme for what has become an anticipated event, “Procure a Better World”, focused on the three key drivers of the future of procurement:

STRATEGIC PROCUREMENT MANAGEMENT – THE FINANCIAL VALUE THAT ETHICAL PROCUREMENT CREATES

SUSTAINABLE PROCUREMENT – REDUCING THE ENVIRONMENTAL IMPACTS OF PURCHASED PRODUCTS AND SERVICES THROUGHOUT THEIR LIFE CYCLE

SOCIAL PROCUREMENT – BEST PRACTICE ON UNDERSTANDING AND MEASURING THE IMPACT ON THE COMMUNITY AND BUSINESS

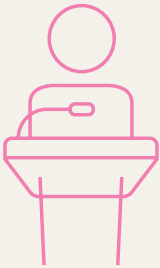
With connection and communication as our focus, this year’s conference was designed to educate the industry and our members about purchasing decisions that positively impact the environment and their organisations.

Held on 19 August 2022, our “Procure a Better World” conference was one of our most successful events to date.

*We were oversubscribed
with delegates* but
managed to provide
space for all to attend.

14

SPEAKERS



250

BACKPACKS WITH
ESSENTIAL ITEMS
WERE DELIVERED TO
DISPLACED CHILDREN

*We attracted more
sponsors* than
the program originally
planned for.



Conference highlights

Delegates came with full energy and enthusiasm, ready to tackle problems in think tank sessions, learn from our expert speakers and make connections with other delegates.

After a two-year hiatus, we acknowledged and recognised winners of our annual awards in person once more. Congratulations to the deserving winners of this year’s awards.

JACINTA BARTLETT AWARD
– THE INDIVIDUAL EXCELLENCE
IN PROCUREMENT

WINNER – BEN MCLAUGHLIN.
SPONSORED BY CIPS.

SUSTAINABLE PROCUREMENT

WINNER – AMBULANCE VICTORIA.
SPONSORED BY BUNNINGS TRADE.

SOCIAL PROCUREMENT

WINNER – AMBULANCE VICTORIA.
SPONSORED BY MAIA.

COLLABORATION & INNOVATION
IN PROCUREMENT

WINNER – NORTHERN REGION
PROCUREMENT EXCELLENCE NETWORK
(NRPEN). SPONSORED BY BLUE
CONNECTIONS IT.

SUPPLIER OF THE YEAR

WINNER – FCM TRAVEL. SPONSORED
BY PROCUREMENT AUSTRALIA.

15 YEARS OF MVP PARTICIPATION

WINNER – AUBREY JANSEN. SPONSORED
BY PROCUREMENT AUSTRALIA.

THE PAUL JAMES EVERETT SCHOLARSHIP

WINNER – GEORGIE CHRISTOPHER.

‘Loved the Backpacks for Kids idea.
This was not only a great initiative from
the Procurement Australia team and a
great charity, but this also encouraged
me to try and get to every trade stand.
I spoke with many wonderful people
over the day. I just kept running out of
time to talk to everyone.’

‘*Procure a better world*’
was the perfect conference theme,
an incredible conference experience.
I learnt a lot, the program of speakers
was all so engaging and inspiring,
delivering insightful and valuable
learnings, while also very entertaining.

Great opportunities to network with
others in the industry and share ideas
and issues during break times. Thank
you to all the team at Procurement
Australia for organising such an
excellent conference.’

Other event highlights

We also held numerous events throughout the year
for our members and suppliers.

RELAUNCH OF LET’S NETWORK

The relaunch of our Let’s Network program was an ideal
platform to reinvigorate the actions associated with the
Diversity pillar of our brand.

Let’s Network provides women in the procurement space
the opportunity to connect with other women in the
procurement and supply chain industry.

Find out more about Let’s Network at
www.paltd.com.au/lets-network

FOOD SERVICES TRAINING PROGRAM

Unfortunately, the effects of the pandemic still impacted
some of our usual in-person sessions for some of this
year. In response, we ran a series of 3 food services
training programs for our aged care members.

These sessions focused on key food services relevant
to our members:

- Texture Modified Meal
- Gluten Free
- Malnutrition

Members were able to take advantage of specialised
training for a fraction of the cost. In total, these sessions
provided over \$19,000 value back to the aged care sector
in qualified training

Find out more about our food services training program
at www.paltd.com.au/foodservices-training

PROCUREMENT CONTRACT TRAINING FOR 2022

The Marketing team also ran a series of procurement
contract training – **‘The Cradle to Grave of Procurement’**.

Designed and delivered in partnership with our legal
Procurement expert, Scott Alden, these sessions were
developed to help attendees to gain new skills and
strategies in procurement, stay informed on emerging
issues and respond effectively to the contemporary
demands.

The three programs delivered or planned for this
program include:

- Procurement Essentials program;
- Procurement Advanced program; and
- Platinum Package Program.

This program was established to support our brand-pillar
of Education. The program has now delivered four sessions
to over 80 staff and members. On the back of this
success, the program will now be ongoing with plans
to expand in 2023 as part of the Advisory Services
solution offering.

CYBER SECURITY TRAINING

Cybercrime is on the rise – and we want to help our
members stay ahead of the hackers.

We provided training during one of the heightened times
of cybercrime activity in the midst of the COVID-19 work
from home scams. Working alongside the Projects and
Strategy team, we ran a nation-wide Cyber Security
Webinar for 30 of our members.

Improving our impact

The Marketing team focuses on how we can make
a substantial difference in our members’ daily
procurement activities.

To assist with the day-to-day operations and
communication, we saw the transition of new core
systems that would better assist with the way we
communicate and interact with our membership base.
This involved a significant digital transformation
project to move from Marketo to the more integrated
HubSpot platform.

This year also saw the Marketing team condense
our tech stack to four major operating systems,
allowing us to streamline our marketing activities
and be more strategic, targeted and deliberate in
the way we communicate with members.

The supply chain challenges associated with the COVID-19 pandemic over the last two years continue to impact Procurement Australia’s Direct Channel team in numerous ways.

Despite the reopening of international borders, the availability of certain products remains limited, particularly electrical, whitegoods, and information technology (IT) products.

The global shortage of microchips (semiconductors) also continues to affect the manufacturing of everything, from motor vehicles to mobile telephones. The ongoing significant fiscal impact of increased freight costs also continues to adversely affect many categories we service for our members. This has resulted in products being sometimes too scarce or too expensive for us to procure for our members.



Despite the significant impacts on our business, the Direct team has continued to consolidate its supply chains and strengthen relationships with our valued suppliers. This has resulted in an above budget performance for the year, exceeding budgeted gross sales by over \$1.2 million.

Our approach to Direct Channel

Direct Channel exists to provide members with a choice of supply processes. We are particularly skilled at servicing smaller-medium supply areas, or where a larger project potentially requires a more bespoke type of service. Similar to the previous fiscal year, the pandemic, along with its impact on our traditional direct-channel business, continued to drive the need for change. New ways were developed to both source and deliver via previously untapped supply channels, and establish methods to bring these to market. These necessary changes have emerged in a range of new practices and processes for the Direct team, with many lasting benefits for staff and members alike.

The continued shortage of product availability in the whitegoods, ICT and furniture categories required new avenues of supply closer to home. It also pushed us to interact with supply partners that hold greater levels of stock. This has meant fostering new relationships with a wider range of suppliers to increase the availability of stock on a regular and reliable basis.

As a member-led organisation, we are also looking to continue to develop stronger ‘member-lead’ processes that allow us to meet member needs more adequately, even in the face of complicated market challenges.

Our impact: Direct Channel highlights

The first half of the 2021-22 financial year saw a carry through of the previous financial year, with significant impact on the business due to continued lockdowns and fallout from the pandemic.

In response, our team prioritised the ‘quick-to-market’ needs of ‘consumer-style’ B2B goods. Simultaneously, our goal was to assist members to achieve their more long-term procurement goals in an unpredictable and changing market.

