



# CEnet

ANNUAL REPORT 2011

BUILDING ON A SOLID FOUNDATION



# CEnet - CATHOLIC EDUCATION NETWORK

## Connecting Catholic Communities

CEnet is a not-for-profit company which exists to support the needs of Catholic school communities.

CEnet currently provides services to over 330,000 staff and students across Catholic education networks from metropolitan and regional New South Wales, Queensland, the Northern Territory and the Australian Capital Territory.

CEnet's member dioceses share a common vision for a network and learning architecture suitable for the support of education in the digital age and have put their combined resources behind the development of centralised, managed services to deliver this architecture.

CEnet aims to connect and support Catholic schools as they integrate information and communication technologies (ICT) in the provision of contemporary learning and teaching. This is achieved by the procurement and management of an affordable, robust, scalable, standards-based ICT network; delivering tools and resources to Catholic schools in a connected learning environment; and encouraging collaboration on the future delivery of applications to support learning and teaching and school/diocesan administration.





## Member Dioceses

The Diocese of Armidale

The Diocese of Bathurst

The Diocese of Broken Bay

The Diocese of Cairns

The Archdiocese of Canberra-Goulburn

The Diocese of Darwin

The Diocese of Lismore

The Diocese of Maitland-Newcastle

The Diocese of Parramatta

The Diocese of Rockhampton

The Archdiocese of Sydney

The Diocese of Toowoomba

The Diocese of Townsville

The Diocese of Wagga Wagga

The Diocese of Wilcannia-Forbes

The Diocese of Wollongong



## FROM THE CHAIR <

It is with great pleasure that I introduce this annual report for 2011. From its initial beginnings in 2003 as a joint venture between three small Catholic dioceses in NSW, CEnet has grown to become a large federated network encompassing over 745 schools across 2 states and 2 territories. It is also maturing as a shared services organisation delivering an ever-increasing number of services to benefit our Members.

In many ways 2011 was a watershed year for CEnet, one that has seen the building of additional value upon the solid foundations of our shared enterprise.

Firstly, the year saw the implementation of the long-awaited, global Identity Management System at the CEnet level. This system, for the first time in our history, provides the capacity for every student and teacher across all 16 Dioceses to access common, enterprise IT services. This is the first of many foundational elements in the architecture CEnet is building to bring us together for greater efficiency and effectiveness.

A second watershed achievement was the acceptance of the Diocese of Armidale as a Member of CEnet. This is a significant step in that all Dioceses in NSW, in cooperation with Member dioceses in Queensland and Northern Territory, can now plan more effectively for the sustainability of Catholic education within the state supported by CEnet services.

Lastly, 2011 was significant in the development of the revised IT Governance model within CEnet. This model will see the introduction of new IT governance structures within CEnet to secure appropriate strategic planning and delivery of services for Member benefit. It has also codified a list of mandated services in a federated approach to IT decision making which positions us to leverage further enterprise IT systems and services.

We can all be proud of CEnet's achievements during the year, which only reinforce the wisdom and benefit of working together in a collaborative and transparent approach towards shared services.

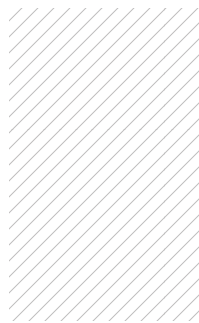


In closing I would like to again acknowledge the contribution of the CEnet Board for their hard work during 2011. We are setting a direction many are now following.

On your behalf I also acknowledge and affirm the energy and commitment of the staff of CEnet who continue to add so much value and provide so much support for our schools.

Further, I'd like to note the Board's ongoing appreciation to our ICT stakeholder representatives and eLearning professionals who are so critical to the success of CEnet and our vendor partners who continue to add great value to the services we provide.

**Greg Whitby**  
Executive Director of Schools - Diocese of Parramatta  
Chair, CEnet



## FROM THE CEO <

2011 has been an exciting year for CEnet with the focus being on the definition and procurement of new and enhanced services for Members. These services all sit upon the foundation of our systems architecture and are additional building blocks in our services delivery to Members.

The year saw the implementation of the central Identity Management System, the establishment of three major procurement activities (Mail, Learning Management System and Web Security) and the re-negotiation of our main data centre services late in the year.

As a shared services organisation we continue to trend upwards with growth in both user numbers, and the utilization of the network and application services. With the introduction of Armidale Diocese as a Member, CEnet's school numbers have reached 745, meaning that the CEnet federation of diocesan networks now rivals enterprise education networks across the globe in terms of scale and service delivery.

To accommodate the growth in demand for its services the company invested in additional staffing and infrastructure capacity during the year without additional income being levied through Member subscriptions. This investment, combined with a revised accounting treatment of capital assets, led to a modest loss for the year.

The company remains on a firm financial footing, (with retained funds of \$792,154) and is well placed to extend its services to Members.

I would like to thank the Board for their support throughout 2011 and acknowledge the ongoing contribution and support of the members of the IT Stakeholders Group and the eLearning Reference Group.

