

Application outsourcing services and BPO, particularly in the payroll arena, are exhibiting signs of significant positive growth.

**BUSINESS PROCESS  
OUTSOURCING  
AND APPLICATIONS  
MANAGEMENT**



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**Environment**

Shared services initiatives have become the new standard for delivery of corporate services in government and large corporations. Increasingly, the areas of corporate services, enterprise resource planning, and infrastructure and services are being consolidated across agencies and business units. The Queensland Government is now well advanced with the implementation of its Shared Services Initiative (SSI), and similar initiatives are also well established within the New South Wales, Victorian, ACT and South Australian governments. Similarly, large Australian corporates, such as Telstra and Australia Post, and multinationals such as Oracle Corporation and SAP have consolidated their delivery of corporate services.

The rationalisation within Queensland Government impacted CITEC revenues in the SAP hosting space. It also created considerable opportunity for very robust,

scalable infrastructure, data storage and support services as multiple diverse applications were consolidated. In-house ancillary services may not be cost justifiable for individual clients (such as business continuity and comprehensive archive solutions), but under SSI they become not only viable outsourcing options, but essential in order for the shared services provider to meet their service obligations to their clients. These are the key opportunities that CITEC can capitalise on in the future, and form part of our utility computing offering.

**Key Contracts and Initiatives**

This year, CITEC continued our strong performance within this business line. With the re-signing of the Federal Department of Family and Community Services and the Department of Transport and Regional Services in the ACT, CITEC maintained our record of 100% client retention. In addition, the Resources and Utilities vertical was successful in securing the contract with Queensland Alumina Limited for the provision of SAP hosting services. We have also seen a significant increase in the number of quality opportunities for SAP hosting services. CITEC is well positioned as the only Australian-owned SAP Certified Hosting Partner.

Throughout the year we continued to forge a strong relationship with Aurion Corporation. CITEC and Aurion are actively pursuing joint sales opportunities and ensuring that value is derived from the relationship through cross-marketing initiatives. In fact, every proposal submitted by Aurion includes content introducing CITEC and the services we offer. Similarly, CITEC proposals reference our relationship with, and the services offered by, Aurion Corporation.

**Outlook**

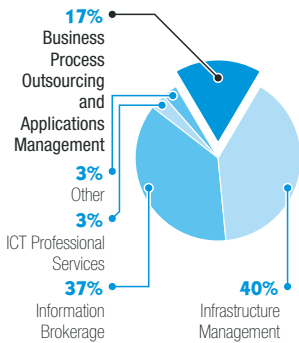
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CITEC will support existing clients through their consolidation and progressively pursue any other opportunities consolidation creates.

2003/04 is the year that CITEC will re-invigorate our market presence through our HR/Payroll services. Through partnerships with Spherion, Aurion Corporation and SAP, CITEC is well positioned to provide the full suite of HR/Payroll services, from infrastructure and operations, payroll and payments processing through to delivery of tactical HR services.

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**Revenue by Business Lines**  
Year ended 30 June 2003



CITEC staff »  
developing a  
solution for a  
client