This was achieved due to the expanded supplier network across wholesale-retail suppliers, along with and the introduction of several direct-wholesale suppliers.

A FEW HIGHLIGHTS FROM THIS PERIOD INCLUDE:

- Our Community Housing program evolved into the Procurement Australia ‘**Smart Property Solution**’ and was launched in April, 2022.
- This service now supports any members who operate in the social, affordable and community housing community to access a flexible bespoke housing solution. Its aim is to supply household products, such as whitegoods, electrical goods and furniture products. Additionally, this solution also provides a project management service for the fitout and establishment of accommodation outlets. This has shown it can **significantly save our members precious time, money and resources**. We welcomed new members using this solution throughout the year, including Bolton Clarke Nexus, Life Without Barriers and Illawarra Retirement Trust which has seen a 20% increase in the services delivered in this category.
- The 2020-2021 financial period saw a 93% decline in our supply into the refugee sector and this trend continued in the first half of this 2021-2022 fiscal period.
- However between December 2021 and September 2022 with the reopening of the Australian borders, this program ended the year exceeding the budget in the last half by 105%. The second half of the fiscal period has also seen a backlog of visa holders being processed into Australia, 20% of the original 13,750 visa placement quotas remain in temporary or offshore accommodation. In addition, the new Federal Government has signalled further potential increases from the Ukrainian, Syrian and Afghan crisis points for this humanitarian program, signalling a further 16,000 potential visas (116% increase) to be issued for resettlement into Australia.

116.4

PERCENTAGE POTENTIAL INCREASE TO BE ISSUED FOR RESETTLEMENT INTO AUSTRALIA



GROWTH OF SMART PROPERTY SOLUTION

OVERALL, THE IMPACT OF OUR QUICK INTRODUCTION TO MARKET OF A RANGE OF PERSONAL PROTECTIVE EQUIPMENT (PPE) AND THE REGROWTH OF THE REFUGEE AND PROPERTY SOLUTIONS CAPPED OFF A YEAR THAT REFLECTED:

35.5

PERCENTAGE GROSS SALES OVER BUDGET

1.2m

GROSS SALES OVER BUDGET (AUD)



Throughout 2021-22, we focused on growing our Advisory services offering beyond what we’d achieved the previous year. First established in 2017, we’d already seen numerous members taking advantage of our tailored Advisory services, from large event sourcing to policy solutions.

Finding our Director of Advisory Services

As the number of members interested in this service grew, so did our need to find a Head of Advisory to take the business forward. Since March 2022, we had been in recruitment, searching for someone with the drive and enthusiasm to take Advisory to the next level. In November 2022, we found the right person to take on this challenging but exciting role. An appointment was made to a senior consultant, Silke Therhaag. Already familiar with a senior advisory role, Silke brings over 20 years’ experience in positions at ASX listed companies, local and state government and not-for-profit organisations to the Procurement Australia executive leadership team. With her expertise in policy and organisational strategy and framework design across both public and private sectors, Silke is the ideal specialist to see Advisory into its next era of growth.

Our impact: Advisory highlights

This year, we focused on identifying opportunities and turning them into assignments for our Advisory team to fulfil.

Throughout 2021/22 we provided services to a large number of clients, including but not limited to:

- Mornington Peninsula Shire Council
- Yarra Ranges Council
- Inner West Council
- Wellways
- World Vision
- Northern Councils Alliance
- Albury City Council
- Parks Victoria
- South Gippsland Water
- Diocese of Maitland and Newcastle
- Eastern Procurement Excellence Network
- RDO Equipment
- Whitehorse City Council
- Brimbank City Council
- HireUp
- Vision Australia

“WORK FOR OUR ADVISORY TEAM LIVED UP TO OUR BRAND PROMISE TO FOCUS ON DIVERSITY.”

We successfully secured and completed work in our more traditional local government sector, but also in far-reaching areas including water authorities, tertiary education institutions, state government departments and the not-for-profit sector.

We also sought out opportunities beyond the business centres of Sydney and Melbourne, seeing work carried out in several states around the country. We’ve had to contract six expert external consultants to manage the amount of work we have coming in for our Advisory services, which has translated into significant revenue gains.

Revenue this year from our Advisory services unit was 92.7% greater than budget estimates at the start of our fiscal year. This is an exceptional result, and speaks volumes about the work the team and the services we are offering members. We’re looking forward to continuing this trend in 2023, especially with our new Director of Advisory at the helm.

92.7

PERCENTAGE GREATER REVENUE THAT BUDGETED



Throughout the last year, the insurance market continued to prove difficult for insurance buyers. As rates continued to harden, insurers responded by restricting or reducing coverage for certain classes of risks.

2022: A year of extremes

For many around Australia, most of 2022 will be remembered as the year of floods.

Felt most keenly across NSW and Queensland starting in February and March 2022, these catastrophe losses totalled \$5.56bn. The only other catastrophe loss that has exceeded \$5bn was Cyclone Tracey that hit Darwin on Christmas Day in 1974, resulting in damage to over 90% of homes and killing 65 people.

Further flooding occurred in Victoria in October 2022, compounding insurer losses for natural catastrophe risks. All these factors have led to stricter underwriting guidelines, including flood mapping before cover is granted.

Globally, the extreme weather pattern continues. Hurricane Ian hit Florida and South Carolina in October and is expected to cost insurers between US\$55bn to US\$60bn, making it one of largest natural catastrophe losses in USA history. Against this backdrop, premiums have continued to increase both locally and globally. According to independent experts, this trend is set to continue well into 2023.

Cyber crime on the rise

Another class of insurance that is experiencing significant coverage restrictions and premium increases is cyber liability.

This is largely due to prevalent ransomware attacks, most notably against Optus Telecom and Medibank late in 2022. Due to the ongoing unrest in Europe, cyber attacks are expected to continue to increase alongside cyber liability. In response, insurers require far more information around client’s IT risk management policies, procedures and protocols.

Our promise to members

Regardless of the hardening market conditions, the InsureRight team’s objective is to undertake insurance coverage and insurance broker tenders to get the best result for our members. No matter the macroeconomic conditions, our goal is to ensure members maintain the most appropriate, cost-effective insurance arrangements in the marketplace.

We set out to achieve this goal in spite of market-driven obstacles. Most organisations are currently required to accept premium increases on their insurance products, regardless of their size, business activities, past claims performance, or geographical representation. More often than not, such increases are coupled with reduced levels of coverage and/or higher deductibles imposed by the insurer, meaning they effectively pay more money for lesser cover.

For businesses, this leads to additional complexity around the balancing act of getting the right insurance at the optimum price.

Throughout this year, as in previous years, we’ve applied our own customer-driven approach to help members keep premiums low, while also maximising coverage wherever possible.

InsureRight member-led approach

We are cognisant of the insurance market issues our members faced throughout 2022.

At the same time, we were also aware that a positive approach in the lead up to renewal generated positive results, both in terms of coverage and costs.

Our central message to all members was to take a more proactive approach and not to simply accept the insurer’s first offer without introducing competitive tension and testing the market.

Organisations that don’t take this approach are more susceptible to hard market conditions. The performance of an organisation’s insurance broker is crucial during a hardening insurance market. InsureRight is an organisation with a demonstrated history of consistent and reliable performance. Throughout this year, we made sure members were reminded of our achievements and expertise, and our determination to always be available to assist.

CLEAR COMMUNICATION AND STRONG RELATIONSHIPS AS STANDARD

Throughout 2022, our team worked hard to inform members about the present state of the market. We communicated regularly with members via newsletters, direct updates and webinars. As always, our aim was to educate them on how to mitigate the effects of coverage restrictions and premium increases in an accessible and informative way.

