WE GET IT.

PROCUREMENT AUSTRALASIA
ANNUAL REPORT 2018



Procurement Australia®

church resources
we are your first resource

Our Annual Report 2017/18 describes activities undertaken between 1 October 2017 and 30 September 2018 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 Australasia on 03 9810 8608 (within Victoria) or email info@procurementaustralia.com.au

Procurement Australasia 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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We

2017/18 has been a year of significant change across our business and one during which we have remained committed to excellence in corporate governance, accountability and transparency.

get to

With the addition of the Church Resources brand in June 2017, the Board and Executive team realised the need for a change to the business name this year

share

from MAPS Group Ltd to Procurement Australasia Ltd. Our new name embodies our 30+ year history as a procurement expert which began in the local Government sector

this

and blended with Church Resources' 24+ year history in the not-for-profit arena. The result is a multi-faceted procurement, sales, marketing and training organisation

journey

servicing over 25,000 members nationally, committed through our governance framework, to long term performance and sustainability,

together

enhancing and protecting the interests of our members, stakeholders and shareholders.

We get collaboration

We get products and services for local government, the health sector, the welfare sector, the education sector, the aged care sector, the church sector and for-profit business; in fact, we will support any Australian organisation with an ABN.

We get products and services from iconic, household brands for members.

We get aggregated volume discounts, delivering members significant savings directly off invoiced goods.

We get the reasons why our members do what they do – from local Government serving their local communities, to not-for-profits delivering on their vision and mission, to education delivering the future of our nation through better learning aids.

We get that many of our members do not have 'advanced procurement services' so we assist them to develop better services themselves through our training and consulting services, or to tap-into the products and services contracts we provide.

We get that business procurement services are changing as digital technology provides more services online, and we are changing to meet this.

We get that no matter what sector our members operate in, the many millions of dollars saved contribute directly to the many vital services they deliver.

We continue to invest significant time in understanding and advocating for what our members want. Be it consulting assistance to achieve best-practice, innovation to develop access to online products and services, a forum to gain a better understanding of the products and services available to assist them and their sector, or an office or hot-desk in our Flexible Office Space during busy periods. Procurement Australasia has rapidly grown to be Australia's largest aggregated buying group.

THE COMPANY WE KEEP

2017/18 was a successful year for Procurement Australasia: strong member demand coupled with continued growth in our core business channels and an underlying strength from the offers provided to members by our partners, enabled us to generate solid financials across the board and with our partners to further consolidate our position as one of Australia's leading aggregated buying groups.

That is not to say that our market sectors have been overly buoyant. Slower economic times and a more urgent need to manage costs have many of our Government and not-for-profit members seeking more ways to increase savings by leveraging their spend across our larger buying power to achieve price and service levels superior to what they, as individual companies, can achieve. Through the company we keep, our partners provide market leading products and services as we negotiate for our members.

1 **WE GET**
ITEM LEVEL
SAVINGS

While individual companies may find a decent amount of savings on their own, it shadows in comparison to the savings gained by joining Procurement Australasia and the significant amount of aggregated spend channelled through our partners each year. Procurement Australasia combines the purchasing power of our over 25,000 members to negotiate better discounts that more often than not, result in an item level price not attainable by most single companies.

2 **WE GET**
FREE
MEMBERSHIP

Unlike some other aggregated buying groups, Procurement Australasia provides free membership which is a real advantage. This not only benefits our members but also benefits Procurement Australasia as our supply partners are willing to extend discounts and additional service levels to gain access to our large network of members. It is important to consider that, along with the company we keep, our members look to us for our free membership, our broad range of iconic supply partners, our substantial buying power and our corporate governance and probity processes.

3 **WE GET**
DIRECT RELATIONSHIP
WITH SUPPLIERS

Being aligned with Procurement Australasia does not sever members' supplier connections. members still receive deliveries direct from our supply partner and still able to call suppliers if any problems arise, and still have the opportunity to meet to conduct account reviews. The major difference is that when a real issue arises, Procurement Australasia's input and support is instantly available at the partners' highest levels of management.

4 **WE GET**
CATEGORY MANAGEMENT/
ON-GOING SUPPORT

As a procurement and business expert, Procurement Australasia offers category management which aids in identifying and realising savings throughout the tenure of an agreement. We keep our members current on offerings or service enhancements by having frequent reviews with our supply partners to understand new services and approaches they may be taking.

5 **WE GET**
NETWORKING

During the year we became a member of the Centre for Social Purpose, a group of large and small not-for-profits. This has helped highlight those organisations that will benefit the most from aggregated procurement and services: those that understand and welcome collaboration. Bringing together different professionals from multiple industries with similar challenges and spends, shows the very real benefits gained via the opportunity to exchange sourcing tips and recent experiences – for both very large and very small organisations.

6 **WE GET** LOWER
PURCHASING RISK
AND QUALITY SERVICE

Procurement Australasia strives for longevity when it comes to members. Because of this, we feel immense pressure to support them by providing the best quality in services, suppliers and products. As a result, potential suppliers are subject to a full vetting process to ensure their credibility and value, lowering members' purchasing risk. As a prescribed entity under various Local Government Acts, Procurement Australasia Limited has an embedded corporate governance model to ensure compliance and probity across all dealings with all stakeholders.

7 **WE GET** SAVINGS
BEYOND PRICE

Though one of our primary goals is to source the most products for the most savings for members, we strive to ensure that all facets of an offer to members have added-value benefits. Procurement Australasia encourages members to work with our supply partners to identify qualitative – not just quantitative – improvements that will give them the best-in-class service. Procurement Australasia's process goes beyond initial savings and considers the total cost of ownership, helping with inventory reductions and process improvements.

8 **WE GET**
SERVICE VARIETY

Procurement Australasia is not simply a procurement expert but offers a range of services to meet members' needs, organisational type and structure. These range from supply chain, consulting and ecommerce solutions to benchmarking, safety initiatives, revenue management, and technology assessments. Some less commonly offered services include materials management consulting and outsourcing, and revenue management.

The 'Company We Keep' at Procurement Australasia is one of the reasons we remain at 'best practice' level and are an important source of information, technical advice and support for our members and other clients.

Our vision is to build on these strengths and, together with our supply partners and members, embrace social and environmental considerations into our business. Initially, through our Greenbizcheck membership and our Aboriginal & Torres Strait Islander Procurement Policy, we will help create value for the company and our stakeholders. This will rapidly become another core strength in service delivery to members and we are committed to taking the lead on this to support all our partners.



CEO and Chair report



CEO REPORT — THE YEAR IN REVIEW

In 2018, Procurement Australasia Ltd came into being, replacing MAPS Group Ltd as the parent company of what is now arguably Australia's largest aggregated buying group. Comprised of Procurement Australia and Church Resources, this newly named group, Procurement Australasia, recorded a record profit of around $3.2 million (around half of which is attributable to non-recurring Energy Contract Access fees). A record dividend of 29c/share has been announced. Both these figures signify incredibly strong and solid growth – almost three times more profit than last financial year and a 60% lift in dividends for shareholders. This is something we can be very proud of.

I termed 2017 a year of investment, one in which we put down roots to grow new revenue streams and strengthen existing ones. Our results are happily confirming our success in achieving this strategy.

This is evidenced by an $8 million lift in revenues to $18.4 million due in the main to a fivefold increase in trading sales to $5 million and a 60% rise in rebate revenue to $8.2 million – both extremely strong indicators.

‘Having acquired Church Resources, one of Australia’s largest not-for-profit aggregated buying groups in June 2017, our two brands are now under one umbrella, delivering greater market share and higher revenues.’

Joe Arena — Chief Executive Officer, Procurement Australasia Ltd.

These financial achievements are one thing, and certainly incredibly important. However, there were more than a few extremely satisfying achievements during the year and I want to make note of a couple of them here.

First, in October 2018, Procurement Australia was very proudly awarded the CIPS Procurement Excellence Standard. This is no mean feat and followed more than two years intensive work on our part and review by CIPS locally and in London. This Standard covers five dimensions – Leadership & Organisation, Strategy, People, Processes & Systems, and Performance Management – and is truly a crowning achievement.

As a result, our business and its processes are now formally recognised by accreditation to two independent global standards – CIPS and ISO 9001-2015 – an achievement the whole company should be proud of.

Also in the area of significant achievement is for us to become recognised as the biggest aggregator of energy in Australia. Our team has worked particularly hard to deliver a portfolio of energy contracts that meets the needs of all kinds of Procurement Australia members – from the very large to the small and medium. Key to this has been our work on our Large Scale Renewable Generation Electricity Power Purchasing Agreement (PPA). Sourcing renewable energy is a key sustainability strategy and in May this year we held an energy forum on our Energy Portfolio in Melbourne in conjunction with the CEO Institute. At the beginning of September, we introduced this PPA through a series of Member Briefings, and future sessions on the newly evolved PPA are scheduled for early 2019.

This is an impressive piece of work by our people and builds on the consultancy work we undertook for the City of Melbourne’s Melbourne Renewable Energy Project (MREP). The MREP is an outstanding achievement that has brought together local government authorities, cultural institutions, universities and corporations to collectively purchase renewable energy from a newly-built facility in Australia, helping drive down their CO2 emissions to achieve reduction targets. Quite rightly, the MREP won the Government Category at this year’s Premier’s Sustainability Awards (Victoria) and received the Procurement Australia Sustainability Procurement Award at our conference.

Turning to our work through Church Resources, it is very pleasing to report on the great steps being achieved in the community services and not-for-profit sectors, including resettling refugees. Church Resources is a leading supporter of the Australian Government’s Bulk Households Goods (BHG) Program supporting approved refugee families assimilate into compliant housing.

Having provided white goods, furniture and other essential household items have been provided to refugee families for over three years now, this service has been extended to become a Community Housing program assisting the disability, aged care and affordable housing sectors. This not only involves establishing houses for families but also providing competitive facilities maintenance services. Continuing to create stronger ties into the not-for-profit sector, we are in a supporting partnership with the Centre for Social Purpose establishing a social purpose buying group for some of Australia's leading organisations including Heart Kids, Fred Hollows Foundation and Uniting and is testament to our success in this competitive sector. Our relationships with Salvation Army in Victoria and Mission Australia in NSW continue to grow and new multi-million dollar relationships have been established with Vinnies (St Vincent de Paul Society) and the Australian Red Cross Society.

The hugely changing landscape across the aged care and the disability sectors began in 2010 as a result of Client Directed Care (CDC) under the National Disability Insurance Scheme (NDIS). Eight years later, in 2018 these are no longer pilot programs and each sector is presenting significant challenges to organisations delivering the packages and the families receiving them.

To consolidate and build our position in this field, and leveraging our bespoke online buying platforms, we are taking a lead role in developing and providing aggregated savings via a digital platform that includes foodservice, continence products, white goods and furniture, and other technology-related services. This presents us with a promising and ongoing future business and revenue stream, and one that fits suitably in the Church Resources business portfolio.

On this note, I would like to record my sincere thanks to our wonderful staff and Executive Team for supporting me through the year, and to our dedicated Board Members who provide invaluable guidance and support at all times.

I look forward to 2019.

Joe Arena — Chief Executive Officer,
Procurement Australasia Ltd.



CHAIR REPORT

In 2018 I am again reporting a record profit together with a record shareholder dividend, something I am of course very pleased to do.

At $3.2 million, Procurement Australasia's profit is three times that of 2017, and the 29c/share dividend represents a 60% increase. These results would not be have been possible without the support and commitment of our hardworking staff and Executive Team and I thank each and every one of them for enabling the group to move forward so strongly.

This is particularly impressive given the inclusion of Church Resources into the fold last year, and the successful adaptation of Procurement Australia's systems to accommodate this. The renaming of the original MAPS Group Ltd to Procurement Australasia Ltd has had as much a positive impact on the business and its results as moving our head office into Melbourne's CBD did last year.

Each year we are diversifying and I know that the business is a far cry from its origins more than 30 years ago as an aggregator for local Melbourne councils only. The group's new name, Procurement Australasia, speaks this in volumes.

The year was not only successful but also busy. In August, we held our fourth one-day only conference – our 13th Annual Conference – Revision or Revolution? which was organised with great care for and consideration of the needs of our members, suppliers and sector peers to support them as they move ahead into the 21st century. Facing broad-ranging challenges, delegates greatly enjoyed the conference's theme which addressed all 'triple bottom line' – financial, social, environmental – aspects of business.

With registrations at 282, we were pleased to see delegates gain insights from our top-flight range of speakers who covered a diversity of topics including social and sustainable procurement, disruptive leadership, the energy revolution, indigenous procurement, new laws affecting procurement, and mental health in today's challenging world. A big thank you to our Procurement Australia team who organised the conference and our steadfast and new sponsors without whom it would be difficult to bring something like this to fruition.

