

# Major Achievements in 2004/05

During 2004/05, CITEC's achievements included:

## for clients

- The Queensland Government's acceptance of CITEC's unique utility model for the provision of communications, processor, storage, backup and recovery and professional services.
- A three year contract to provide facilities management, help desk support and wide area network (WAN) management for Education Queensland.
- A five year contract with Xstrata Copper to manage its IP data network in Queensland and Argentina.
- Appointment as the Australian Broadcasting Corporation's (ABC) supplier of the SAP finance system application and infrastructure services. The five year single-supplier deal included the delivery and management of the ABC's financial management system.
- Implementation of the HP OpenView system to meet clients' proactive service management and advanced reporting requirements.

## for the workforce

- Improved management of recruiting and resourcing activity.
- Good business-focussed training results through the formation of the Learning and Development Advisory Forum.
- Continued employer-subsidised learning and development programs, including training in project management and ITIL.

## in business

- Following the successful deployment of a new Corporate Services Network (CSN®) last year, CITEC transitioned its clients outside Queensland to the new network in 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.
- A major investment in infrastructure used to provide disaster recovery capability for Aurion solutions. All CITEC-Aurion clients now benefit from the use of a primary and secondary data centre, along with a range of network connectivity features including fibre and ethernet links. Disaster recovery plans for the Aurion solutions have been developed to ensure that, when a disaster is declared, these systems are activated within agreed timeframes and the documented communication path for affected parties is implemented.
- Upgrade to the physical security of key premises, resulting in a physical security certification by the Australian Security Intelligence Organisation (ASIO). This certification covers CITEC's Brisbane data centre and network management centre.
- Confirmation from global ICT research analyst company IDC of CITEC's change in status from eighth to seventh on IDC's Australian Outsourcing Market, Top Ten Players list, 2004. CITEC also maintained its position as the second-largest Australian-owned outsourcer.

Key Facts – Year ended 30 June		2005	2004	2003	2002	2001	
Operating Results	— Total Revenue	\$m	<b>134.224</b>	126.885	126.746	125.700	120.486
	— Net Profit/(Loss After Tax)	\$m	<b>1.042</b>	1.960	(0.164)	1.294	(2.117)
	— EBIT	\$m	<b>0.229</b>	1.501	(1.536)	0.474	(5.174)
	— EBITDA	\$m	<b>6.405</b>	7.033	4.680	8.069	3.667
	— Capital Investment	\$m	<b>8.495</b>	7.808	7.516	5.994	3.795
Financial Position	— Cash Reserves	\$m	<b>9.235</b>	10.925	9.005	9.493	4.232
	— Shareholders Equity	\$m	<b>26.573</b>	25.987	23.473	23.942	23.061
	— Total Assets	\$m	<b>51.989</b>	49.250	44.557	44.063	37.929
	— Net Debt	\$m	<b>6.422</b>	3.156	3.534	3.591	-
Key Measures	— Profit Margin (EBIT/Total Revenue)	%	<b>0.17</b>	1.18	(1.21)	0.38	(4.29)
	— Return on Assets (EBIT/Avg Net Assets)	%	<b>0.87</b>	0.80	(0.87)	0.29	(3.13)
	— Number of Employees (Full Time Equivalent)	No.	<b>557</b>	586	565	621	617
	— Gearing Ratio	%	<b>19.46</b>	10.83	13.08	13.04	-

# Key Strategic Directions

## Key Strategic Directions for 2004/05

- Risk mitigation – to provide business, legal, technology and security risk mitigation and continuity.
- Improve competitiveness – to enhance revenue and margins and become a sales and marketing driven organisation.
- Market-driven products/utility computing – to review and manage product portfolio and execute utility computing model.
- Service improvement – to become renowned for providing service delivery execution from standard catalogues and to eliminate service failure.
- Financial management/corporate governance – to provide for a sustainable capital structure and positive financial outcome. To continually implement cost reduction and efficiency initiatives. To eliminate waste. To deliver on corporate portfolio objectives by:
  - a. improving policy, process and governance;
  - b. executing stakeholder strategies; and
  - c. delivering non-financial corporate objectives.
- High performance organisation – to provide for an efficient and effective customer focussed performance driven workforce. To move from reactive to proactive, maintain the business culture, improve communication and our ability to plan and execute with a sense of urgency. To celebrate success.
- Enabling our operations – to enhance service delivery infrastructure and ICT systems. To improve operational reporting and knowledge to provide for enhanced decision making.

CITEC has established seven key result areas as its continued main priorities for 2005/06:

## Key Strategic Directions for 2005/06

- Providing business, legal, technology, security and continuity risk management services.
- Improving competitiveness to enhance revenue and margins.
- Reviewing and managing the product portfolio to provide market-driven products and utility computing models.
- Providing service delivery execution from standard catalogues and eliminating service failure.
- Managing profit to provide for a sustainable capital structure.
- Providing for an efficient and effective customer focussed, proactive and performance driven workforce.
- Enhancing service delivery infrastructure and ICT systems to provide a high level of service delivery.

## Key Issues confronting CITEC in 2005/06

- Securing revenue growth to support an increasing cost base.
- Increased competition in the ICT services industry, including the smaller regional markets, has led to continued expansion into interstate markets.
- Rapid change in the technologies that underlie CITEC's services leads to shorter pay-off periods and higher business risks in relation to anticipating market demand.
- Attracting and retaining high quality staff in the competitive ICT services industry.