ONE-ON-ONE ONLINE MEETINGS



COMMUNICATION THROUGH NEWSLETTER, DIRECT UPDATES & WEBINARS



EXCLUSIVE MEMBER-ONLY ENGAGEMENT OPPORTUNITIES WITH INDUSTRY EXPERTS



EDUCATE MEMBERS ON LATEST INSURANCE TRENDS & OPPORTUNITIES



INCREASE TENDERS BY UP TO

50
CONTRACTS

Maintain strong industry relationships *for member benefit*

Our impact: InsureRight highlights

Our proactive approach throughout the last financial year saw the InsureRight team generate significant gains for our members.

A major highlight for this year, InsureRight recently worked with a major global dairy company who wanted a complete review of their insurance and risk management arrangements. We ran an RFP process, engaging the five largest global insurance brokers to participate. Despite the adverse insurance market conditions, we worked with the appointed broker to achieve circa \$1m in premium savings with a more tailored insurance program which the client was delighted with.

We undertook 17 new insurance tender contracts for local government, as well as for numerous not-for-profit and corporate entities. The team is also working on a collaborative tender project for Victorian local government Workplace Risk exposures due in mid-2023.

Overall, the insurance broking tenders that we have run in the last 12 months for local government, NFP organisations, education and corporate members have resulted in better than expected results. We’re proud to have helped members mitigate the adverse effects of the hard market through our ingenuity and continued efforts.

InsureRight’s 2023 goals

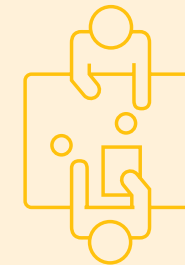
Throughout 2022, InsureRight’s insurance broking tender process has enabled our members to benefit from the knowledge, industry expertise, resources, and technical input of the most suitably qualified brokers in the market.

Our objective is to provide members with the most appropriate and competitive insurance solutions tailored to their own unique risk exposures. As a team, we survey the continual changes in a tough insurance environment, helping members to make the best use of their investments on insurance and optimising their renewal outcomes.

In line with Procurement Australia’s larger Strategic Plan, our goals for the next financial year are focused on growth and member achievement, including:

- Increase the number of insurance tenders InsureRight facilitates up to between 40 and 50 contracts.
- Continue to educate and advise members on the latest insurance trends and opportunities available to ensure more informed decision making.
- Develop our successful relationships with insurance brokers and insurers for the benefit of our members.

We are committed to maintaining this momentum to achieve better than expected results in the next financial year and beyond – something our InsureRight team takes pride in doing for our members.



Space Station has experienced dramatic impacts in the wake of the COVID-19 pandemic. The social distancing restrictions imposed by the pandemic were not lifted in Victoria until April 2022. These ongoing government orders continued to impact the occupancy of our working spaces in the Melbourne CBD.

In fact, of all of Australia's major capital cities, Melbourne has been the slowest to rebound. Even as restrictions have slowly lifted, Melbourne clocked a mean monthly occupancy of commercial buildings at a steady 35-39%. However, by September, things were starting to improve with Melbourne reporting a monthly occupancy increase from 39% to 41%. It's worth noting that this rate is on peak-occupancy days. On lower occupancy days like Monday and Friday, and to a degree Wednesday, occupancy rates can be as low as 25%.

Despite the setbacks Space Station has experienced since the beginning of the pandemic, we are pleased to report better than expected results. As at the end of this fiscal year, *rental income was 8.71% higher than budgeted*, with an average occupancy rate for the period of 42.07%.

Strengthening Space Station

From the outset of this financial year, we have only one flexible working space remaining as part of our Space Station business. While this has made management and operation of the business easier, it has also affected the networking and attractiveness of Space Station as a co-working hub.

To counteract this, we have created a new business plan for Space Station in line with our larger strategic goals for the organisation. This plan and its intended outcomes are based on some key statistics including:

- The new norm for many businesses is remote work to minimise costs of a CBD Office.¹
- The pandemic demonstrated that meetings and communications can be managed digitally, even by smaller organisations.²
- Many staff do not wish to return to the office and will change employment to achieve this outcome. In fact, many studies are showing that hybrid work is here to stay.³
- While working remotely worked for day-to-day business as usual, more suitably located meeting rooms would need to be hired for larger, short-term meetings. To make collaboration work, it requires a modern-day, hybrid workplace that is flexible enough to cater for both remote and on-site workers.⁴

- Along with the reconfiguration of our physical offices, this year Space Station also introduced 'Virtual Offices and Services'. A bespoke work solution, these virtual offerings would allow businesses to increase their productivity, without the typically associated overheads, operational and technology costs of physical office spaces.

The program has been developed to:

- Rapidly grow the number of Virtual Office Tenants to contribute to operational cash flow;
- Develop a range of monthly networking events aimed at attracting virtual office users and current long-term tenants and their clients to networking functions;
- Advertise the use of meeting rooms and training rooms to all tenants with specialised deals and/or monthly credits;
- Redeploy some of the current office spaces to be used as additional meeting rooms on a day-by-day basis; and
- Continue to advertise the availability of premium office space via trade magazines, social media and our network-agents.

OUR IMPACT: SPACE STATION HIGHLIGHTS

We are immensely proud of the Space Station team's efforts to adapt to the complexities of the pandemic throughout much of the 2021-22 period. Some of the highlights from this financial period include:

81.6

PERCENTAGE INCREASE
IN THE NUMBER OF
VIRTUAL OFFICES
ENGAGED

12.2

PERCENTAGE INCREASE
IN MEETING ROOM
BOOKINGS FROM VIRTUAL
OFFICE TENANTS

8.7

PERCENTAGE INCREASE
IN LONG-TERM RENTAL
INCOME TO BUDGET

The retention
of all of our other
existing long-term
tenants bar one.

1 "Remote work is the new normal." Morph Networks. March 22, 2021, www.morphnetworks.com/team-culture/remote-work-as-the-new-norm/
2 "10 ways Digital Technology Has Helped Small Business Bounce Back." Forbes. November 9, 2021, www.forbes.com/sites/tmobile/2021/11/09/how-small-businesses-turned-the-tables-on-turmoil-using-digital-technology/?sh=6bfad07e5980
3 Turner, Jordan & Baker, Mary. "9 Future of Work Trends Post Covid-19." Last modified June 16, 2022, <https://www.gartner.com/smarterwithgartner/9-future-of-work-trends-post-covid-19>
4 "Why do Meeting Rooms Have An Increased Demand." Work in Sync. June 9, 2022, <https://www.workinsync.io/>



The Sales team delivered significant revenue growth above last year and above the budget expectation. These results were achieved in spite of ongoing challenges associated with the pandemic.

Our team was pulled in a lot of different directions this year, particularly as demand for Rapid Antigen Tests (RATs) and personal protective equipment (PPE) reached its zenith in early 2022.

The Sales team focused their efforts in the early stages of 2022 on supporting members to secure reliable supplies of in-demand products. We were pleased to be able to overcome the initial supply challenges and secure a steady stream of RATs closer to home for members to access.

A different set of focal points dominated the second half of this fiscal year. While we welcomed a more consistent environment thanks to the easing of lockdowns, ongoing working from home arrangements made it harder for us to meet with members face-to-face. *Our customer-focused promise is best kept when Relationship Managers can engage with members directly to ascertain their needs*, as opposed to ongoing activity only online. As we progressed through 2022, we did see face-to-face activity return, but still well below pre-pandemic levels.

Collaboration – A challenge and an opportunity

One of the major differences we’ve faced this year is the legislative change to the Victorian Local Government Act. These changes, include the need for councils to demonstrate collaborative activities in the procurement process. This is an area where we as the aggregator have taken on the responsibility for sourcing and negotiating successful contract outcomes on behalf of individual council members.

In reality, our contracts are based on collaboration. We’re consistently working together with industry, suppliers and members to ensure we deliver the best possible product in the market. Our goal is to balance the commercial objectives of everyone involved against the associated legal requirements and risks.