I would also like to acknowledge our speakers Peter Morichovitis, Stan Krpan, Karen Hollenbach, Martin Porbst, Carl Daley, Scott Alden, Gihan Perera, Mark D Lamb, Debbie Barwick, and Paul Spinks. All in all, an impressive line-up.

At the end of the Conference, I had the honour of announcing the winners of this year's Excellence Awards including the next recipients of the Paul James Everitt Scholarship, the Jacinta Bartlett Award for Procurement Excellence and the Social Procurement Award now in its fourth year. Details on all of these worthy winners are found on pages 32 to 34 of this report.

We greatly savoured our CIPS accreditation in October after two years' hard work that also involved rigorous CIPS reviews that culminated in us being awarded the CIPS Procurement Excellence Standard. Encompassing a number of standards and five dimensions, this recognition sits wonderfully aside our ISO 9001-2015. Impressively, it comes from the world's largest Procurement and Supply professional body which serves over 200,000 professionals in over 150 countries and sets the global standard.

Looking back on 2018 also draws my attention to the re accreditation of our Quality Management System under ISO 9001-2015 following SAI Global's audit, determining that Procurement Australia is fully compliant in terms of its policies, objectives and continual improvement processes. This is a valuable commendation and one that is highly regarded within the industry.

In 2018, we continued our work towards meeting the requirements of Sustainable Procurement Standard ISO 20400, the first international standard on sustainable procurement. This is involving us working with a partner to develop an online platform that will allow members to find status of all the Group's suppliers for compliance with Climate Risk, Governance, Human Rights, Labour, Environment, Fair Operating Practices, Consumer Issues and Community – the full charter of sustainability markers. We are grateful to be working alongside Sustainability Victoria in our quest to be a role model on the matter of sustainable procurement.

These accreditations and aspirations to be an industry leader are a notable reflection on our people – in both Procurement Australia and Church Resources.

In this vein, 2018 has been a year of important development with a range of new initiatives launched under our new Executive Manager for People and Culture, Annette Mackay, including a comprehensive People & Culture framework under the banner People Matter – Living our Values which are enunciated as Ethical, Professional, Collaborative and Diverse (in everything we do).

These values developed out of a series of workshops involving staff volunteers from both brands in August are truly representative of the business and the standards we hold ourselves and colleagues to. Falling out of this work are initiatives being deployed in the areas of professional development, employee attraction and retention, health & wellbeing and parental leave to name a few.

We are delighted with the achievements being made in this vital area of the business and management is fully supportive of work that is helping Procurement Australia and Church Resources become employers of choice. With both brands operating in different verticals, we are committed to seeing staff and members continue to benefit from being aligned with all parts of the Group.

Focusing on our people is one of three key strategic directions we consolidated in 2018: Clients; Systems; People.

In regard to clients, we want to engender client loyalty through a true appreciation of our services by achieving a 10/10 or nothing engagement experience. New systems are planned to make transacting with us simpler and more efficient. Our new ERP and buying portal are examples of these. As I have mentioned, in regard to our People, we have already begun work on increasing the Group's employee value proposition through a range of initiatives to ensure we attract and retain the right people.

The only other item I want to cover in this Review of 2018 is our exciting commitment to continuing to grow our flexible co-working spaces as a core revenue driver. This began with our move to 461 Bourke Street in 2016. In 2017 we established similar facilities in Sydney in Chatswood, home of Church Resources, with all levels of electronic and digital media applications available. In 2018 the Board endorsed the further development of these flexible co-working spaces under the brand name Space Station Flexible Co-working. As I write this, we are well advanced in negotiations in Melbourne to secure further office space and have made an assessment of opportunities to do so in Sydney's CBD. As they say, watch this space!

Now with two organisations to oversee – Procurement Australia and Church Resources – the Board has enjoyed a productive and busy year and welcomed a new member, Tricia Klinger, a seasoned marketing and business development executive with more than 20 years' leadership experience in marketing strategy, corporate communications, business development, product innovation, and governance gained both in Australia and Asia.

The Board is extremely pleased with the 2018 company results and thanks all of Procurement Australasia's Executives, Management and Staff for their continued goodwill, commitment and hard work.

Ken McNamara
— Chair, Board Procurement Australasia Ltd.

We're future ready

'Church Resources has played an important role in the start-up of the Centre in two key ways. First, they have provided a home for the Centre by providing office space and a venue for member events.

More importantly, however, Church Resources provides Centre members with valuable cost savings and productivity improvements through its aggregated procurement offer. These savings deliver significant benefit to our members especially at this time when the not-for-profit sector (NFP) is facing both disruption and funding uncertainty.

What I value most about our partnership with Church Resources is their credibility and understanding of the NFP sector, and their commitment to helping members achieve vital cost savings and productivity improvements so they can deliver their purpose.'

Craig Hawke
— Executive Director,
The Centre for Social Purpose.

OUR STRATEGIC DIRECTION

Our strategic direction has three focus points:

1 **Clients**
2 **Systems**
3 **People**

Clients — To move beyond the mere 'satisfaction' level, we are striving for a 10 out of 10 or nothing engagement experience for our clients with the objective of engendering client loyalty through a full appreciation of our services.

Systems — To drive our efficiency further, and to embed internal efficiencies, new systems such as the ERP, buying portal etc. will be introduced with the aim of making transactions with us simpler for members and clients.

People — Because our people are our biggest asset, our employee value proposition has been increased to ensure we attract and retain the best people.

The Centre for Social Purpose is a member-led community assisting NFP organisations deliver their purpose through improved operational excellence. It does this by focusing on three key areas – helping organisations connect with each other for collaborative problem solving and best practice sharing; develop capability through cost effective, sector relevant training and events; and save costs through Church Resources' aggregated procurement offers and shared resources.

After 12 months in operation, 35 organisations are Centre members and include some of Australia's most well-known such as Uniting, Red Cross, Royal Flying Doctor Services, Fred Hollows Foundation, Relationships Australia, The Benevolent Society, Black Dog Institute, Parramatta Mission, and Sydney Children's Hospital Foundation.





Getting things done

Delivering valued services to our members

PROCUREMENT AUSTRALIA'S NEW CONTRACTS

The following new contracts commenced in 2017/18 as a result of our public tenders and include new product and service greenfield categories* for members' use:

- **Bulk Fuel**
- **Debt Collection & Legal Services**
- **Defined Facilities Management – Maintenance & Asset Services***
- **Defined Facilities Management – Cleaning & Property***
- **Electrical Products & Services**
- **Retail Electricity, Natural Gas and Associated Services**
- **Electricity Progressive Procurement Methodology (Iteration 1)***
- **Electricity Progressive Procurement Methodology (Iteration 2)***
- **Spray Sealing & Associated Services – North Eastern Victoria Group of Councils***
- **Small Plant, Machinery & Associated Products and Services**
- **Solar Energy Solutions & Associated Energy Efficiency Products & Services***

CHURCH RESOURCE'S NEW CONTRACTS

Travel:

Church Resources' Travel contract continues to grow steadily in terms of both member utilisation and spend. From humble beginnings in 2003, with Qantas as our only partner, we have responded to member requirements and assembled an impressive and, in parts, unique portfolio that now accounts for expenditure in the order of $30 million annually.

This year, 150 members around Australia are taking advantage of the contract that encompasses:

- Flight Centre Management (FCM) as travel management partner
- healthy airline discounts across many domestic and international carriers
- attractive hotel and car hire solutions, and
- a range of other unique partner benefits such as exclusive online booking tool, negotiated rates for Qantas Club and Virgin Lounge memberships.

Foodservice:

Through the year we have continued to refine our Foodservice Solution, a strategically important category and member offering.

Assisting members to identify Foodservice savings and efficiencies with a no cost, obligation free program, our Foodservice Solution also provides them with access to some of Australia's most prestigious brands. This year, 475 members' staple food requirements were serviced nationally, representing expenditure of around $40 million.

Together with simplified procurement processes, we provide consistent value on all foodservice needs via our contracted partners, the major suppliers being Bidfood, Lion Dairy & Drinks, Goodman Fielder, and M&J Chickens. In addition we partner with another 32 preferred manufacturing/supply partners, 1 equipment partner, and 1 specialist foodservice consultant.

To support members and expand our foodservice offering, we renewed our relationship this year with our Foodservice Ambassador, Dr Karen Abbey, a foodservice dietitian and special dietary chef who has worked extensively across the foodservice sector both here and overseas.

Dr Abbey is passionate, promoting the importance of quality in foodservices, foodservice systems and training, menu planning, and finding practical solutions for those in care and working in foodservices. An innovative chef herself, developing unique recipes to support meal and menu development, Dr Abbey helps us deliver significant value add to members through the provision of educational, operational and nutritional resources, and knowledge of the best foodservice practices.

This year we have also established a relationship with Community Chef that services member requirements in Meals on Wheels, the charity sector, and in aged care and health settings.

Recipes are developed and meals produced by a team of dedicated chefs and cooks at an award-winning purpose-built kitchen in Melbourne. The focus is the provision of nutritious, culturally sensitive and affordable meals that are delicious and that meal recipients will truly want to eat.

CEO ENGAGEMENT

In this financial year, in a series of events on topics within the procurement landscape, Procurement Australia engaged with government and private sector CEOs all around the country.

In March 2018, along with member CEOs, Joe Arena attended our second series of CEO forums to hear guest speaker, John Pesutto MP, Shadow Attorney General, on the topic of leadership.

In May 2018 Procurement Australia held an energy forum in Melbourne in conjunction with the CEO Institute on our Energy Portfolio. Following this session, future sessions on our newly evolved Power Purchase Agreement product (PPA) are scheduled with council CEOs for early 2019.

In August 2018, after the release of the Victorian Auditor General's Report on Local Government Insurance Risks, Procurement Australia held an independent briefing for council CEOs on potential implications for councils.

LET'S NETWORK

Procurement Australia's national professional network linking female procurement specialists around Australia was launched in 2016 and is chaired by Procurement Australia Board Director and former Deputy Lord Mayor and City of Melbourne Councillor, Susan Riley.

Presentations during the year included:

— Juleigh Robin, Robins Foods on The Story behind Outback Spirit, presenting her vision of bringing Indigenous foods into the mainstream food market. Supplying the Outback Spirit branded range of products to supermarkets nationally in Australia, the company is the industry leader.

— Ray Andrews, Managing Director, Andrews Group on Leadership in Difficult Environments.

— Jenny Bailey – Engineering Services Manager, City of Melbourne on the topic of "The Thinking Habits of Confident Women."

— Ken Armstrong, Insurance & Risk Management on 2018 Best Practice Insurable Risk Management and Risk Transfer "What Procurement Managers need to know."

— Dianne Smith, Executive Director, Melbourne Chamber of Commerce on her career's Challenges, Successes and Shared Learnings.

— Justine Moss, Supply Nation who provided the opportunity to ask questions about the Indigenous verification process, how to include the traditionally underutilised Indigenous business sector in procurement practices, and the challenges/successes this may present members.

In addition to guest speakers we were also fortunate to have Let's Network members present on their career progression as procurement professionals and share best practices. Presentations during the year included:

— Erin Chick, Manager, Procurement and Contract Management Finance, Goulburn-Murray Water on "GMW's Procurement Framework."
— Jodie Cunliffe, Group Procurement Manager, Citywide Service Solutions on "My Procurement Journey and one or two transformational procurement projects along the way."

We also had regular updates from Sustainability Victoria's Fiona Sergi, Sustainable Procurement Lead – Data Investment & Procurement on:

— Victorian State Government Waste Taskforce
— Victorian Government Recycling Industry Strategic Plan Update

Let's Network aims to bring together senior procurement women from around Australia to develop professional skills and expertise, and mentor up-and-coming women through bi-monthly meetings and talks across the states. The network has an ever growing LinkedIn page and more than 60 members.







1 **CR Foodservice Ambassador, Dr Karen Abbey,** offers our members a range of services from menu planning as well onsite audits and reviews of dining rooms and kitchen operations.

2 **CEO Forum** John Pesutto MP, Shadow Attorney General, discussing the topic of leadership.

3 **Susan Riley** introducing Dianne Smith, Director of the Melbourne Chamber of Commerce presenting to the Let's Network members.

WE GET WORKING AS ONE TEAM!

Sales teams from both Procurement Australia and Church Resources were merged into one during the year, thereby allowing both to become familiarised with the sometimes very different approaches that may be required when delivering the same products or services to different sectors.

The integration of the Church Resources business into the Procurement Australia system highlighted that one common and most important factor remains for both brands – to deliver, in all instances, an outstanding service to members.

As the power and utilities (energy) portfolio remains one of the Group's leading programs, an initial focus was to integrate the best of both platforms into a single market leading program the merged sales team could deliver nationally.

The addition of over $35 million in Office Supplies to the Procurement Australia OfficeMax portfolio, and $32 million in national Foodservice supply will assist the competitiveness of our offers in these areas.

