

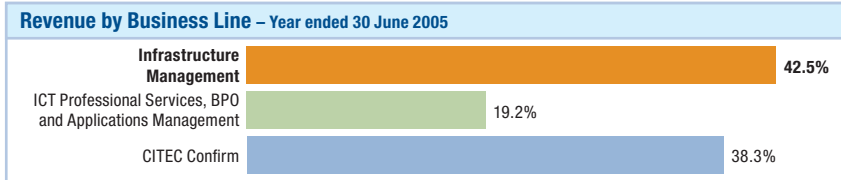
Operational Reports Business Lines

Infrastructure Management

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Phil Murray
Director, Infrastructure Management



Market Overview

In 2004/05 CITEC’s clients’ main concerns were about driving their technology dollars further. This was primarily achieved by improving the business efficiencies of existing technology rather than by making major new technology investments. Security and risk management remained significant issues, particularly given the increasing convergence of “attack methods” which makes combating security threats more complex. There is also a growing interest in compliance issues relating to data retention and storage.

Interest in a “pay-as-you-go” computing solution is building among our clients. CITEC launched its own utility computing solution in 2005 in the form of a major contract with Queensland Government shared service provider CorpTech. CITEC expects the level of interest in utility computing to grow in the coming year as the business benefits and significance of the CorpTech contract emerge.

The focus for CITEC’s Infrastructure Management division this year was on cementing its role as a supplier of industrial strength infrastructure and facilities management services and upgrading some of the key technologies which underpin this capability. This approach enabled the business line to deliver revenue of more than \$51 million, an increase from \$47 million in the previous year.

Key Contracts and Initiatives

CITEC’s three year contract with CorpTech ensured the Queensland Government remained Infrastructure Management’s largest client in 2004/05 while revenue from the resources and utilities and finance and legal sectors remained steady. Other significant business wins for the year included:

- a three year contract with Education Queensland to provide wide area network (WAN) management and call centre services;
- a five year contract with Xstrata Copper to manage its IP data network in Queensland and Argentina; and
- a multi-million dollar contract with Sydney Water to manage its WAN, provide Internet services, remote access and carrier services.

Improved Technology and Service Capability

Some of the key technologies underpinning CITEC’s product offerings were upgraded during the year while our service delivery capability entered a new era with the implementation of our integrated service management (ISM) system. New storage and backup infrastructure will provide expanded disaster recovery capability for our clients. Storage projects for 2004/05 included the implementation of a director switch at our Windsor data centre. This device is a hub component in the creation of a storage area network for open systems. In addition, new storage arrays were installed at CITEC’s primary site in Brisbane and the Windsor data centre providing the capability to deliver tier two open systems storage.

The StorageTek L700 tape library at the Windsor data centre was upgraded and a new StorageTek SL8500 modular library system was installed at

CITEC’s Brisbane data centre, the first model of its kind in Queensland. The SL8500 system can grow with ease, scaling from 1,448 to more than 300,000 slots to accommodate years of growth in our storage environment. The three IBM s/390 mainframes at our head office and Windsor data centre were replaced with two z/890 mainframes, positioning CITEC’s mainframe offering to include the latest software and hardware, while allowing us to reduce costs by leveraging more flexible software licences available on the new hardware.

Following last year’s successful deployment of a new Corporate Services Network (CSN®), CITEC transitioned its clients outside Queensland to the new network during 2004/05. The CSN® delivers a range of business benefits to clients including the flexibility to integrate with available and emerging access methods such as xDSL and wireless.

Looking Forward

In 2005/06 CITEC will focus on sales growth for the solutions where we can demonstrate our capability, capacity and success. CITEC’s new integrated service management capability will enable greater opportunities for new and existing clients to benefit from CITEC’s proactive infrastructure management capability.

CITEC will also leverage the significant investments made in infrastructure in 2004/05 to increase our client base. Demand for data storage, disaster recovery and business continuity services is expected to rise in line with increasing legal and compliance requirements for Australian businesses. CITEC’s technological capabilities and employee expertise give us an excellent opportunity to grow this part of the business.