As this year’s focus drew towards the issue of collaboration, our team was central to assisting members to achieve their collaboration targets through the use of our collaborative aggregated contract base.

Our collaborative contracts assist members to adhere to the new procurement rules, while also being flexible enough to account for new opportunities as they arise.

As it turns out, it’s not only local government members who are interested in our collaborative contracts. More not-for-profit members continued to see value in our portfolio of products and services with an increasing number of members benefitting from the use of our broader collaborative, aggregated contract offering.

To assist interested members to learn more about collaborative contracts, we ran a collaborative insurance coverage review for 17 Victorian councils. This resulted in substantial savings and cost avoidance for participating members,

We’re looking forward to continuing our collaborative work with members throughout the member base.

17

VICTORIAN COUNCILS PARTICIPATED IN COLLABORATIVE INSURANCE COVER REVIEWS

Advisory on the rise

The team has also been managing the continuing growth trajectory of our Advisory services.

We’re delighted to see more and more members engaging Procurement Australia to assist them in their strategic procurement needs across a range of services. The team has been busy fielding and servicing bespoke requests from members in numerous sectors, including:

- Tender event development and management
- Strategic advice and direction setting
- Policy and framework development
- Embedded and remote resource provision

Managing the growth of the Advisory side of our business has required us to rethink our resourcing. We’ve taken on new resources across multiple members to ensure their requirements are met through regular engagement.

With the appointment of a new Head of Advisory, we’re anticipating this section of our business to continue its upward trajectory through 2023 and beyond.

Other sales highlights

Overall, we saw greater category utilisation of our products and services than perhaps ever before. The average number of products and services a member accesses from Procurement Australia increased further from the previous year and the number of actively engaged members with Procurement Australia continues to grow year in year out. This means the team was kept busy all year fielding member requests and enhancing our cross-business offering.

INFORMATION TECHNOLOGY COLLABORATIVE CONTRACT

Last year saw us refresh our Information Technology collaborative contract.

To ensure that this contract met our members’ needs, we undertook a number of forums aimed at ensuring the final outcome met the broad and diverse requirements of the member base.

These forums allowed Procurement Australia Sales staff to present the proposed category approach. It also provided members with the opportunity to give feedback on category composition and our service offering directly to us as the aggregator.

The result is a contract that includes a number of key additions that we believe meets the varying needs of the member base and provides greater value to members than the previous contract composition.

NEW SOUTH WALES POWER PURCHASE AGREEMENT (PPA)

Progress of the New South Wales Power Purchase Agreement (PPA), the second for Procurement Australia, continued as planned in the most challenging energy market we’ve ever seen.

Product development of this second PPA was driven by the appointed Tender Reference Group. Following a similar process to our previous Victorian PPA, the broader participating cohort of seven councils was confirmed and was followed by an open market public tender event to determine the supply of renewable energy.

We’re excited to see these council members turn on their renewable energy supply in January 2023.

THIS POWER PURCHASE AGREEMENT WITH RED ENERGY IS THE RESULT OF A COMPETITIVE PRODUCT CREATION AND TENDER PROCESS, THE OVERCOMING OF NUMEROUS CHALLENGES PRESENTED BY AUSTRALIA’S INCREASINGLY COMPLEX ENERGY LANDSCAPE, AND RESILIENCE FROM THE PROCUREMENT AUSTRALIA TEAM.

Joe Arena, CEO of Procurement Australia.

STAFF TRAINING AND ADDITIONS

We also focused our attention internally this year to develop better working relationships within our own business and our wider network. The introduction of the Executive Leadership member engagement program was one such activity that led to more engagement between Procurement Australia executive leaders and the member base at large.

We’re also pleased to welcome our new Relationship Manager for South Australia and Western Australia Robert McKay, to the Sales team.

Our impact

Thanks to the hard work of the Sales team and our consistent communication with members, we’ve managed to stay abreast of varying members’ needs, and be able to respond to them with agility.

Access to our collaborative, aggregated energy contracts meant that many members avoided significant increases in their energy costs.

By application, a limited number of members were able to access our current fixed price, fixed term energy contract which allowed them to avoid millions in increased energy costs.

Overall, member engagement and discussion was deliberately more strategic than in previous years. We’re already looking ahead to how we can assist members beyond our collaborative, aggregated contracts. The team is strategising how to turn this current approach into more solutions based opportunities, such as around our energy management and advisory services.

What’s in store for 2023?

Looking ahead, the Sales team will continue to develop and imbed our member-led ethos through our ongoing internal training and coaching.

We’re also looking at ways to further enhance our engagement through a review of the ongoing member coverage model aimed at supporting more members directly. This includes stabilising the ongoing collaborative, aggregated contract base and working closely with members individually to determine what real value in their procurement means to them.

We’ll also continue to support the new Head of Advisory to grow the advisory business unit revenue through offer development and increased member engagement.



Ken Mcnamara, Chair

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

Appointed Board Member: 21/12/1992.
Appointed Chair: 1996 to 2007 and 21 February 2014 to 30 September 2022.

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



Tricia Klinger

B Ec. M Comm. GAIDC.

Appointed Board Member: 22/02/19.

Tricia Klinger joined the Procurement Australasia 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 also holds a Board role at Rigetti Australia, a leading quantum computing startup owned by US based Rigetti Computing. Tricia is also a Non-Executive Director of Aspermont, an ASX listed media company, and on the AMP Superannuation Ltd Board.



Stephen Griffin

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.



Glenn Patterson

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

Appointed Board Member: 25/05/2015.
Appointed Board Chair 01/10/2022.

With 34 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.



Vijaya Vaidyanath

Chief Executive Officer, Homes Melbourne, City of Melbourne / MBA, MA (Economics).

Appointed Board Member: 23/05/14.

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



Leah Graeve

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

Appointment 01/07/22 to be formally ratified at the AGM on 24/02/23.

Leah has extensive experience in strategy, governance, data analytics and risk management developed during her time as the Head of Procurement at Afterpay where she introduced strong governance protocols to mitigate both regulatory and compliance risks. Leah is serving as a Non-Executive Director and Chair of the Nomination and Remuneration Committee for ASX listed company, ELMO Software and Board Director at a not-for-profit organisation, Rare Cancers. She has also held numerous executive and leadership positions at Qantas, Jetstar and BHP Billiton. Leah 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.

EXECUTIVE TEAM



Joe Arena

Chief Executive Officer
MBA, BBus, GAICD, MCIPS

A qualified and highly experienced leader, Joe has an accounting background with vast financial operations experience in the areas of procurement, taxation, banking, investments, management and financial accounting, and fleet management. A specialist in fostering collaborative client relationships, Joe drives the development and implementation of Procurement Australia’s strategic plan, ensuring the business has the right people, structure and systems in place to meet and exceed its business objectives and client expectations. Joe is a Non-Executive Director with the National Boys Choir of Australia and Treasurer for the Opera Society Incorporated.



Georgia Argyropoulos

Director, Strategy & Innovation
/ Company Secretary

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.



Mark Hopcroft

Director, Marketing & Commercial Services

Mark joined the Procurement Australia executive team in 2017 after the purchase of Church Resources. Mark’s contribution across the marketing, property and direct business functions is drawn from a senior management background in banking & finance, sourcing, manufacturing, and distribution of fast-moving consumer goods. Mark has held roles at an executive director and shareholder level of a large Australian third-party manufacturing business and prior to joining the Church Resources business in 2011, has done some ground-breaking work in business reengineering and person-centred approaches in the NFP Sector.