During the year, our Direct Sales Program for IT and Data products continued to spread into the primary and secondary education sectors as did our supply of white goods and furniture into the refugee and welfare sectors.

The sales team continues to be focused on delivering an outstanding outcome for our members and, where possible, cross-sell programs like our One Card Fuel Management Cards and InsureRight to all members.

Member feedback is a testament to the trust our members place in us to deliver the goods and services they seek, together with a quality standard that meets the servicing needs of their own businesses.

REVISION OR REVOLUTION

Procurement Australia®

13TH ANNUAL PROCUREMENT AUSTRALIA CONFERENCE

REVISION OR REVOLUTION?, Procurement Australia's 13th Annual Conference, was our fourth one-day national event. With even more support this year, this year's conference looked into the future by asking whether members would choose Revision over Revolution of their organisation's current business practices as they strive to meet the new world challenges that threaten the financial, social and environmental – triple bottom line – performance. The conference continued our forward looking approach within the procurement industry that has been reflected in our earlier conferences.

This year's attendance saw 282 delegates registered. Sponsorship packages this year included Ads for the Conference Program, Award Sponsors, Bronze Sponsors, Coffee Cart Sponsors (including coffee cup branding) and Trade Stand Space, all of which continue to make our conferences an annual highlight for members and suppliers.

As the major public expression of our commitment to investing and nurturing the procurement industry, we worked hard to provide a day featuring high quality content focused on procurement's first principles – efficiency, sustainability and long term economic benefit.

The conference also publicly acknowledged this year's Excellence Awards' winners and, with great excitement, the recipient of the Paul James Everitt Scholarship and the Jacinta Bartlett Award for Excellence in Procurement, as well as our Social Procurement Award for a fourth year. Futuristic in outlook, the conference was particularly mindful of current shifts towards renewables, social procurement and greater collaboration, all of which are demanding that we think about how and why we make the business decisions we take in the face of such momentous change.









13th Annual Procurement
Australia Conference.

WINNERS – PROCUREMENT AUSTRALIA'S EXCELLENCE AWARDS

Announcing the winners, Procurement Australasia Chair, Ken McNamara said,

'Procurement Australia likes to celebrate success, something we do through our annual awards, designed to acknowledge leading suppliers and practitioners.'

2018 Procurement Australia Award winners:

Jacinta Bartlett Award for Individual Excellence in Procurement

Erin Chick, Manager, Procurement and Contract Management, Goulburn-Murray Water (GMW) won the Jacinta Bartlett Award for Individual Excellence in Procurement, sponsored by CIPS Australasia, offering a four-day CIPS open training program valued at $5000.

Open to all senior individuals across Australia, the award is inspired by Jacinta Bartlett, a highly respected Victorian local government procurement professional who tragically lost her life in the Black Saturday bushfires and is given to acknowledge her professionalism and commitment. In May this year, Erin addressed procurement professionals at a Procurement Australia Let's Network group session where she spoke of the training she had rolled out for GMW's Procurement Framework.

Collaboration and Innovation Award

City of Kingston and Mornington Shire Council were awarded the Collaboration and Innovation Award sponsored by Bunnings for their collaborative Supply of Energy Efficient Street Lighting tender process.

Both councils undertook their collaborative tender with the intent of awarding a sole supplier. The process resulted in significant savings in the cost of lights as well as ongoing reductions in electricity, maintenance costs and CO2 emissions.

Sustainability Procurement Award

The City of Melbourne was awarded the Sustainability Procurement Award sponsored by Procurement Australia for its outstanding achievement in the Melbourne Renewable Energy Project (MREP), the first time that a group of local government authorities, cultural institutions, universities and corporations has collectively purchased renewable energy from a newly-built facility in Australia.

MREP members have committed to purchase 88 GWh of electricity per year from Cowlands Wind Farm under a long term power purchase agreement, enabling cities, corporations and institutions to take an active role in securing a renewable electricity supply and taking action on climate change. By providing long term price certainty, MREP helps mitigate the risk of increased energy costs in a volatile market and is critical to cities such as Melbourne achieving their CO2 reduction targets.

Social Procurement Award

Bulla Dairy Foods received the Social Procurement Award sponsored by Church Resources for their outstanding contribution in supporting local communities and charity organisations.

Winning this award recognises Bulla's sustainable procurement processes designed to help reduce deforestation and its impact on the environment and ecosystems. These processes include Bulla being a member of RSPO (Roundtable on Sustainable Palm Oil) and having RSPO Mass Balance Certification which guarantees that any palm oil used is from RSPO-certified plantations. To promote responsible management of the world's forests, Bulla also only uses FSC (Forest Stewardship Council) certified paper-based packaging for its products.





















1 **Gihan Perera** "The Future of Procurement: Evolution and Revolution".

2 **Peter Morichovitis** "Social Procurement: Strategies for Local and Social Economic Development".

3 **Martin Porbst** "Disruptive Leadership – Dare to make a difference".

4 **Tim Lawson,** Manningham Council's Procurement and Contracts Manager recipient of the Paul Everitt Scholarship (pictured with the Everitt family).

5 Questions from members during Procurement Australia's 13th Annual Conference.

6 **Carl Daley** "The Current Energy Revolution".

7 **Mark D Lamb** "Revisionist or Revolutionist? Titan or Networked? The Future of Procurement and Supply Management".

8 Supply Nation trade stand.

9 Winners of the Procurement Australia's excellence awards & Paul James Everitt Scholarship.

10 **Karen Hollenbach** "How to use LinkedIn for Business".

‘The awards are a great way to acknowledge people in the industry.’

‘It is always hard to justify a full day out of the office, but when you attend a conference like what Procurement Australia produced, it makes it a true investment in your time.

The presenters were insightful and inspirational, the facility and location was perfect and the opportunities to network were endless. Thanks again for such a great conference.’

On top of this, Bulla has a number of charitable partnerships and is actively involved in volunteering with and providing support for Foodbank Victoria, the leading provider of food relief and to whom Bulla donated over 67,000kg of dairy products during 2016/17, together with a number of billboard advertising spaces. Bulla is also a major sponsor of the Alfred Hospital’s Father’s Day Appeal, the Good Friday Appeal, Biggest Morning Tea, Daffodil Day Appeal and many other local community-based activities.

Supplier of the Year Award

Caltex Australia was named Supplier of the Year, an award sponsored by Procurement Australia.

One of Procurement Australia’s long standing suppliers, Caltex Australia’s award success this year is based on its seamless, effortless and highly responsive approach to communication which flows onto all Procurement Australia members.

A special thank you to all the sponsors who helped make REVISION or REVOLUTION? an outstanding success.

Procurement Australia sponsors Indigenous Business at the conference!

Procurement Australia was pleased to sponsor and welcome Boomerang Debt Recovery and Supply Nation which were trade stand suppliers at the Conference.

Conference speakers

A diversity of topics was covered at the Conference where 10 speakers presented, including keynote speakers. Topics canvassed were:

- Peter Morichovitis – “Social Procurement: Strategies for Local and Social Economic Development”
- Stan Krphan – “Building Momentum for Sustainable Procurement”
- Karen Hollenbach – “How to use LinkedIn for Business”
- Martin Porbst – “Disruptive Leadership – Dare to make a difference”
- Carl Daley – “The Current Energy Revolution”
- Scott Alden – “The 5 New Laws Affecting Procurement You Need To Know – But Probably Don’t”
- Gihan Perera – “The Future of Procurement: Evolution and Revolution”
- Mark D Lamb – “Revisionist or Revolutionist? Titan or Networked? The Future of Procurement and Supply Management”
- Debbie Barwick – “Demystify Indigenous Procurement & Maximise your Impact”
- Paul Spinks – “REVISION or REVOLUTION? – your mental health”

LinkedIn – Booth & speaker

As part of the value add initiatives that Procurement Australia brings to members, we offered a free LinkedIn booth for members to update their profiles. To support this initiative we also had a keynote speaker, Karen Hollenbach, present on “How to use LinkedIn for Business”.

Member acquisition

Just over half (51.8%) of our conference survey respondents attended the conference for the first time this year! The majority of respondents who had attended before have been to 1 or 2 conferences previously. This shows that Procurement Australia reached a new and diverse audience base with this year’s conference. As the conference also had a focus on gender diversity, delegates were encouraged to join our Let’s Network – Women in Procurement Network.

Regional and interstate member support

All regional and interstate members were offered support via complimentary tickets to attend the conference this year.

Social media

This year, as part of Procurement Australia’s conference communication strategy, social media was utilised before, during and after the conference with many staff, speakers, sponsors and delegates and members commenting on speakers and the event.

CHOICE OF THREE OPTIONS WINS TIM LAWSON
THE PAUL JAMES EVERITT SCHOLARSHIP

‘Thank you to PA for the The Paul James Everitt Scholarship – we are humbled and extremely proud of what Paul achieved in his career with PA.’

Testimonial from the family.

Tim Lawson, Manningham Council’s Procurement and Contracts Manager is the second recipient of the Paul Everitt Scholarship valued at $10,000 for either study, a secondment, training course, research or development of a paper that adds value and insights for the sector. Success for Tim came from his submission of three concepts:

Collaborative Procurement – involving a review of organisations providing collaborative procurement in Australia and the UK. Tim would like to see first-hand how several large and well established collaborative procurement organisations currently work, including what models and strategies they employ. Tim would look at what skills can be transferred to the Melbourne Metropolitan Council environment.

Developing a Local Government Procurement Scholarship Framework – this proposes partnering with one of the Universities or higher levels of learning currently providing Procurement studies as part of a business course. The concept would be to develop a framework where, as part of their studies, undergraduates would be embedded in Local Government Procurement units working on real life projects such as collaborative tenders between Councils, or undertaking procurement research that would benefit one or more Councils.

Research into blockchain – to investigate how blockchain will affect Local Government Procurement. Tim would seek to develop a working paper analysing blockchain, exploring how digital contracts and currency (e.g. bitcoin) could be used in Local Government Procurement and whether current technology can be implemented in Councils.

Awarding the Scholarship at the 13th Annual Conference in August this year, CEO Joe Arena congratulated Tim, expressing the Board’s enthusiasm for all of the options Tim put forward and eager anticipation in hearing which option Tim selects.

Procurement Australia established the Scholarship to leave a lasting legacy that invested in people working in the industry and named it after Paul Everitt, a Procurement Australia employee who passed away in October 2015.

On the day of announcing the winner this year, Mr Arena said, ‘**Paul Everitt was a well-respected colleague who passed away in 2015 and, by honouring his memory with this scholarship, the Procurement Australia Board has successfully etched out a path for us to productively invest in people working in the procurement sector.**

‘As such, it fittingly recognises Paul Everitt’s contribution to procurement in the area of project delivery, government purchasing compliance, contract sourcing and supply chain management. We are grateful to the Everitt family members for allowing the scholarship to be named after Paul.’

SPONSORSHIP

Industry conferences

We acted as event partners and attended leading industry conferences during the year to support our key verticals and contract partners and suppliers. This year saw us involved in:

- Christian Ministry Advancement
- CoAct Connectup
- LASA
- Big4
- LG Professionals, SA Annual State Conference 2018
- CIPS Australasia Conference & Supply Management Awards
- ALIA Information Online 2018 Conference
- VALA2018 – Libraries, Technology and the Future
- CONNECT 2018 – Supply Nation

Member and supplier engagement

A number of events were conducted through the year including more than 30 member and supplier briefings giving them the opportunity to engage with the brand. These were held in Adelaide, Melbourne and Sydney as well as via webinar and conference calls to extend our reach in regional areas. In further support of our regional members, energy, insurance and contract briefings were held in Ballarat, Wodonga and the Yarra Ranges.

NOW LAUNCHING – SPACE STATION – FLEXIBLE CO-WORKING

In 2016, Procurement Australasia launched its first flexible co-working space at 461 Bourke Street, Melbourne. Situated in the heart of Melbourne's CBD, we offer an up-to-the-minute mixed business space that provides flexible co-working spaces in a professional and comfortable setting, at affordable prices. Offering individual 'plug-in and play' hot-desks and larger flexible business spaces, the service features state of the art technology together with the capability of hosting meetings, events, seminars, workshops or other medium sized events.

In 2017, with the acquisition of Church Resources, our second flexible co-working space was established at 9 Help Street, Chatswood in Sydney's busy North Shore business hub, again providing flexible hot-desks and offices together with well-appointed flexible office spaces and meeting rooms.

Our services now include all levels of electronic media and video conferencing with free Wifi, competitively priced printing, copying and scanning services, all available on a daily, weekly or monthly basis in both Victoria and New South Wales. We are pleased to highlight a number of strategic changes to our flexible office business:

- A detailed Business Plan for the future development of the program as a 'core revenue driver' for Procurement Australasia has been completed and endorsed by the Board.
- A strategic decision has been made to build a core business known as 'Space Station Flexible Co-working' as a brand of Procurement Australasia.
- Negotiations are well advanced to secure further Melbourne CBD office accommodation to establish a second Space Station Co-working site in Melbourne's CBD.
- An interim assessment of office areas has been completed with the view to establishing another co-working space in Sydney's CBD.