Brendan Hoare

Director, Strategic Sourcing – BBus

Brendan is a strategic procurement and logistics professional with a career spanning more than 20 years’ in industry and public sector entities across the eastern seaboard of Australia. Brendan joined Procurement Australia in 2011 having held previous positions of Director, Strategic Procurement with 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 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 – BAcc, CA, CPA

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



Jason Mackenzie

Director, Sales

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

In November 2022, we found the right person to take on this challenging but exciting role. An appointment was made to a senior consultant, Silke Therhaag. Already familiar with a senior advisory role, Silke brings over 20 years’ experience in positions at ASX listed companies, local and state government and not-for-profit organisations to the Procurement Australia executive leadership team.

Silke Therhaag

Director, Advisory Services

Silke is a resourceful Strategic Procurement Consultant, certified Probity Practitioner and German trained lawyer with extensive experience in leadership, strategic procurement, category and contract management. With over 20 years’ experience in positions at ASX listed companies, local and state government and not-for-profit organisations, she has developed expertise in policy and organisational strategy and framework design across both public and private sectors.

Silke has previously led strategic reviews of procurement functions, including materiality / capability assessments, data analysis, roadmaps, function restructures and strategic initiatives development, as well as strategy, framework and policy design for organisations she worked for. Highly knowledgeable in the areas of circular economy, waste management and recycling, she brings her collaborative approach, outcomes-driven leadership and consulting expertise to her new role as Director of Advisory Services at Procurement Australia.



DIRECTORS' REPORT

The Directors present their report together with the financial statements of Procurement Australasia Limited ("the Company") for the year ended 30 September 2022 and the Auditors’ Report thereon.

Directors

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

MR KEN MCNAMARA

C.E, DIP CE, DipAppSc Tp, BApp ScPlan, FIE (Aust), FIMM, FAICD

(Chair of Board of Directors)

Appointed: 21 December 1992

Chair from: 1996 to 2007, and 21 February 2014 to 30 September 2022.

Town Planner

Consultant Civil Engineer

MS SUSAN RILEY

AICD

(Non-Executive Director)

Appointed: 18 September 2009

Resigned: 25 February 2022

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

MR GLENN PATTERSON

Bachelor of Business (RMIT), Master of Business (RMIT), GAICD

(Non-Executive Director)

Appointed: 26 May 2015

Chief Executive Officer – Casey City Council

MR BRENDAN MCGRATH

BAppSc, PG Dip Business Management

(Non-Executive Director)

Appointed: 25 September 2015

Resigned: 25 February 2022

Chief Executive Officer – Rural City of Wangaratta

MS TRICIA KLINGER

B Ec. M Comm. GAICD

(Non-Executive Director)

Appointed: 22 February 2019

Director – AMP Superannuation Ltd Board

MS LEAH GRAEVE

(Non-Executive Director)

Appointed: 1 July 2022

Non-Executive Director & Chair of Nomination and Remuneration Committee – ELMO Software

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		Finance and Governance Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Mr. Ken McNamara	5	5	5	5
Mr. Stephen Griffin	5	5	5	4
Mr. Glenn Patterson	5	5	-	-
Mr. Brendan McGrath	1	1	-	-
Ms. Susan Riley	1	1	-	-
Ms. Vijaya Vaidyanath	5	3	5	3
Ms. Tricia Klinger	5	4	5	4
Ms. Leah Graeve	1	1	-	-

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 and Procurement Advisory Services.

REVIEW OF OPERATIONS

Financial Results

The net profit of the company for the year ended 30 September 2022, was \$833,242 (\$585,183 in 2021).

The net profit is after considering decrease in fair value of Investments amounting to \$572,667 (increase in fair value of \$431,433 in 2021).

COVID-19 Impact

The state of emergency declared in Victoria on 16 March 2020 was extended until 15 December 2021. The Covid pandemic declaration was extended in Victoria until 12 October 2022. The company has been able to successfully overcome the negative impacts of the pandemic with increased revenue and profits, however there were some areas of the business that were adversely affected by the pandemic in the financial year ended 30 September 2022.

Impact on business operations

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

Impact on Revenue

Total revenues were \$15,452,743 (\$12,839,902 in 2021)

Trading Sales increased by \$1,891k over the previous year (68%), with the introduction of new PPE products like RAT kits and increase in sales from the Refugee resettlement category. Sales in the IT & White Goods category were impacted due to international border restrictions and lockdowns in other countries.

Rental Income from our co-working and shared office premises at 440 Collins Street Melbourne amounted to \$606,635 (\$584,799 in 2021). Rent income continued to be affected as offices were closed for some months following Government restrictions, and companies continue with working from home policies.

Rebates from Contracts

Rebate revenue from contracts amounted to \$7,978,638 and accounted for 52% of total revenue in 2022 (\$8,135,084 & 63% in 2021).

Trading Sales

Trading Sales amounted to \$4,664,658 and accounted for 30% of total revenue in 2021 (\$2,773,709 & 22% in 2021).

Advisory Services

Income from Advisory Services amounted to \$1,388,535 (\$630,005 in 2021), an increase of 120% derived from delivering services to our members.

Conferences

The sixth one day annual company conference which was postponed last year was held on 19th August 2022 was a huge success generating revenue of \$174k and attended by company members and supply partners.

Expenditure

Expenditure increased to \$14,619,501 (\$12,254,719 in 2021). The increase was significantly driven by:

- Cost of Trading Sales was \$4,228,008 (\$2,581,522 in 2021) reflecting the increase 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 15 cents per share amounting to \$59,529 in respect of the year ended 30 September 2022 was declared (10 cents for 30th Sep 2021 totalling \$39,686). The 2021 dividend was remitted to shareholding Members on 17 December 2021.

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 50 and forms part of the Directors’ Report for the year ended 30 September 2022.

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 2022 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 2022, no Director of the Company had any personal interest in the Company.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

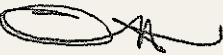
Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability, any person who is or has been an officer or auditor of the Company.

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 9th Day of December 2022.

Financial report / 21–22.

FOR THE YEAR ENDED 30 SEPTEMBER, 2022.



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 2022statement of profit or loss and other comprehensive income for the year then endedstatement of changes in equity for the year then endedstatement of cash flows for the year then endednotes to the financial statements, including significant accounting policiesdeclaration 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 2022 and its financial performance and cash flows for the year then endedcomplying 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 <i>APES 110 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 2022, 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 controlevaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directorsconclude 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. <p>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.</p> <p>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.</p>

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 September 2022, 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 2022

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 2022.

	Note	2022 \$	2021 \$
Revenue			
Rebates		7,978,638	8,135,084
Trading Sales		4,664,658	2,773,709
Advisory Services		1,388,535	630,005
Interest		56,224	44,070
Rent		606,635	584,799
Other Revenue	2	758,053	672,234
		15,452,743	12,839,902
Expenses			
Trading Sales-Cost of Sales		4,228,008	2,581,522
Consultancy -Purchases		1,117,788	462,262
Employee Expenses		5,218,799	4,761,061
Leasing Rent and Outgoings		288,211	330,637
Interest on Lease Liabilities		107,486	130,914
Information Technology Expenses		476,173	340,248
Depreciation and Amortisation	3	763,426	1,238,230
Consultancy Fees		471,077	556,455
Promotional Activities		475,349	423,151
Incidentals		293,150	420,660
Other Expenses	4	1,180,034	1,009,579
		14,619,501	12,254,719
Profit for the year		833,242	585,183
Other Comprehensive Income		—	—
Total Comprehensive Income		833,242	585,183

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 2022.