1/2/3 **The Members' Lounge** offers members and a guest with a comfortable and professional environment suitable for a relaxing, quiet and private get together. Providing mixed seating arrangements, the members' Lounge features all the desired attributes of a business-focused lounge including complimentary Wi-Fi, tea, coffee, fruit and the daily newspapers.

Free for members and one guest, a separate small meeting room can be pre booked if more than one guest accompanies a member. Pop in and pay us a visit, we are open Monday to Friday.

4 **Industry conference** CIPS Australasia Conference & Supply Management Awards.

CAPITAL CITIES PROCUREMENT NETWORK

This Network links procurement leaders from Australia's Capital City Councils to establish a clear understanding of local Government procurement capabilities and identify strengths and improvement opportunities.

Some of the procurement sector's most senior experts got together during the year to network and share specialist knowledge in the areas of procurement and supply chain skills. Highlights from the year include:

— An in-depth presentation by Peter Morichovitis on the Gold Coast 2018 Commonwealth Games' Procurement Journey during which he highlighted the value of this type of event infrastructure in a local Government environment. Covering the event's lengthy seven year planning process, Peter discussed the influence 71 competing nations had on establishing and staging the event, and the overall impact of the event. He also talked about the significant legacy the Games and its infrastructure would leave for the Gold Coast in venues, transport and public infrastructure, and the role the new procurement agency, GOLDDOC, had in making the event successful.

— A presentation by Ravin Balendran from the City of Melbourne addressing the development and preparedness of the 'Future State' of the City of Melbourne and its focus on category-management and strategic contract-management.

— A presentation by Carol Wilson from the City of Adelaide and her vision for transition onto a digital Smart City platform. Carol presented a broad cross-section of new and developing technology across all levels of potential local government operations, including smart-parking, smart-public waste, and smart-traffic to name a few. Carol outlined how the City of Adelaide was utilising her services as a Brand Ambassador to focus on Council's community to uncover insights into how the digital revolution could assist the local community and Council deliver a 'smarter community program'.

— A presentation by Ian Rudgley of the City of Sydney Procurement Office in relation to the Council's Indigenous procurement journey – what has worked and what hasn't and what needs to be done in the future to simplify and make it easier for first-Australians to increase their business in the local Government arena. Ian drew attention to the need for advanced cultural awareness training within councils, greater engagement with agencies like FACCI and Supply Nation, and the need to simplify (procurement) templates to ensure Indigenous businesses have a fairer opportunity to be accepted as part of the local Government procurement process.

Network membership comprises representatives from most Capital City Council's in Australia – City Of Melbourne, City of Darwin, City of Adelaide, City of Gold Coast, Brisbane City Council, Sunshine Coast Council, City of Hobart and City of Sydney.

INDIGENOUS & GOVERNMENT PROCUREMENT ENGAGEMENT

Since launching our Indigenous Procurement Policy in 2017, Procurement Australasia continues to develop and strengthen its relationship with the Indigenous business community. Highlights of the year were:

— Securing membership of Supply Nation for both our Procurement Australia and Church Resources brands, and preparing future strategies to support Supply Nation members secure more quality business across local Government and the not-for-profit sectors.

— Working with our Aboriginal & Torres Strait Island members towards membership of FACCI (First Australians Chamber of Commerce & Industry).

— Developing our business model to work within the Federal Government's Indigenous Procurement Policy (IPP) framework to assist our Indigenous partners understand how to best access the Commonwealth's annual multi-billion dollar procurement spend and assist in driving demand for Indigenous goods and services.

— The inclusion of DCFM Blue Sky Constructions into our Facilities Maintenance offer to members as a fully IPP-compliant business delivering routine and emergency maintenance on a national scale to our members.

INSURANCE

Insurance tenders were quiet in 2018 due to the long-awaited July release of the Victorian Auditor General's Office report on Local Government insurance risks, the local elections in South Australia, and the general adverse global insurance market conditions.

InsureRight, however, oversaw insurance tenders for City of Greater Dandenong and Benalla Rural City Councils, resulting in broader, more tailored coverage along with enhanced insurance broker services.

In preparation for the 30 June 2019 insurance renewal season, presentations to Councils have taken place nationally, most notably in Western Australia and Victoria, with more than 40 review proposals issued and 10 Councils officially engaging us to undertake this work, commencing before year end.

Better coverage and services for Victorian rural council following insurance review.

Seeking a broker and insurance coverage review, a Victorian rural council engaged InsureRight, Procurement Australia's risk management and insurance division, in the lead up to the 2018 insurance renewal.

The Council required an independent expert's services and support as part of an internal corporate governance review to help ensure their insurance and risk management protocols were not only appropriate but also represented best practice, and complied with the Victorian Auditor General's Office recommendations.

Council sought to explore both the adequacy and cost effectiveness of their existing risk management and insurance arrangements, and to test the relationship and services provided by their incumbent intermediary.

The InsureRight team managed a bespoke Request for Proposal (RFP) tender process for the provision of insurance broking and risk management services tailored to meet the unique and diverse needs of the Council.

The RFP process focused on a wide range of key servicing criteria prioritised by Council, bringing about detailed proposals from a select panel of suitably qualified brokers, including the largest brokers nationally and globally.

Following InsureRight's detailed appraisal of each RFP response, which included broker presentations from the client's preferred applicants, Council opted to split their insurance program between their incumbent broker and a new provider.

Ultimately, the competitive tension generated by the RFP's process not only helped Council secure cost savings but also resulted in improved coverage conditions.

Other great benefits included a number of additional risk advisory and specialist consulting services (e.g. insurable risk profiling and gap analysis studies, loss limit validation etc.) provided by their newly appointed broker at a discounted rate.

Moreover, InsureRight's team was also able to work with Council and their appointed brokers to ensure a more open, transparent working relationship, thereby eliminating any potential or perceived issues in terms of broker advocacy or support.

'Procurement Australia is working to ensure members' interests are always met. By helping you procure the best risk management and insurance services for your needs.'



1 **Joe Arena,** Procurement Australasia Chief Executive Officer presenting at the Insurance Briefing Breakfast.

CHARTERED INSTITUTE OF PROCUREMENT & SUPPLY (CIPS)

In October 2018, following more than two years of preparation, detailed submission response drafting, and review stages conducted by CIPS locally and in London, we very proudly received formal advice that Procurement Australia was awarded the CIPS Procurement Excellence Standard from CIPS' Awarding Body.

This Standard comprises a number of standards and covers five dimensions: Leadership & Organisation, Strategy, People, Processes & Systems, and Performance Management.

CIPS is the world's largest professional body serving over 200,000 Procurement and Supply professionals in over 150 countries. It sets the global standard in Procurement and Supply management and is an awarding organisation recognised by regulatory authorities. CIPS assists businesses globally to excel in Procurement and Supply, supporting them to improve and deliver results, and raise standards.









CIPS Certificate presentation ceremony.

CIPS
CORPORATE
CERTIFICATION
Standard Award
Number: 0434 – Valid to: 10/2021

'Our business and its processes are now formally recognised by accreditation to two independent global standards – CIPS and ISO 9001-2015 – an achievement the whole company should be proud of.'

Joe Arena — Chief Executive Officer, Procurement Australasia Ltd.

‘Achievement of this Standard is very rewarding, both personally and for the company, and follows a significant investment of time over the past two plus years.’

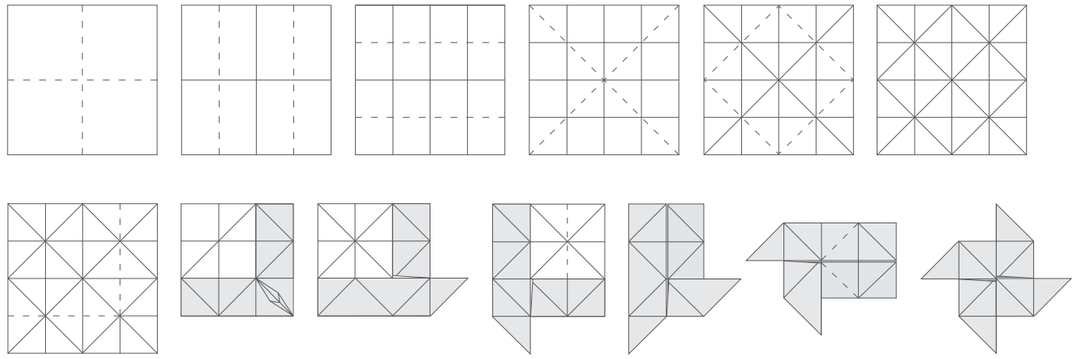
Brendan Hoare
— Director Strategic Sourcing,
Procurement Australasia Ltd.





We really get energy

We get collaboration, insurance, energy, books, procurement, recruitment, renewables, consulting, better contracts, expert advice, direct access, collaboration, insurance, energy, books, procurement, recruitment, renewables, consulting, better contracts, expert advice, direct access, collaboration, insurance, energy, books, procurement, recruitment, renewables, consulting, better contracts, expert advice, direct access, collaboration, insurance, it.



DIY SMALL SCALE RENEWABLE POWER WINDMILL

1 Using the square of paper opposite, folding it in half (both left-to-right & top-to-bottom) and unfold.

2 Fold the left and right edges to the middle crease of the paper to create 2 vertical creases and unfold.

3 Do the same with the top and bottom edges to create 2 horizontal creases and unfold.

4 Create a X-shaped crease by folding the paper diagonally and unfolding again.

5 Flip the paper over and fold the four corners towards the center of the paper, then unfold and turn the paper over.

6 Refold the bottom horizontal and right vertical crease (1/4 distance of the page) at the same time. This should create an extra flap of paper on the bottom right corner.

7 With the extra flap, fold it to the right to create a triangle pointing to the right.

8 Rotate the paper 90 degrees clockwise so that the triangle is now pointing to the bottom.

9 Repeat the process and fold the right edge to the middle to create the extra flap and fold to the right

10 Rotate the paper clockwise again.

11 Fold the right edge to the middle which should now create 2 extra flaps. With the bottom flap, fold to the right and the top flap, fold to the top.

12 Enjoy your small scale renewable power windmill.

PROCUREMENT AUSTRALIA

Over the year our focus remained on the important Energy category. This contract (gas, electricity and public lighting) is Procurement Australia's largest member use contract with around 170 members currently enjoying this aggregated procurement product's benefits.

This year we have completed:

1 Confirmed and communicated our energy category product strategy, developed in response to member requirements and the country's gradual progression towards renewable generation electricity.

The strategy comprises three energy products that will be available from 1 July 2020 for member use in any one product or any combination of products.

The three products are:

- A traditional fixed price fixed term product
- Progressive Procurement methodology for large market electricity
- A large scale renewable generation source Power Purchase Agreement, accommodating all electricity classes.

2 A re-tender of the traditional fixed price fixed term energy portfolio product.

3 The transfer of more than 6,000 meters to a new energy retailer, following the traditional fixed price term re-tender.

4 The conduct and awarding of two tenders for the new Progressive Procurement methodology electricity product, the energy flow for which commenced for committed members from 1 July 2018.

5 Beginning the process and finalised the timetable to build the Power Purchase Agreement product via a series of member engagement and member commitment processes.

CHURCH RESOURCES

Church Resources also coordinates a large energy portfolio on behalf of its members and has around 11,000 meters under management nationally. This year we delivered new gas and electricity contract offerings for members in Queensland, New South Wales, Victoria and South Australia.

'We are very happy with our decision to join Procurement Australia. Since joining, our natural gas and electricity price has been significantly more favourable than previously achieved on our own. On top of this, the team is fantastic to deal with as well.'

Shane Mortlock — General Manager, Mortlock Hydroponics.

We'll help you get there

Our members and our community

SUSTAINABLE AND SOCIALLY RESPONSIBLE PROCUREMENT

For many years Procurement Australasia Ltd (formerly MAPS Group) has had an enviable history in compliance – by maintaining ISO9001 accreditation; by pledging to reduce greenhouse gas emissions through membership of the Victorian Government's Climate Change Pledge Program, TAKE-2 in 2017; and by being a member of Greenbizcheck.

Recently we have seen significant changes in how business views Corporate Social Responsibility (CSR) which is no longer about giving and donation programs but about procurement programs with the most positive environmental, social and economic impacts on a 'whole of life' basis.

Procurement Australasia remains committed to being at the forefront of procurement's CSR principles:

— Core Principle – Value for money
— Avoiding unnecessary consumption
— Reducing environmental impact
— Ensuring fair and ethical sourcing practices
— Fostering innovation.

This year, Procurement Australasia has begun working with its supply partners and others to develop an online solution to assist members determine, at a glance, compliance with sustainable and socially responsible procurement across our portfolio of business, building on a platform of compliance in the categories:

Climate Risk / Environment / Governance / Human Rights / Labour / Community / Fair Operating Practices / Financials / Consumer Issues

This activity is based on our objectives to ensure that, into the future:

— Members can manage, monitor and engage with our total supply chain
— Members can reduce costs through reporting and compliance efficiency
— Members can track and easily report risk
— We can be an industry leader in the field of corporate social responsibility, assisting our members and our supply partners in the same way.

TRAINING

Demand from members for ongoing learning remains strong and again this year Procurement Australia delivered a wide range of training sessions and seminars in Melbourne, Adelaide and Sydney, as well as in regional Victoria and New South Wales, including the Bass Coast and Goulburn Mulwaree Council.

As members continue to seek procurement-related learning opportunities, regional seminars will be continuing in the future along with our regular seminars in metropolitan centres.

TAKE2 – OUR PLEDGE TO REDUCE GREENHOUSE GAS EMISSIONS

Last year, we joined the Victorian Government's voluntary Climate Change Pledge program, TAKE2, delivered by Sustainability Victoria that aims to reduce greenhouse gas emissions and keep the global temperature rise to under two degrees.

TAKE2 enables all Victorians, including businesses, community groups, local governments, schools and individual to be part of Victoria's action on climate change. At this time more than 1,000 organisations are part of the TAKE2 network and have promised to take 110,000 actions to address climate change.

Our commitment to take action on climate change for Victoria, Australia, and the planet is strong. A number of our specific sustainability commitments can be viewed on the TAKE2 website www.take2.vic.gov.au

We are continuing to demonstrating our move towards a more environmentally successful outcome by saving energy, reducing waste through Cloud-based technology and, where possible, purchasing environmentally sustainable goods.

LET'S NETWORK SETS SUSTAINABILITY AS A KEY AGENDA ITEM

The Procurement Australia Let's Network group linking female procurement specialists around Australia, chaired by Procurement Australasia Board Director and City of Melbourne Councillor Susan Riley, has made sustainability a regular agenda item where possible at meetings held this year.

As a result, Sustainability Victoria representatives often attend, discussing a variety of sustainability issues in relation to procurement, and update members on the Victorian Government Recycling Industry Strategic Plan.

QUALITY MANAGEMENT SYSTEM AGAIN GETS ISO 9001 CERTIFICATION

Our ISO 9001-2015 certification for our Quality Management System (QMS) was successfully extended during the year following SAI Global's audit of Procurement Australasia Ltd.

Conducted to determine the Group's ongoing compliance with ISO 9001-2015 and its QMS, and our ability to achieve continual improvement, the audit considered all of Procurement Australia's policies and processes and followed SAI Global's processes which reflect international audit standards driven by ISO/IEC 17021, ISO 19011 and other criteria.

The audit revealed that Procurement Australia's QMS was integrated into the organisation's business processes, adapted when there had been changes, and was providing value to the business, and that it is effective in ensuring organisational objectives can reasonably be achieved.

ISO 20400 INTERNATIONAL SUSTAINABLE PROCUREMENT STANDARD

The last financial year has seen Procurement Australasia take further steps towards meeting the requirements of Sustainable Procurement Standard ISO 20400, the first international standard on sustainable procurement. Working with a selected partner, Procurement Australasia is developing an online platform which will allow our members to quickly search online for the status of all Procurement Australia and Church Resources suppliers in regard to compliance with Climate Risk, Governance, Human Rights, Labour, Environment, Fair Operating Practises, Consumer Issues and Community.

Working with Sustainability Victoria, Procurement Australia is still seeking to take an industry lead and act as a sustainable procurement role model for all Australian organisations to take up the challenge by complying with the standard.

ISO 20400 provides a global best practice framework for sustainable procurement and is vitally important considering procurement's economic, social and environmental impacts, and the challenge of procuring sustainably. The standard aims to assist companies help them reduce their environmental impact, tackle human rights issues and manage supplier relations. Once our platform is live, our members will be able to extend it for their own compliance programs.

AGED CARE & DISABILITY

Both the aged care and the disability sectors have changed considerably since the introduction of Client Directed Care (CDC) under the National Disability Insurance Scheme (NDIS) in early 2010.

There are no longer pilot programs in this area and each sector faces significant challenges to organisations delivering the NDIS/CDC packages and the families delivering self-administered care.

This has brought the opportunity for Procurement Australasia to take a lead role in developing and providing aggregated savings via a digital platform to include foodservice, continence products, white goods and furniture and other technology related services. This is possible because of our bespoke online buying platforms, an advantage we are focused on taking full advantage of.

REFUGEE RESETTLEMENT PROJECT

Since joining the Procurement Australasia Group, Church Resources has continued to be a leading supporter of the Australian Governments Bulk Households Goods (BHG) Program supporting approved refugee families assimilate into compliant housing.

Having now provided white goods, furniture and other essential household items to refugee families for over three years, Church Resources has extended this service into becoming a Community Housing program to assist the disability, aged care and affordable housing sectors, incorporating housing establishment for families and competitive facilities maintenance services.

We are continuing to create even stronger ties within the not-for-profit sector. For example, we now have a partnership between Church Resources and the Centre for Social Purpose to establish a social-purpose buying-group for some of Australia's leading social-purpose organisations, including Heart Kids, Fred Hollows Foundation and Uniting. This is testament to our success in this competitive sector.

Our relationships with the Salvos (Salvation Army) in Victoria and Mission Australia in NSW continue to strengthen and new multi-million dollar relationships have been established this year with Vinnies (St Vincent de Paul Society) and the Australian Red Cross Society.

SPONSORSHIP

Women's Development

Procurement Australia is continuing its support of the LGPSA Forum in Adelaide and the LGPro Women's Development Forum in Melbourne. Additionally, Procurement Australia sponsored the Rural Women's Professional Development Scholarships supporting women in small rural Councils to attend the Women's Professional Development Forum and Women's Network Dinners.

Our Community

Procurement Australia was also proud to support Indigenous Business Australia (IBA) through a series of Indigenous Community Business Start-up meetings in our Bourke Street, Melbourne CBD head office.

A fundraising afternoon tea was held by staff in support of the McGrath Foundation and its work bridging the gaps in access to breast care nurses.

‘Red Cross Australia provide help and support to refugees, people seeking asylum, people in immigration detention and other people who are vulnerable as a result of migration.

Red Cross Australia’s migration programs and services protect and uphold the health, dignity and wellbeing of vulnerable migrants in Australia.

From the end of October, Red Cross will be helping more refugees in the ACT and southern NSW as they build their new lives in Australia.

The Humanitarian Settlement Program is a national program funded by the Australian Government to help refugees to establish themselves when they first arrive in Australia. Red Cross is funded by the Department of Social Services to deliver this program in ACT and surrounds. Red Cross Australia will be helping people to set up their new homes, helping people to learn about their new communities and helping people to connect to local services like Medicare, schools and other community services.

Through our partners such as Church Resources, Red Cross Australia also provide accommodation support for people when they first arrive.

Church Resources and Red Cross Australia entered into a contract to support the ‘Basic Household Goods Program’ for refugee and asylum seekers resettling in Australia.

Church Resources was well aware that not only would they be a supplier providing a range of quality white goods, electrical items, furniture and general household goods at a reasonable price, they would also be ambassadors for Red Cross in meeting the needs of refugees looking to start a new life in Australia.

Church Resources and Red Cross Australia have worked through the ever-changing needs of the program and through the aggregated buying power of Church Resources have shown some significant quality improvements in the products provided.

Partnering with Church Resources for this program has been beneficial due to their expertise in being able to deal with the logistical issues within the program due to the geographical coverage of the program along with being able to source quality product from local suppliers and provide value for money.’

Anthony Keyhoe —
National Procurement Manager,
Red Cross Australia.

‘Procurement Australasia through CR was able to not only secure a competitive market offer for the Church nationally, but was also prepared to assist in generating revenue for the Church.’

Marianne Yacoel —
Finance and Operations Manager,
Anglican Church of Australia.

We get ‘living our values’

NEW PEOPLE & CULTURE SERVICE

This is certainly an exciting time in our business as we continue to grow and deliver to both our people and our members.

Following our acquisition of Church Resources in 2017, and subsequent restructures in 2018, the need for development and delivery of a comprehensive in-house People & Culture framework was identified, not only to support current requirements but also to deliver for growth in line with Procurement Australasia’s long term Strategic Business Plan.

New Executive Manager, Annette Mackay CAHRI, joined Procurement Australasia in late May 2018 and our People & Culture Framework development is well underway, delivering strongly on employee Health & Wellbeing and developing a robust and engaging Employee Value proposition which is now identified and defined as:

‘People Matter’ — Living our Values.

With two brands – Procurement Australia and Church Resources – operating under parent company Procurement Australasia Ltd, one set of key values representative of our standard of behaviours towards each other, our members and supply partners was required.

NEW PROCUREMENT AUSTRALASIA VALUES

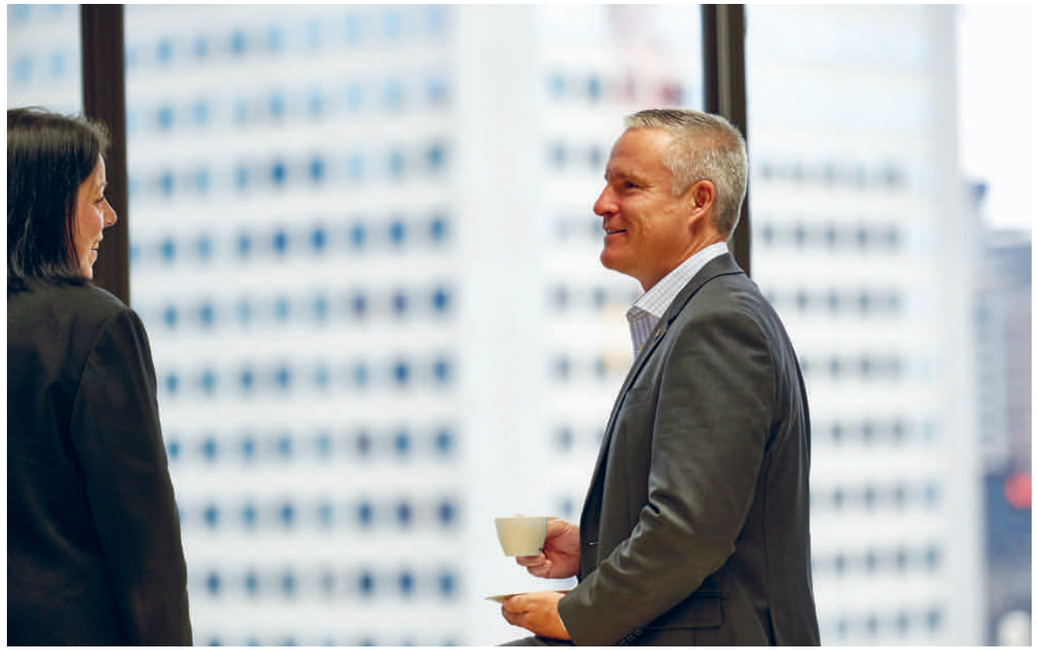
‘Ethical, Professional, Collaborative and Diverse — in everything we do.’

Development

These key values were developed in August through a collaborative workshop series involving volunteers from both brands nationally, and so are truly representative of our business and the standards we hold ourselves and colleagues to.

Implementation

A values statement to be incorporated in all position descriptions is under development, and presentations on the behavioural standards and expectations that sit under each value are being conducted. The values statement will be promoted on our websites for external branding purposes.









1 New Procurement Australasia Board Member, Tricia Klinger.

2 Procurement Australasia recognises; that parenting is a life altering responsibility and wishes to offer its employees maximum support when embarking on this wonderful and rewarding journey.

Under the Professional value, we have now developed a Dress Code Guideline booklet clearly outlining our expectations of how we present ourselves to each other and the wider business world. This initiative was launched across the business in November 2018, and includes a casual clothes Friday initiative with clear guidelines on corporate casual dress expectations.

There has been significant work done on a strong recruitment program with the view to attract top talent in every recruitment program we deliver. This was one of the key drivers behind developing a strong Employee Value Proposition as we compete against corporates to attract and retain top talent.

EMPLOYEE VALUE PROPOSITION

Initiatives

Professional Development is one of the key elements of our new employee attraction and retention strategy being developed. This is vital as all our people need the ability to deliver exceptional service and products to members.

A new Leadership Development program themed empowerment was recently launched at executive level and development of a competency framework for all business segments is now underway.

Health and Wellbeing Programs programs underpin a long term healthy workforce.