	Note	2022 \$	2021 \$
Assets			
CURRENT ASSETS			
Cash and cash equivalents	6	5,561,595	4,289,672
Trade and other receivables	7	2,130,482	1,730,716
Inventories	8	1,916	1,942
Other assets	9	308,923	261,152
Investments and other financial assets	10	3,879,084	3,923,069
TOTAL CURRENT ASSETS		11,882,000	10,206,551
NON-CURRENT ASSETS			
Plant and equipment	11	1,272,685	1,481,279
Intangible assets	12	1,398,217	1,494,483
Right-of-use assets	15	3,029,766	3,462,590
TOTAL NON-CURRENT ASSETS		5,700,668	6,438,352
Total Assets		17,582,668	16,644,903
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	13	1,604,389	1,531,714
Lease liabilities	15	378,245	344,898
Provisions	14	1,044,868	718,045
TOTAL CURRENT LIABILITIES		3,027,502	2,594,657
NON-CURRENT LIABILITIES			
Lease Liabilities	15	2,987,118	3,365,364
Provisions	14	227,100	117,647
TOTAL NON-CURRENT LIABILITIES		3,214,218	3,483,011
Total Liabilities		6,241,720	6,077,668
Net Assets		11,340,948	10,567,235
Equity			
Contributed capital	16a	403,862	403,862
Retained earnings	16b	10,937,086	10,163,373
Total Equity		11,340,948	10,567,235

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 2022.

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

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 2022.

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		16,490,637	13,671,179
Interest received		56,224	44,070
Employee salaries and benefits		(4,782,523)	(4,785,253)
Payments to suppliers		(9,425,799)	(6,866,662)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	2,338,539	2,063,334
Cash flows from investing activities			
Purchase of plant & equipment		(13,209)	(125,761)
Payments for intangibles		(13,763)	(161,806)
Payments for financial assets		(560,843)	(1,473,877)
Proceeds from sale of financial assets		32,162	83,470
Proceeds from sale of plant and equipment	5	950	47,500
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(554,703)	(1,630,474)
Cash flows from financing activities			
Dividends paid	16c	(59,529)	(39,686)
Interest paid - lease liability		(107,486)	(130,914)
Repayment of lease liabilities		(344,898)	(670,100)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(511,913)	(840,700)
NET INCREASE/(DECREASE) IN CASH HELD		1,271,923	(407,840)
CASH AND CASH EQUIVALENTS AT 1 OCTOBER		4,289,672	4,697,512
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	6, 17b	5,561,595	4,289,672

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 amorisation 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.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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

(m) Comparative Information

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

(n) Financial Instruments

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

RECOGNITION AND MEASUREMENT

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

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

CATEGORIES OF FINANCIAL ASSETS
FINANCIAL ASSETS AT AMORTISED COST

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

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH
PROFIT AND LOSS

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

FAIR VALUE

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

CATEGORIES OF FINANCIAL LIABILITIES
FINANCIAL LIABILITIES AT AMORTISED COST

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

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

OFFSETTING FINANCIAL INSTRUMENTS

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

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

DERECOGNITION OF FINANCIAL ASSETS

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

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

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

DERECOGNITION OF FINANCIAL LIABILITIES

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

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

RECLASSIFICATION OF FINANCIAL INSTRUMENTS

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

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

IMPAIRMENT

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

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

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

(o) Investments and Other Financial Assets

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

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

RESTRICTED ASSETS

Where the use of an asset, which is recognised in the balance sheet is restricted, wholly or in part, by regulations or other externally imposed requirements, and information about those restrictions is relevant to assessing the performance or financial position of the department, the following must be disclosed: the identity and carrying amount of those assets, the use of which is restricted; the nature of those restrictions.

(p) Business Combinations

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

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

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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

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

(r) Critical Accounting Estimates and Judgements

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

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

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.

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 13.74% have been used in all models. Goodwill, which management considers to be particularly subject to variability in respect of these assumptions, are carried in the statement of financial position at a written-down value of \$1,221,664. No impairment has been recognised in respect of goodwill at the end of the reporting period.

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

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

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

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

(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) Impact of COVID 19 Pandemic on Company Operations and 2021-22 Financial Report

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus and was extended until 15 December 2021. The COVID-19 pandemic declaration was extended in Victoria until 12 October 2022. To contain the spread of the virus and to prioritise the health and safety of our communities' various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Procurement Australia.

COVID 19 restrictions and lockdowns in Victoria, Queensland & New South Wales has led to a decline in rebates revenue for the Company, it also resulted in increased trading sales from COVID related products.

Rental Income from our office premises was also adversely impacted, as offices were closed following Government restrictions, and staff required to be working from home.

The supply chain irregularities and lockdown restrictions were managed by the company without any adverse impact on the trading sales. The company increased trading sales by introducing new PPE products like Rapid Antigen Test kits in it's product range.

(w) Contingent Assets and Contingent Liabilities

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

NOTE 2: OTHER REVENUE

	2022 \$	2021 \$
Contract Access Fees	334,493	-
Tenders Online	16,292	17,601
Forums and Seminars Revenue	3,109	33,057
Annual Conference	174,422	-
Sundry Revenue	61,893	79,057
Dividends	145,143	104,653
Profit on Sale of Investments	22,701	6,434
Increase in Fair Value of Investments	-	431,433
	758,053	672,234

NOTE 3: DEPRECIATION AND AMORTISATION

	2022 \$	2021 \$
Depreciation Right-of-Use Assets	432,824	758,926
Depreciation Plant and Equipment	220,574	348,669
Amortisation of Intangible Assets	110,028	130,635
	763,426	1,238,230

NOTE 4: OTHER EXPENSES

	2022 \$	2021 \$
Business Development	6,671	20,495
Bad Debts	1,220	3,459
Auditors Remuneration – Audit Services (Refer Note 19)	23,825	20,400
Printing Postage Stationery	7,396	8,755
Travel Accommodation and Entertainment	89,159	50,337
Insurance	34,581	41,367
Annual Conference	119,857	-
Lease Surrender costs	-	153,530
Utilities and Maintenance	25,517	111,370
Financial Legal Secretarial	54,155	111,876
Directors' Fees	199,444	217,455
Decrease in Fair Value of Investments	572,667	-
Loss on Sale / disposal of Fixed Assets (Refer Note 5)	279	224,888
Sundry Expenses	45,262	45,649
	1,180,034	1,009,579

NOTE 5: SALE OF NON-CURRENT ASSETS

	2022 \$	2021 \$
Proceeds from Disposals of Assets	950	47,500
Less: Written-Down Value of Assets Sold	1,229	272,388
Loss returned on sale of Non-Current Assets	(279)	(224,888)
Net Gain (Loss) on Disposal	(279)	(224,888)

NOTE 6: CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash on Hand and at Bank	3,496,921	2,609,247
Short Term Deposits	2,064,674	1,680,425
	5,561,595	4,289,672

Short Term Deposits have an effective interest rate of 0.92 % and an average maturity of 3 months (2021: 0.30% and 3 months)

NOTE 7: TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Trade Debtors	1,426,689	1,169,159
Accrued Revenue	702,049	558,146
Other Receivables	1,743	4,194
Less Provision for Impairment of Receivables	-	(783)
TOTAL RECEIVABLES	2,130,482	1,730,716

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 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 (\$)	391,013	679,000	84,761	14,385	0	1,169,159
Loss allowance (\$)	0	0	0	0	0	0

30 SEPTEMBER 2021	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate (%)	0%	0%	0%	0%	10%	
Gross carrying amount of contractual receivables (\$)	243,172	880,307	195,346	107,864	0	1,426,689
Loss allowance (\$)	0	0	0	0	0	0

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

	2022 \$	2021 \$
Balance at beginning of the year	783	783
Reversal of provision of receivables written off during the year as uncollectible	(783)	-
Balance at end of the year	-	783

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

NOTE 8: INVENTORIES

	2022 \$	2021 \$
Stock in Trade	26,981	1,942
Less Provision for Slow Moving Stock	(25,065)	-
	1,916	1,942

NOTE 9: OTHER ASSETS

	2022 \$	2021 \$
Deposits	19,451	19,451
Prepayments	289,472	241,701
	308,923	261,152

NOTE 10: INVESTMENTS AND OTHER FINANCIAL ASSETS

	2022 \$	2021 \$
LISTED SECURITIES IN THE AUSTRALIAN STOCK EXCHANGE - HELD FOR TRADING:		
Opening balance	3,923,069	2,095,773
Investments purchased during the year	560,843	1,479,333
Investments disposed during the year	32,162	83,470
Fair value adjustment through profit or loss	(572,667)	431,433
Closing Balance	3,879,084	3,923,069

Fair Value Measurement Hierarchy for Investments and other Financial Assets as at 30 September 2022

	Carrying Amount as at 30 Sept 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	-	-

	Carrying Amount as at 30 Sept 21	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	3,923,069	3,923,069	-	-
Total of Investments and other Financial Assets at fair value	3,923,069	3,923,069	-	-

NOTE 11: PLANT & EQUIPMENT

	2022 \$	2021 \$
Net Book Value		
Plant & Equipment	1,888,608	1,877,689
Less Accumulated Depreciation	(615,924)	(396,410)
Total Plant & Equipment at Net Book Value	1,272,685	1,481,279

Plant and equipment

Plant and equipment is held at net book value.