With this in mind, a series of awareness programs were delivered in October and November nationally. This involved seminars on “Performing at Your Peak” and “The Importance of Health” followed by free health checks for those opting in.

Following this, awareness programs are being rolled out nationally on matters of Mental Health, Men’s Health, Domestic Violence and other important subjects to raise awareness. Training for managers on how to manage mental health issues in the workplace is scheduled in early 2019.

A Health & Wellbeing subsidy for membership of subscriptions to exercise activities including Gym, Pilates, Yoga, Boot Camp and Personal training is now provided to all employees.

As part of our overarching Health & Wellbeing program, the first quarter of 2019 will see an annual Influenza vaccination program for those wishing to opt in.

Employees needed various forms of parental leave support during the year, saw the development of a Parental Leave program. Now implemented, the program includes a new Parental Leave gift to celebrate birth or adoption.

Another important element of our attraction and retention strategy is acknowledging key employee career milestones. These occur from a first year work anniversary through to 15 and 20 year anniversaries with Procurement Australasia Ltd.

Employer of Choice

If we are to achieve “Employer of Choice” status, we need to develop a strong People & Culture framework which encompasses all employee life-cycle touchpoints. This means being innovative in our initiatives, solutions and programs, and being agile enough to adapt to changes.

Getting to know us — the Board of Directors









1 **Ken McNamara.** 2 **Lydia Wilson.** 3 **Susan Riley.** 4 **Glenn Patterson.**

5 **Stephen Griffin.** 6 **Brendan McGrath.** 7 **Vijaya Vaidyanath.**

KEN MCNAMARA
CHAIR

CE, Dip CE, DipAppScTp, BAppScPlan, FIE (Aust), FIMM, FAICD
Appointed: 21st December 1992 / Appointed Chair: 1996 to 2007 and 21st February 2014 to present day / Chair of the Board, Chair of Finance & Governance Committee.

A founding Director of Procurement Australia, 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 and a member of Planning Panels Victoria. 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.

LYDIA WILSON

BA, BSW, GAICD, FAIM / Appointed: 26 February 2010.

Lydia has more than 28 years' experience at Senior Executive level in Local Government, including 13 years as Chief Executive Officer, most recently with the City of Manningham and previously with the City of Yarra and the Shire of Macedon Ranges. Lydia is the Managing Director of Lydia Wilson Consulting, a boutique consultancy practice specialising in executive leadership and management services including executive recruitment; coaching and performance reviews; Councillor support and development; and corporate governance.

Lydia has extensive Directorship experience having served on many Boards and Advisory Committees over the past 20 years, most notable being Sustainability Victoria (Chair and Deputy Chair), the Lord Mayor's Charitable Foundation, Destination Melbourne, Regional Development Australia (Chair), the National Health Ethics Committee and the National Women's Consultative Committee (Deputy Convenor). Lydia is the current Chairperson of the Banyule Employment Matters Advisory Committee, providing independent advice to the Council on all contractual matters relating to the CEO's employment. She is also the ministerially appointed independent Chair of the Integrated Water Management Forum for the Maribyrnong Catchment and, most recently, has been appointed to the Waterways of the West Ministerial Advisory Committee.

SUSAN RILEY
COUNCILLOR, CITY OF MELBOURNE

MAICD / Appointed: 18 September 2009.

Susan has extensive experience in local government having served three terms as Deputy Lord Mayor of Melbourne. In 2001 Susan was the first female Deputy Lord Mayor of Melbourne, and was elected as a Councillor in 2017. In 2015, Susan was recognised for her service to local government and received a Councillor Service Award through the Municipal Association of Victoria. In addition to experience in local government, Susan is a member of the Australian Institute of Company Directors. She has enjoyed a distinguished career spanning more than 25 years in the publishing and media industry. She is a Director of a city-based publishing company supporting local business, community networks and information exchange. Susan is a member of the Australian Intercultural Society Advisory Board and a member of the RMIT University School of Fashion and Textiles Advisory Group.

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. Appointed: 25 May 2015.

With 30 years' senior leadership experience, Glenn has been the City of Casey CEO since September 2018 having previously been CEO of Yarra Ranges Council for 10 years and CEO of Baw Baw and Colac Otway Councils. Glenn is a member of the Resilient Melbourne Strategy Steering Group. 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.

STEPHEN GRIFFIN
CHIEF EXECUTIVE OFFICER, STATE EMERGENCY SERVICE, VICTORIA

B.App Sc, DipEd, Grad Dip L.G, M.B Man / Appointed: 23 May 2014 – Member, Finance & Governance.

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

BRENDAN MCGRATH
CHIEF EXECUTIVE OFFICER, RURAL CITY OF WANGARATTA

B AppSc, PG Dip Business Management / Appointed: 25 September 2015.

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

VIJAYA VAIDYANATH
CHIEF EXECUTIVE OFFICE, YARRA CITY COUNCIL

MBA, MA (Economics) / Appointed: 23 May 2014 – Member, Finance & Governance Committee.

Vijaya Vaidyanath is the CEO of the City of Yarra in Melbourne. Prior to this role, Vijaya spent close to a decade as CEO at Waitakere City Council, a very large metro City in New Zealand and as the CEO of Rodney District Council 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 was the former Board Member of Bank of Baroda New Zealand, Massey University and Advisory Member of various Government Boards in New Zealand. She is a member on various Local Government Advisory Groups and 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.

Getting to know us — the Executive Team








1 **Joe Arena.**
2 **Mark Hopcroft.**
3 **Brendan Hoare.**
4 **Georgia Argyropoulos.**
5 **Annette Mackay.**
6 **Devraj Kanakappan.**

JOE ARENA
CHIEF EXECUTIVE OFFICER

MBA, BBus, GAICD, ASA, 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. Prior to joining Procurement Australia, Joe was Director, Financial Operations with La Trobe University, an organisation with an operating budget of more than $650m spread over five campuses. A specialist in fostering collaborative client relationships, Joe drives the development and implementation of Procurement Australia's strategic plan, ensuring the business has the right people, structure and systems in place to meet and exceed its business objectives and client expectations.

MARK HOPCROFT
DIRECTOR, MARKETING & COMMERCIAL SERVICES

Mark joined Church Resources in 2011, and became part of the Procurement Australasia executive team after divestment by the Church in 2017. Mark has extensive experience in Marketing, Property and Business Management from a background in Senior Management in Banking & Finance, Sourcing, Manufacturing and Distribution (FMCG) sector business. Mark has an eye for 'future innovation' through experience gained as executive director and shareholder of a large Australian third-party manufacturing business and some ground-breaking work in business reengineering and person centred approaches after joining the NFP sector in 2005.

BRENDAN HOARE
DIRECTOR, STRATEGIC SOURCING

BBus.

With a procurement career spanning more than 20 years, Brendan came to Procurement Australia in 2011 having held previous positions of Director, Strategic Procurement with University of Melbourne and prior to that, Procurement Director at Victoria's largest public health service, Monash Health (previously Southern Health). With solid operational and project management expertise involving diverse procurement portfolios, Brendan is responsible for Procurement Australia's strategic procurement, tender and contract functions, advisory consulting and commercial and contractual outcomes, pursuing greenfield categories and identifying expansion opportunities.

GEORGIA ARGYROPOULOS
EXECUTIVE MANAGER STRATEGY & MAJOR PROJECTS AND COMPANY SECRETARY

BA (Econ).

Georgia Argyropoulos is a skilled executive with extensive experience in the banking and logistics industries. Georgia began her career with the Commonwealth Bank where she spent more than 14 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 re-engineering. 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.

ANNETTE MACKAY
EXECUTIVE MANAGER, PEOPLE & CULTURE

CAHRI.

An accomplished leader specialising in Human Resource and Operations Management, Annette has led teams across a variety of functions and industries including insurance, travel, transport and professional services. She is committed to implementing business solutions that are technically, strategically and operationally strong. With an ability to blend strong people skills with HR and Learning and Development technical expertise, Annette is experienced in policy and systems development and has built HR divisions from inception within a best practice framework. Her competencies extend across all HR functions including management, finance, process reengineering, insurance management, work health and safety, risk, compliance and procurement. She is active within AHRI and is a past member of the National Safety Council of Australia, the Institute of Industrial Engineers and ANZIIF.

DEVRAJ KANAKAPPAN,
DIRECTOR OF 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 Ltd 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 cash flow and treasury functions. His well-honed skills enable him to contribute constructively to strategic business planning, contract governance and administration.





Getting to the pointy end

Directors' report

The Directors present their report together with the financial statements of Procurement Australasia Ltd ('the Company') for the year ended 30 September 2018 and the Auditors' Report thereon.

Directors

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

MR KEN MCNAMARA
C.E, DIP CE, DipAppSc Tp, BApp ScPlan, FIE (Aust), FIMM, FAICD
(Chair of Board of Directors)

Appointed: 21 December 1992.
Chair from: 1996 to 2007, and 21 February 2014 to present day
Town Planner Consultant Civil Engineer.

MS SUSAN RILEY
(Non-Executive Director)

Appointed: 18 September 2009
Councillor – City of Melbourne.

MS LYDIA C. WILSON
BA, BSW, GAICD, FAIM
(Non-Executive Director)

Appointed: 26 February 2010.
Practitioner at Lydia Wilson Leadership Development.

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 – Yarra City Council.

MR GLENN PATTERSON
Bachelor of Business (RMIT), Masters of Business (RMIT), Graduate Australian Institute of Company Directors
(Non-Executive Director)

Appointed: 29 May 2015.
Chief Executive Officer – Casey City Council.

MR BRENDAN MCGRATH
BAppSc, PG Dip Business Management
(Non-Executive Director)

Appointed: 25 September 2015.
Chief Executive Officer – Rural City of Wangaratta.

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:

	Directors' meetings		Finance & Governance Committee Meetings	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Mr. Ken McNamara	5	5	4	4
Mr. Stephen Griffin	5	5	4	3
Mr. Glenn Patterson	5	4	–	–
Ms. Susan Riley	5	5	–	–
Ms. Vijaya Vaidyanath	5	5	4	4
Ms. Lydia Wilson	5	3	–	–
Mr. Brendan McGrath	5	4	–	–

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 course of the financial year were the establishment of general supply contracts and Procurement consultancy services.

REVIEW OF OPERATIONS

Financial Results

The financial results for the company include the consolidated financials for Procurement Australia and Church Resources brands. The revenue and expenses figures include full year operations of Church Resources brand, in the previous year the figures were from the post-acquisition period (9th June 2017 to 30th September 2017).

The operating profit for the year ended September 30, 2018 attributable to the members of Procurement Australasia Limited was $3,161,540 (The result for the year ended 30 September 2017 was a profit of $815,835). A substantial portion of the operating profit was due to a non – recurring Energy Contract Access fees amounting to $1,763,881.

Revenues

Total revenues from ordinary activities were $18,413,926 ($10,007,691 year end 30th Sep 2017). This increase in revenue was significantly driven by changes in the different revenue streams.

— Increase in Trading Sales amounting to $5,128,270 ($943,203 in FY 2017)
— Rebate Revenue increased to $8,260,937 ($5,261,908 in 2017)

Rebates from Contracts

Rebate revenue from contracts across both brands accounted for 44% of total revenue in 2018 (53% in 2017).

Trading Sales

Trading Sales accounted for 28% of total revenue in 2018 (9% in 2017).

Conferences

For the year ending September 2018, the company held the fourth of the new 'One Day' conferences. This was a successful event with strong engagement opportunities with stakeholders, delegates, suppliers and importantly sponsors. The event was held again at the Melbourne Convention and Exhibition Centre.

Expenditure

Expenditure increased to $15,252,386 ($9,191,856 in 2017). The increase was significantly driven by:

— Employee costs increased to $4,763,563 ($3,535,123 in 2017) due to appointment of new positions and full year employee costs of the Church Resources brand
— Cost of Sales for generating revenue from trading sales amounted to $4,874,058 ($902,186 in 2017)

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 29 cents per share amounting to $115,090 in respect of the year ended 30 September 2018 was declared (18 cents for 30th Sep 2017 totalling $71,435). The 2017 dividend was remitted to shareholding members on 17 December 2017.

State of Affairs

During the course of the year the Company made no issue of ordinary shares. 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 affect significantly 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 84 and forms part of the Directors' Report for the year ended 30 September 2018.

Likely Developments

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

Directors' Interests and Benefits

During the year ended 30 September 2018 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 2018, no Director of the Company had any personal interest in the Company. Some Directors held shares in trust for their respective employer organisations.

Indemnification and Insurance of Directors and Officers

Indemnification:

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

Insurance:

The Company has paid premiums for Directors' and Officers' Liability and Corporate Reimbursement Insurance for current Directors and Officers of the Company.

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

Signed in accordance with a resolution of the Directors:



Ken McNamara (Chair of Board of Directors and Finance & Governance Committee)
Dated at Melbourne this 14th Day of December 2018.