There were no changes in valuation techniques throughout the period to 30 September 2022

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

	Plant & Equipment	
	\$ 2022	\$ 2021
Opening Balance	1,481,279	1,962,239
Additions	13,209	125,761
Disposals	(1,229)	(258,052)
Depreciation (see note 3)	(220,574)	(348,669)
Closing Balance	1,272,685	1,481,279

NOTE 12: INTANGIBLE ASSETS

	2022 \$	2021 \$
Computer software, website and branding:		
At Cost	622,817	609,054
Accumulated Impairment Losses	-	-
Accumulated Amortisation	(446,264)	(336,236)
Net Carrying Value	176,553	272,818

	2022 \$	2021 \$
Goodwill:		
At Cost	1,221,664	1,221,664
Accumulated Impairment Losses	-	-
Net Carrying Value	1,221,664	1,221,664

TOTAL INTANGIBLE ASSETS	1,398,217	1,494,483
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NOTE 12: INTANGIBLE ASSETS (CONTINUED)

Reconciliation of Carrying Amounts

	Software Systems		Web sites & Portals		Goodwill	
	\$	\$	\$	\$	\$	\$
	2022	2021	2022	2021	2022	2021
Opening Balance	75,781	141,423	197,037	120,017	1,221,664	1,221,664
Additions	7,723	9,800	6,040	152,006	-	-
Disposals	-	-	-	(19,792)	-	-
Amortisation (see note 3)	(49,499)	(75,442)	(60,529)	(55,194)	-	-
Closing Balance	34,004	75,781	142,548	197,037	1,221,664	1,221,664

Reconciliation of Carrying Amounts

	Total	
	2022	2021
Opening Balance	1,494,482	1,483,104
Additions	13,763	161,806
Disposals	-	(19,792)
Transfers	-	-
Impairment Provision	-	-
Amortisation (see note 3)	(110,028)	(130,636)
Closing Balance	1,398,217	1,494,481

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 2022. The key assumptions used in calculating the recoverable amount include current revenues derived by the Company from the operations of the NFP sector, less rebates plus the residual profits of CGUs accruing to the Company.

NOTE 13: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Current		
Trade Creditors	559,867	512,431
Security Deposit	19,831	20,239
Accrued Expenses	549,815	490,277
Other Payables	181,543	200,914
PAYG and GST Payable	201,184	238,686
Superannuation	32,600	29,472
Dividends Payable	59,548	39,695
	1,604,389	1,531,714

NOTE 14: PROVISIONS

	2022 \$	2021 \$
Current		
Accrued staff bonuses	557,895	147,576
Annual Leave - expected to be settled within 12 months	205,442	223,708
Annual Leave - expected to be settled after 12 months	110,623	120,458
Long Service Leave - expected to be settled within 12 months	149,781	209,539
Unpaid FBT	13,627	2,186
Other Provisions	7,500	14,578
TOTAL CURRENT PROVISIONS	1,044,868	718,045
Non - Current		
Long Service Leave - expected to be settled after 12 months	227,100	117,647
TOTAL PROVISIONS	1,271,968	835,692

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 6 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 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
Year ended 30 September 2021	
Balance at beginning of year	4,839,685
Deductions to right-of-use assets	(618,169)
Depreciation charge	(758,926)
Balance at end of year	3,462,590

No impairment has been recognised in respect of right-of-use assets for the year ended 30 September 2022 and 2021.

NOTE 15: LEASES (CONTINUED)

Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease Liabilities	475,026	2,128,356	1,155,943	3,759,325	3,365,364
2021					
Lease Liabilities	452,384	2,043,548	1,715,777	4,211,709	3,710,262

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.

	2022 \$	2021 \$
Interest expense on lease liabilities	107,486	130,914
Depreciation of right-of-use assets	432,824	758,926
	540,310	889,841
Statement of Cash Flows		
Total cash outflow for leases	344,898	670,100

NOTE 16: EQUITY AND RESERVES

	2022 \$	2021 \$
(a) Contributed Capital		
396,862 (2021: 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	10,163,373	9,617,876
Net Result for the year	833,242	585,183
Dividends Paid	(59,529)	(39,686)
Retained Earnings at the end of the year	10,937,086	10,163,373
(c) Dividends		
Dividends recognised in the current year by the Company are:		
15 cents per share - (2021: final ordinary dividend - 10 cents)	(59,529)	(39,686)

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

	2022 \$	2021 \$
(a) Reconciliation of net cash used in operating result		
Profit from ordinary activities after income tax	833,242	585,183
Non-Cash Movements		
Depreciation	653,398	1,107,595
Amortisation	110,028	130,635
Movement in Market Value	572,667	(431,433)
Interest costs -financing, not operating	107,486	130,914
Loss / (Gain) on disposal of non-current assets	279	224,888
Changes in Assets & Liabilities		
Decrease/(Increase) in Receivables	(399,766)	53,541
Increase/(decrease) in Payables	72,675	149,006
Decrease/(Increase) in Prepayments	(47,771)	133,376
Increase/(decrease) in inventories	24	3,821
Increase/(decrease) in provisions	436,276	(24,191)
Net Cash From Operating Activities	2,338,539	2,063,334
(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	3,496,921	2,609,247
Term Deposits	2,064,674	1,680,425
Cash and Cash Equivalents	5,561,595	4,289,671

NOTE 18: COMMITMENTS

At 30 September 2022 and 2021, the Company has no commitments.

NOTE 19: AUDITOR'S REMUNERATION

	2022 \$	2021 \$
Amounts received, or due and receivable for auditing the accounts by:		
- Victorian Auditor-General's Office (Financial Statement Audit)	23,825	20,400
	23,825	20,400

NOTE 20: RELATED PARTY TRANSACTIONS

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

Mr Ken McNamara, Ms Susan Riley, Ms Vijaya Vaidyanath, Mr Stephen Griffin, Mr Glenn Patterson, Mr Brendan McGrath , Ms Tricia Anne Klinger, 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.

	2022 \$	2021 \$
(b) Remuneration of Directors		
Short-term employee benefits	177,022	195,093
Post-employment benefits	13,385	14,319
Other long-term benefits		
Termination benefits	-	-
Share based payments	-	-
Total remuneration	190,407	209,412
Total number of directors	8	7

	2022	2021
No. of Directors whose income from the company was within the following bands:		
\$1,000-\$9,999	1	-
\$10,000-\$19,999	2	-
\$20,000-\$29,999	4	6
\$40,000-\$49,999	1	1
	8	7

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 (CONTINUED)

(c) Transactions with Directors and Related Entities
The Company did not have any other transactions with Directors and their related entities.

(d) Payments to Contractors
The Company did not make payments to other contractors charged with significant management responsibilities from 1 October 2021 to 30 September 2022.