Financial report

Independent Auditor's Report

To the Directors of Procurement Australasia Ltd

Opinion	I have audited the financial report of Procurement Australasia Ltd (the company) which comprises the: • statement of financial position as at 30 September 2018 • statement of comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • Declaration by Directors. In my opinion the financial report is in accordance with the *Corporations Act 2001* including: • giving a true and fair view of the financial position of the company as at 30 September 2018 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Directors' responsibilities for the financial report	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 *Corporations Act 2001*, 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. 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors • conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
19 December 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Directors, Procurement Australasia Ltd

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

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

Independence Declaration

As auditor for Procurement Australasia Ltd for the year ended 30 September 2018, 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
19 December 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Statement of comprehensive income

for the year ended 30th September 2018.

	Notes	2018 $	2017 $
Revenue from Ordinary Activities			
Revenue from Ordinary Activities	2	18,413,926	10,007,691
Expense from Ordinary Activities			
Expense from Ordinary Activities	3	15,252,386	9,191,856
Profit for the year		**3,161,540**	**815,835**
Other Comprehensive Income		–	–
Total Comprehensive Income		**3,161,540**	**815,835**

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of financial position

for the year ended 30th September 2018.

	Notes	2018 $	2017 $
Assets			
Current Assets			
Cash and cash equivalents	5	5,833,705	2,745,498
Trade and other Receivables	6	2,312,354	1,966,854
Inventories	7	5,236	2,082
Other Assets	8	199,194	172,294
Total Current Assets		**8,350,489**	**4,886,728**
Non-Current Assets			
Plant & Equipment	9	698,429	867,959
Intangible Assets	10	1,355,099	1,414,372
Total Non-Current Assets		**2,053,528**	**2,282,331**
Total Assets		**10,404,017**	**7,169,059**
Liabilities			
Current Liabilities			
Trade and other Payables	11	1,511,611	1,398,790
Provisions	12	571,908	535,232
Total Current Liabilities		**2,083,519**	**1,934,022**
Non-Current Liabilities			
Provisions	12	117,171	78,160
Total Non-Current Liabilities		**117,171**	**78,160**
Total Liabilities		**2,200,690**	**2,012,182**
Net Assets		**8,203,327**	**5,156,877**
Equity			
Contributed Capital	13a	403,862	403,862
Retained Earnings	13b	7,799,465	4,753,015
Total Equity		**8,203,327**	**5,156,877**

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

Statement of changes in equity

for the year ended 30th September 2018.

	Notes	Contributed capital $	Retained earnings $	Total $
Balance at 01 October 2016		403,862	4,008,615	4,412,477
Profit for the year		–	815,835	815,835
Dividends paid /or provided for	13c	–	(71,435)	(71,435)
Balance at 30 September 2017		403,862	4,753,015	5,156,877
Profit for the year		–	3,161,540	3,161,540
Dividends paid /or provided for	13c	–	(115,090)	(115,090)
Balance at 30 September 2018		**403,862**	**7,799,465**	**8,203,327**

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

Statement of cash flows

for the year ended 30th September 2018.

	Notes	2018 $	2017 $
Cash flows from operating activities			
Receipts from Customers		17,973,962	9,585,590
Interest Received		93,681	71,770
Employee Salaries and Benefits		(4,687,876)	(3,548,061)
Payments to Suppliers		(10,087,541)	(5,040,044)
Net cash flows from operating activities	14a	**3,292,226**	**1,069,255**
Cash flows from investing activities			
Net receipt from Term Deposit		–	488,485
Payment for acquisition in a Business combination		–	(1,176,528)
Purchase of Plant & Equipment		(26,729)	(32,890)
Payments for Intangibles		(62,200)	(2,969)
Proceeds from Sale of Plant & Equipment	4	–	681
Net cash flows from investing activities		**(88,929)**	**(723,221)**
Cash flows from financing activities			
Dividends paid	13c	(115,090)	(59,529)
Net cash flows from financing activities		**(115,090)**	**(59,529)**
Net increase in cash held		**3,088,207**	**286,505**
Cash and cash equivalents at 1st October 2017		**2,745,498**	**2,458,993**
Cash and cash equivalents at 30th September 2018	5, 14b	**5,833,705**	**2,745,498**

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

Notes

to the Financial Statement for the year ended 30th September 2018.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements are for Procurement Australasia Ltd (the company), an individual entity 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 company changed its name from MAPS Group Ltd to Procurement Australasia Ltd on 2nd March 2018.

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 entity for financial reporting purposes under Australian Accounting Standards.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS"). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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) Trade and other Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

(c) Plant and Equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value 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 9 Plant and Equipment.

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

For the accounting policy on impairment of non-financial physical assets, refer to impairment of assets under Note 1 (n) 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
Plant & Equipment	20-33%	S/L

Rates used are consistent with prior year.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the company (but not the legal ownership) are classified as finance leases. Finance leases are capitalised, recording as asset value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

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

(i) 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.

(j) Revenue recognition

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Sales to the company members not reported by suppliers at balance date are used as a base for the accrual of rebate revenue.

(k) Comparative Information

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

(l) Financial Instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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:

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.

Loans and receivables

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

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income.

Financial liabilities

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

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.

Impairment

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

(m) 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.

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

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

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

The amount of goodwill recognised on acquisition of each subsidiary 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 acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's 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 consolidated 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 entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(n) 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 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

(o) Other Intangibles

Research & Development

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

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(p) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) Fair Value of non-financial physical assets

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

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

(ii) Accrual of rebate revenue

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

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

Key judgements

(i) Impairment

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

With respect to cash flow projections for cash-generating units, growth rates of 10% have been factored into valuation models for the next five years on the basis of management's expectations regarding the Company's continued growth. Cash flow growth rates of 5% subsequent to this period have been used as this reflects historical averages. Discount rates of 15.31% 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) Provision for impairment of receivables

At the end of the reporting period, the Directors assesses whether any amounts included in trade receivables include amounts receivable which may be non-collectible. While there is some inherent uncertainty in relation to the recoverability of receivables generally, owing to the good credit history of the Company's clients, the Directors believe that majority of the receivables will be recovered, and a small impairment provision has been made as at 30th September 2018 (2017: Nil)

(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.

(q) 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.

(r) New Accounting Standards for application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

– AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(s) 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 15 Capital & Leasing Commitments at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(t) Events After the Reporting Period

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

(u) 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 18 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: REVENUE

Revenue from Operating Activities	2018 $	2017 $
Sales Rebate Revenue	8,260,937	5,261,908
Energy Contract Access Fees	1,763,881	–
Trading Sales	5,128,270	943,203
Tenders Online	20,792	31,644
Awards Dinner and Conference	110,098	163,590
Forums & Seminars Revenue	31,060	28,702
Consultancy Income	2,384,993	2,860,356
OneCard Fuel & Management Fee Revenues	172,028	180,824
Rental Income	390,015	326,392
Interest	93,681	71,770
Sundry Revenue	58,170	139,302
Total Revenue from Ordinary Activities	**18,413,926**	**10,007,691**

NOTE 3: EXPENDITURE

	2018 $	2017 $
Employee Expenses	4,763,563	3,535,123
Depreciation Plant & Equipment	192,324	166,029
Amortisation of Intangible Assets	121,473	97,959
Leasing Rent and Outgoings	700,159	407,303
Promotional Activities	507,864	234,922
Doubtful Debt Provision	783	–
Auditors Remuneration – Audit Services (Refer Note 16)	18,500	21,600
Awards Dinner and Conference	121,487	117,075
Business Development	3,315	18,963
Printing Postage Stationery	30,605	31,053
Travel Accommodation and Entertainment	238,755	220,187
Computer	372,728	290,143
Insurance	38,633	24,806
Utilities and Maintenance	38,281	19,321
Incidentals	266,704	344,168
Financial Legal Secretarial	43,690	143,902
Directors' Fees	238,701	139,015
Loss on Sale / disposal of Fixed Assets (Refer Note 4)	3,935	–
Consultancy Fees	667,434	326,187
Consultancy – Purchases	2,009,394	2,151,914
Trading Sales – Cost of Sales	4,874,058	902,186
Total Expenses from Ordinary Activities	**15,252,386**	**9,191,856**

NOTE 4: SALE OF NON-CURRENT ASSETS

	2018 $	2017 $
Non-Current Assets – Sales with Profit		
Proceeds from Disposals of Assets	–	681
Less: Written-Down Value of Assets Sold	(3,935)	(681)
Loss returned on sale of Non-Current Assets	(3,935)	–
Net Gain (Loss) on Disposal	**(3,935)**	–

NOTE 5: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash on Hand and at Bank	1,173,098	563,695
Short Term Deposit	4,660,607	2,181,804
	5,833,705	**2,745,498**

Short Term Deposits have an effective interest rate of 2.65% and an average maturity of 3 months (2017: 2.34% and 3 months).

NOTE 6: TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Trade debtors	1,479,491	1,122,432
Accrued Revenue	833,646	844,421
Less Provision for Impairment of Receivables	(783)	–
Total receivables	**2,312,354**	**1,966,854**

NOTE 6(a): PROVISION FOR IMPAIRMENT OF RECEIVABLES

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.

Movement in the provision for impairment of receivables is as follows:

	Opening balance 1/10/17 $	Change for the year 2017-18 $	Amount written-off 2017-18 $	Closing balance 30/09/18 $
Current trade receivables	–	783	–	783
	–	783	–	783

	Opening balance 1/10/16 $	Change for the year 2016-17 $	Amount written-off 2016-17 $	Closing balance 30/09/17 $
Current trade receivables	–	–	–	–
	–	–	–	–

There are no balances within trade or other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

NOTE 7: INVENTORIES

	2018 $	2017 $
Stock in Trade	5,236	2,082
	5,236	2,082

NOTE 8: OTHER ASSETS

	2018 $	2017 $
Deposits	2,251	–
Prepayments	196,943	172,294
	199,194	172,294

NOTE 9: PLANT & EQUIPMENT

	2018 $	2017 $
Fair Value		
Plant & Equipment	1,125,226	1,116,027
Less Accumulated Depreciation	(426,798)	(248,068)
	698,429	867,959
Total Plant & Equipment at Fair Value	**698,429**	**867,959**

Fair Value Measurement Hierarchy for Assets as at 30 September 2018

	Carrying amount as at 30 Sept 18	Fair Value measurement at end of reporting period using: Level 1	Level 3	Level 3
Plant and equipment at fair value				
Plant and equipment	698,429	–	–	698,429
Total of plant, equipment and vehicles at fair value	**698,429**	**–**	**–**	**698,429**

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 September 2018.

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

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

Level 3 Tangible Assets – identified as:
Assets whose valuation techniques for which the lowest level input that is significant to the fair value measurement are unobservable.

	Plant & Equipment $ 2018	Plant & Equipment $ 2017	Total $ 2018	Total $ 2017
Opening Balance	867,959	868,076	867,959	868,076
Additions	26,729	32,890	26,729	32,890
Acquired in a Business Combination	–	133,703	–	133,703
Disposals	(3,935)	(681)	(3,935)	(681)
Transfers	–	–	–	–
Depreciation (see note 3)	(192,324)	(166,029)	(192,324)	(166,029)
Closing Balance	698,429	867,959	698,429	867,959

Description of significant unobservable inputs to Level 3 Tangible Asset valuations:
There have been no changes to inputs of ranges since the prior year.

	Valuation Technique	Significant Unobservable Inputs	Range / Cost (weighted average)	Sensitivity of Fair Value measurement to changes in Significant Observable Inputs.
Plant & Equipment	Depreciated replacement cost	Cost per unit $	240 to 20,000 (average 4,330 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant & equipment	3 to 5 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

NOTE 10: INTANGIBLE ASSETS

	2018 $	2017 $
Computer software, website and branding:		
At Cost	1,113,453	1,051,253
Accumulated Impairment Losses	(482,437)	(482,437)
Accumulated Amortisation	(497,581)	(376,108)
Net Carrying Value	133,435	192,708
Goodwill:		
At Cost	1,221,664	1,221,664
Accumulated Impairment Losses	–	–
Net Carrying Value	1,221,664	1,221,664
Total intangible assets	1,355,099	1,414,372

Reconciliation of Carrying Amounts:

	Customer Relationship Mgmnt Software System		Online Contract "Lookup" Software System		Goodwill	
	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017
Opening Balance	**66,618**	**76,043**	**42,612**	**71,014**	**1,221,664**	**–**
Additions	–	2,970	–	–	–	–
Acquired in a Business Combination	–	16,708	–	–	–	1,221,664
Disposals	–	–	–	–	–	–
Transfers	–	–	–	–	–	–
Impairment Provision	–	–	–	–	–	–
Amortisation (see note 3)	(35,908)	(29,103)	(28,402)	(28,402)	–	–
Closing Balance	**30,710**	**66,618**	**14,210**	**42,612**	**1,221,664**	**1,221,664**

Note: The above customer relationship management and online contract lookup systems were commenced August / September 2015 respectively.