(e) Senior Executive Services' Remuneration
The names of Senior Executive Services who have held office during the financial year are:

Mr Joe Arena – Chief Executive Officer
Mr Brendan Hoare – Director, Strategic Sourcing
Mr Devraj Kanakappan – Director, Finance
Ms Georgia Argyropoulos – Director, Strategy & Innovation
Mr Jason Mackenzie – Director, Sales
Mr Mark Hopcroft, – Director, Marketing and Commercial Services

The number of Senior Executive Services, other than responsible persons, whose total remuneration falls within the bands above \$100,000 at 30 September 2022 are as follows:

	Income band (\$)	2022	2021
	\$130,000-\$139,999	-	1
	\$150,000-\$159,999	1	1
	\$170,000-\$179,999	1	1
	\$180,000-\$189,999	-	1
	\$200,000-\$209,999	-	1
	\$220,000-\$229,999	2	-
	\$230,000-\$239,999	1	-
	\$280,000-\$289,999	-	1
	\$299,000-\$309,999	1	-
Total number of employees for the above bands		6	6

	2022 \$	2021 \$
Short-term employee benefits	1,199,373	1,109,402
Post-employment benefits	119,876	105,147
Other long-term benefits	27,455	20,217
Termination benefits	-	-
Share based payments	-	-
Total remuneration	1,346,704	1,234,766
Total number of executives	6	7
Total annualised employee equivalents *	1,346,704	1,403,845

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

(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

	2022 \$	2021 \$
Contingent Liabilities		
Bank Guarantees related to Level 18, 461 Bourke Street, Melbourne, VIC 3000	-	97,366
Bank Guarantees related to Level 10, 440 Collins Street, Melbourne, VIC 3000	523,600	523,600
Total Contingent Liabilities	523,600	620,966
There are no known contingent assets for the Company.		

NOTE 22: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 September 2022, 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.

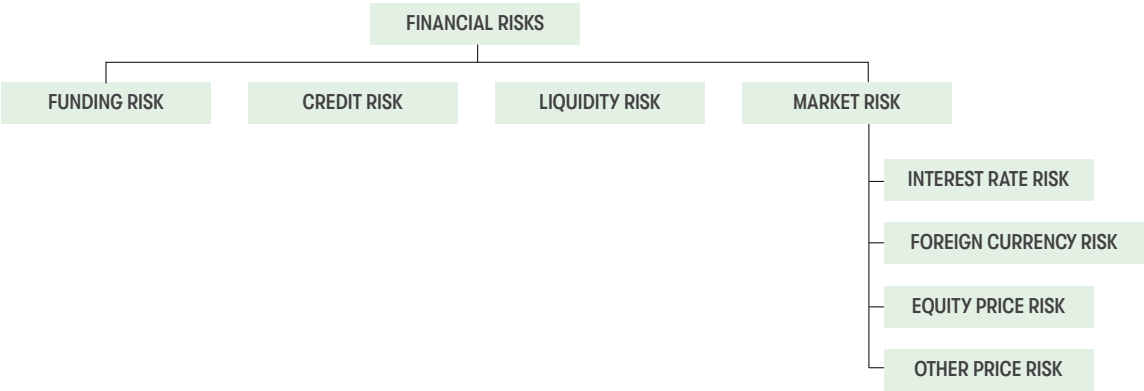
The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2022 \$	2021 \$
Contractual Financial Assets		
Financial assets held at amortised cost		
Cash and cash equivalents	5,561,595	4,289,672
Trade and other receivables (excluding statutory receivables) *	2,130,482	1,730,716
	7,692,077	6,020,389
Financial assets held at fair value through profit and loss		
Other financial assets	3,879,084	3,923,069
	3,879,084	3,923,069
Total Contractual Financial Assets	11,571,161	9,943,458
Contractual Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables (excluding statutory payables) *	1,604,389	1,531,714
Lease liabilities	3,365,364	3,710,262
Total Contractual Financial Liabilities	4,969,753	5,241,976

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

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

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 (CONTINUED)

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 2022.

Credit quality of financial assets (a)

2022	Notes	Financial Institutions (triple-A credit rating)	Financial Institutions (triple-A credit rating)	Financial Institutions (A+ credit rating)	Other (unknown credit rating)	Total
		\$	\$	\$	\$	\$
Financial assets with loss allowance measured at 12-month expected credit loss						
Cash and deposits (with no impairment loss recognised)	6	-	-	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

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

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

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Impairment of financial assets under AASB 9

The Company records the allowance for expected credit loss for the relevant financial instruments applying 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 -0.25% to +1.00 % (2021: -0.1% to +0.50%) in interest rates from year-end rates
- A parallel shift of between -10% to +15% (2021: -7% to +5%) in investment prices from year-end prices

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

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

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

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

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

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

Interest rate exposure of financial instruments

	Notes	Weighted Average Interest Rate		Interest rate exposure						Total Carrying Amount Per Statement of Financial Position	
		2022	2021	Fixed Interest Rate		Variable Interest Rate		Non-Interest Bearing		2022	2021
				2022	2021	2022	2021	2022	2021		
		%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets											
Cash and deposits	6	0.92	0.30	2,064,674	1,680,425	3,496,921	2,609,247	-	-	5,561,595	4,289,671
Receivables *	7	-	-	-	-	-	-	2,130,482	1,730,716	2,130,482	1,730,716
Other Financial Assets	10	-	-	-	-	-	-	3,879,084	3,923,069	3,879,084	3,923,069
Total Financial Assets				2,064,674	1,680,425	3,496,921	2,609,247	6,009,566	5,653,785	11,571,161	9,943,456
Financial Liabilities											
Payables *	13	-	-	-	-	-	-	1,604,389	1,531,714	1,604,389	1,531,714
Total Financial Liabilities		-	-	-	-	-	-	1,604,389	1,531,714	1,604,389	1,531,714
Net Financial Asset/Liabilities				2,064,674	1,680,425	3,496,921	2,609,247	4,405,177	4,122,071	9,966,772	8,411,742

Notes:

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

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk sensitivity

INTEREST RATE EXPOSURE 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	-

INTEREST RATE EXPOSURE 2021	Current Rate (%)	Amount	Annual return at current rate	Rates move by:		Rates move by:	
				-0.10%	-0.10%	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	0.22%	2,609,247	5,740	(2,609)	-	13,046	-
Receivables	0.00%	1,730,716	-	-	-	-	-
Total Financial Assets subject to interest rate exposure		4,339,963	5,740	(2,609)	-	13,046	-
Financial Liabilities							
Trade creditors and accruals	0.00%	1,531,714	-	-	-	-	-
Total Financial Liabilities		1,531,714	-	-	-	-	-
Possible effect movement in interest income in profit or loss				(2,609)	-	13,046	-

Foreign currency risk

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

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

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 2022	Amount	Price move by:		Price move by:	
		-10.00%	-10.00%	15.00%	15.00%
		Possible effect Profit or loss	Possible effect Equity	Possible effect Profit or loss	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	-

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

Other price risk

The Company has no significant exposure to other price risk.

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE

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

FINANCIAL INSTRUMENTS	2022		2021	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Financial Assets				
Cash and cash equivalents	5,561,595	5,561,595	4,289,672	4,289,672
Receivables	2,130,482	2,130,482	1,730,716	1,730,716
Equity Securities	3,879,084	3,879,084	3,923,069	3,923,069
Total Financial Assets	11,571,161	11,571,161	9,943,457	9,943,457
Financial Liabilities				
Trade creditors and accruals	1,604,389	1,604,389	1,531,714	1,531,714
Total Financial Liabilities	1,604,389	1,604,389	1,531,714	1,531,714

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

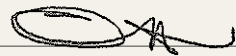
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2022

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 51 to 78 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 2022 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 9th day of December 2022.

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Registered office
Level 10, 440 Collins Street,
Melbourne, VIC 3000.

paltd.com.au
spacestation.net.au