Development of the Customer relationship management system and online contract lookup system were completed in September 2016 and April 2016, and hence the assets have been amortised from the respective completion dates.

Reconciliation of Carrying Amounts:

	Website & Branding		One Card Fuel Product		Total	
	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017
Opening Balance	**83,479**	**–**	**–**	**25,239**	**1,414,373**	**172,296**
Additions	62,200	–	–	–	62,200	2,970
Acquired in a Business Combination	–	98,694	–	–	–	1,337,066
Disposals	–	–	–	–	–	–
Transfers	–	–	–	–	–	–
Impairment Provision	–	–	–	–	–	–
Amortisation (see note 3)	(57,162)	(15,215)	–	(25,239)	(121,473)	(97,959)
Closing Balance	**88,517**	**83,479**	**–**	**–**	**1,355,099**	**1,414,372**

Impairment assessment of goodwill.

The carrying amount of goodwill is allocated to cash-generating units (CGUs) (being the relevant operations to which goodwill relates), which represent the lowest level at which goodwill is monitored by management. No impairment has been recognised in respect of goodwill for the year ended 30 September 2018. The key assumptions used in calculating the recoverable amount include current revenues derived by the Company from the operations of Church Resources, less rebates plus the residual profits of CGUs accruing to the Company. In calculating the value in use, cash flows over a 5-year period have been discounted at 15.31%. A growth rate of 10% has been assumed in the forecasts.

NOTE 11: PAYABLES

	2018 $	2017 $
Trade Creditors	882,171	633,322
Security Deposit	14,001	9,450
Accrued Expenses	262,906	434,991
PAYG and GST Payable	206,801	208,504
Superannuation	30,642	41,088
Dividends Payable	115,090	71,435
	1,511,611	**1,398,790**

NOTE 12: PROVISIONS

Short Term	2018 $	2017 $
Accrued staff bonuses	148,336	128,610
Annual Leave	236,407	247,863
Long Service Leave – expected to be settled within 12 months	81,110	152,612
Unpaid FBT	6,055	6,147
Information Technology	100,000	–
Total	**571,908**	**535,232**
Long Term		
Long Service Leave – expected to be settled after 12 months	117,171	78,160
Total Provisions	**689,079**	**613,392**

NOTE 13: EQUITY AND RESERVES

(a) Contributed Equity		
396,862 (2017: 396,862) ordinary shares fully paid	403,862	403,862
(b) Retained Earnings		
Retained Earnings at the beginning of the year	4,753,015	4,008,615
Net Result for the year	3,161,540	815,835
Dividends Paid	(115,090)	(71,435)
Retained Earnings at the end of the year	**7,799,465**	**4,753,015**
(c) Dividends		
Dividends recognised in the current year by the Company are: 29 cents per share – (2017: final unfranked ordinary dividend - 18.cents).	**(115,090)**	**(71,435)**

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2018 $	2017 $
(a) Reconciliation of net cash used in operating result		
Profit from ordinary activities after income tax	3,161,540	815,835
Non-Cash Movements		
Depreciation	192,324	166,029
Amortisation	121,473	97,959
Doubtful Debts prov/(prov write back)	783	–
Loss / (Gain) on disposal of non-current assets	3,935	–
Decrease/(Increase) in Receivables	(346,283)	(350,331)
Increase/(Decrease) in Payables	112,821	428,123
Decrease/(Increase) in Prepayments	(26,900)	(74,309)
Increase/(decrease) in inventories	(3,154)	(1,113)
Increase/(decrease) in provisions	75,687	(12,938)
Net Cash From Operating Activities	**3,292,226**	**1,069,255**
(b) Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash on Hand and at Bank	1,173,098	563,695
Term Deposits	4,660,607	2,181,804
Cash and Cash Equivalents	**5,833,705**	**2,745,498**

NOTE 15: CAPITAL AND LEASING COMMITMENTS

	2018 $	2017 $
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable		
not later than 1 year	594,247	574,402
later than 1 year but not later than 5 years	1,787,208	2,064,350
later than 5 years	–	252,909
	2,381,455	**2,891,661**

A seven-year lease has been signed for the Victorian and National offices on Level 18, Bourke Street, Melbourne, VIC 3000 whose expiry is set for 31st May 2023.

A license agreement has been signed for the NSW office at Level 5, 9 Help Street, Chatswood, NSW 2057 whose expiry is set for March 2021

(b) Capital Commitments

At 30 September 2018, the Company has no capital commitments.

NOTE 16: AUDITOR'S REMUNERATION

Amounts received, or due and receivable for auditing the accounts by:	18,500	21,600
– Victorian Auditor-General (External Audit)	**18,500**	**21,600**

NOTE 17: RELATED PARTY TRANSACTIONS

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

Mr Ken McNamara, Ms Susan Riley, Ms Lydia Wilson, Ms Vijaya Vaidyanath, Mr Stephen Griffin, Mr Glenn Patterson, Mr Brendan McGrath.

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.

	2018 $	2017 $
(b) Income paid or payable to Directors	215,169	124,748
No. of Directors whose income from the company was within the following bands:		
$1,000-$9,999	–	–
$10,000-$19,999	–	6
$20,000-$29,999	5	1
$30,000-$39,999	1	–
$40,000-$49,999	1	–
	7	**7**
(c) Amounts of a prescribed benefit given during the year by the company to a prescribed superannuation fund on behalf of Directors.	12,514	9,086
(d) Other Transactions of Responsible Persons and their Related Entities.	–	–
	–	–

The company did not make payments to other contractors charged with significant management responsibilities from 1st October 2017 to 30th September 2018.

(e) Executive Officers' Remuneration

The number of executive officers, other than responsible persons, whose total remuneration falls within the bands above $100,000 at 30 September 2018 are as follows:

Income band ($)	2018	2017
$100,000-$109,999	5	3
$110,000-$119,999	7	3
$120,000-$129,999	1	–
$130,000-$139,999	1	2
$140,000-$149,999	2	–
$160,000-$169,999	–	1
$180,000-$189,999	1	1
$190,000-$199,999	–	1
$200,000-$209,999	1	–
$210,000-$219,999	1	–
$250,000-$259,999	–	1
$260,000-$269,999	1	–
Total number of employees for the above bands	**20**	**12**
Aggregate remuneration for bandings above	**2,908,637**	**1,537,180**

NOTE 18: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Liabilities

Bank Guarantees related to Level 18, Bourke Road, Melbourne, Victoria 3000	97,366	97,366
Bank Guarantees related to Level 5, 9 Help Street, Chatswood, NSW 2067	198,952	198,952
Total Contingent Liabilities	**296,318**	**296,318**

There are no known contingent assets for the company.

NOTE 19: EVENTS OCCURRING AFTER REPORTING DATE

Since 30 September 2018 no matter or circumstance has arisen which has significantly affected, or which may significantly affect, the operations of the organisation or of a related entity.

NOTE 20: FINANCIAL INSTRUMENTS

a) Financial Risk Management

The entity'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 139 as detailed in the accounting policies to these financial statements, are as follows:

The main risks the entity is exposed to through its financial instruments are market risk, funding risk, interest rate risk, credit risk and liquidity risk.

Market Risk
The entity in its daily operations is exposed to a number of market risks.

Market risks relate to the risk that market rates and prices will change and that this will have an adverse affect on the operating result and/or net worth of the entity.

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

Interest Rate Risk
The entity has no long term borrowings, and so is not exposed to any borrowing interest rate risk.
The entity has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The entity manages its interest rate risk by maintaining a diversified investment portfolio.

Sharemarket Risk
The entity has no share portfolio, and so no sharemarket risk.

Foreign Exchange Risk
The entity has no exposure to changes in the foreign exchange rate

Other Price Risk
The entity has no significant exposure to Other Price Risk

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 entity'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 exposures
The entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Concentration of Credit Risk
The entity minimises concentrations of credit risk in relation to trade accounts receivable by not undertaking transactions with many customers due to the nature of the entity operations.

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 entity. 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 entity directly with agency contacts.

Liquidity risk

Liquidity risk is the risk of being unable to meet financial obligations as they fall due.

The entity manages liquidity risk by monitoring cash flows and ensuring that maximum funds are available for investment and payment of financial liabilities.

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

The entity's financial liability maturities have been disclosed at Note 20 (b).

b) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities.

Financial Instruments	Non-Interest-Bearing		Floating Interest Rate		Fixed Interest Rate Maturing In:						Total Carrying Amount Per Balance Sheet	
					1 year or less		1 to 5 years		Over 5 years			
	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017	$ 2018	$ 2017
Financial Assets												
Cash	–	–	1,173,098	563,695	4,660,607	2,181,804	–	–	–	–	5,833,705	2,745,498
Receivables	2,312,354	1,966,854	–	–	–	–	–	–	–	–	2,312,354	1,966,854
Total Financial Assets	**2,312,354**	**1,966,854**	**1,173,098**	**563,695**	**4,660,607**	**2,181,804**	**–**	**–**	**–**	**–**	**8,146,059**	**4,712,352**
Financial Liabilities												
Payables	1,511,611	1,398,790	–	–	–	–	–	–	–	–	1,511,611	1,398,790
Interest Bearing Liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities	**1,511,611**	**1,398,790**	–	–	–	–	–	–	–	–	**1,511,611**	**1,398,790**
Net Financial Asset/ Liabilities	**800,743**	**568,064**	**1,173,098**	**563,695**	**4,660,607**	**2,181,804**	–	–	–	–	**6,634,448**	**3,313,562**
Weighted average interest rate			1.0%	1.0%	2.7%	2.4%						

c) Market Risk on Financial Instruments

The objective of managing interest risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

Policy in managing the interest risk:
Interest risk is managed by monitoring the outlook for interest rates and holding cash in cheque and term deposits at three banking institutions.

Sensitivity analysis on interest risk:

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of financial markets, the entity believes the following movements are 'reasonably possible' over the next 12 months:

– A parallel shift of between -1+1 % and -1+1 % in interest rates from year-end rates

The following tables disclose the impact on net operating result and equity for each category of financial instrument held by the entity at year end as presented to key management personnel.

Interest Rate Exposure 2018	Current Rate (%)	Amount	Annual return at current rate	Rates move by:	
				-1% Possible effect Profit or loss	1% Possible effect Profit or loss
Financial Assets					
Cash at Bank	1.00%	1,173,098	11,730	(11,730)	11,730
Cash and cash equivalents	2.65%	4,660,607	123,506	(46,606)	46,606
Receivables	0.00%	2,312,354	–	–	–
Other Financial Assets	0.00%	–	–	–	–
Total Financial Assets		8,146,059	135,236	(58,335)	58,335
Financial Liabilities					
Trade creditors and accruals	0.00%	1,511,611	–	**1,511,611**	**1,398,790**
Interest Bearing Liabilities	0.00%	–	–	–	–
Total Financial Liabilities		**1,511,611**	**–**	**–**	**–**
Possible effect movement in interest income in profit or loss				**(58,335)**	**58,335**

Interest Rate Exposure 2017	Current Rate (%)	Amount	Annual return at current rate	Rates move by:	
				-1% Possible effect Profit or loss	1% Possible effect Profit or loss
Financial Assets					
Cash at Bank	1.00%	563,695	5,636	(5,636)	5,636
Cash and cash equivalents	2.34%	2,181,804	59,845	(21,818)	21,818
Receivables	0.00%	1,966,854	–	–	–
Total Financial Assets		4,712,352	65,481	(27,454)	27,454
Financial Liabilities					
Trade creditors and accruals	0.00%	1,398,790	–	–	–
Interest Bearing Liabilities	0.00%	–	–	–	–
Total Financial Liabilities		**1,398,790**	**–**	**–**	**–**
Possible effect movement in interest income in profit or loss				**(27,454)**	**27,454**

d) Fair Value Valuation

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

Financial instruments	2018		2017	
	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Financial Assets				
Cash and cash equivalents	5,833,705	5,833,705	2,745,498	2,745,498
Receivables	2,312,354	2,312,354	1,966,854	1,966,854
Total Financial Assets	8,146,059	8,146,059	4,712,352	4,712,352
Financial Liabilities				
Trade creditors and accruals	1,511,611	1,511,611	1,398,790	1,398,790
Interest Bearing Liabilities	–	–	–	–
Total Financial Liabilities	1,511,611	1,511,611	1,398,790	1,398,790

The fair value of instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the entity is the current bid price. Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at cost, which approximates 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 entity for similar financial assets.

Financial Statements

— year ended 30 September 2018

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 81 to 106 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 30th September 2018 and of the performance for the year ended on that date.

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



Ken McNamara,
Chair of Board of Directors and Finance & Governance Committee.

Dated this 14th day of December 2018.

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