I would also like to personally thank CEnet's staff for the energy and commitment they bring to their work.



We look forward to another successful year in 2012 and the continued implementation of new and enhanced services for schools to support learning and teaching and administration.

**Bede Ritchie**  
CEnet Chief Executive Officer



# RESPONDING TO THE NEEDS OF MEMBERS

CEnet spent 2011 planning and implementing some foundational elements to its systems architecture.

**Foundation services implemented this year include:**

- Identity Management System – a set of tools which will make ongoing access to the growing range of education resources available through CEnet, easy to access by providing a 'single sign on' experience for students and teachers. The Identity Management System will also provide a means by which access to features and resources can be customised to the needs of the individual.
- Email Service – a universal email service available to all Member dioceses to implement in ways that meet their unique needs. Some dioceses are making this service available to teachers only, others to students only and others still, to all teachers, students and admin staff.
- Content Filtering – a service designed to support the use of web based resources by providing filtered access.



'The decision to become a Member of CEnet and connect all our schools with fibre positions our regional diocese at the leading edge of technological innovation whilst leveraging the economies of scale provided by a large federation.'

John Mula  
Diocesan Director of Catholic Schools  
Diocese of Armidale

'CEnet's decision to extend its data centre has ensured greater power and space is available for equipment which supports our diocesan disaster recovery processes.'

Ross Jacobs  
Manager of ICLT Services  
Catholic Schools Office, Diocese of Broken Bay



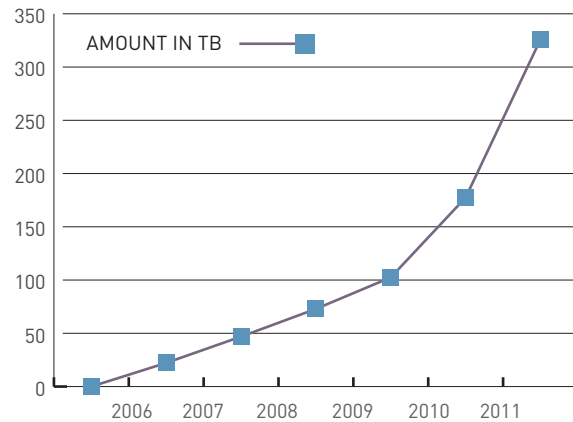
## Services to Members <<

- Co-location
- Infrastructure as a Service - (Virtual Servers and Storage)
- Domain Name Services Management and Hosting
- Mail Scanning- Virus and SPAM protection
- Application Hosting
- Web Hosting
- Network-Router Monitoring/Management
- Router Maintenance
- Network Equipment Procurement
- Email
- Web Content Filtering
- Internet Usage Reporting/Controls
- Portal
- Learning Management System
- High Definition Video Conferencing
- Identity Management

CEnet manages a centralised Tier 3 data centre environment that houses infrastructure to support all shared ICT services delivered to its Members.

Due to demand from Member dioceses, the capacity of the data centre was expanded from 34 to 53 racks this year. This growth is to accommodate the increasing demand for co-location of servers and the resulting need for additional rack space and power.

## Internet Data Download Trend



This graph illustrates the growth in data consumption in terms of terabytes downloaded over the past six years.



## Member Engagement

CEnet commenced a program of Member engagement during 2011. The first phase of this ongoing process was the facilitation of technical and elearning group meetings.

### The CEnet Operations Group (COG)

The CEnet Operations Group (COG) met three times in 2011. These meetings bring together senior IT staff from Member dioceses to inform CEnet projects and to provide feedback on CEnet services. The meetings also provide an opportunity to share information on diocesan projects and to engage as a group with key vendors. During 2011 vendors such as Directory Concepts, Microsoft and VMWare were given the opportunity to address the group.

### The CEnet eLearning Group

The CEnet eLearning Group was formed to provide input to the requirements for new educationally focussed services. The group, which involves staff from Member dioceses in each of the states and territories met several times this year and has found great value in having a forum for sharing and collaboration.

## Enhancing Learning Opportunities

2011 has been a busy year for CEnet as the company continues to grow in order to accommodate the needs of learning and teaching.

During the year CEnet has introduced several additional features and services to enhance the experience of students and staff and to lay the foundations to support future needs.

### New Student Mail System

CEnet has commenced implementation of an email system which will be available to all Member dioceses in 2012. The system selected is Google's Gmail.

When dioceses enable Gmail for students, they will also have the option of enabling the service for teachers and other staff, providing all users with the benefit of 25Gb mailboxes and the ability to access mail on multiple devices including laptops, smart phones and tablets. In addition, dioceses will be able to take advantage of Google Apps for Education- a set of supplementary features including Google Calendar, Docs, Groups, Video and Sites, all of which can be switched on as required.

This is a particularly exciting project as it will be one of the biggest Gmail implementations in the world and will provide students with an enhanced, up-to-date email service.



## Video Conferencing

Member dioceses now have access to the core infrastructure required to enable multi-site video conferencing.

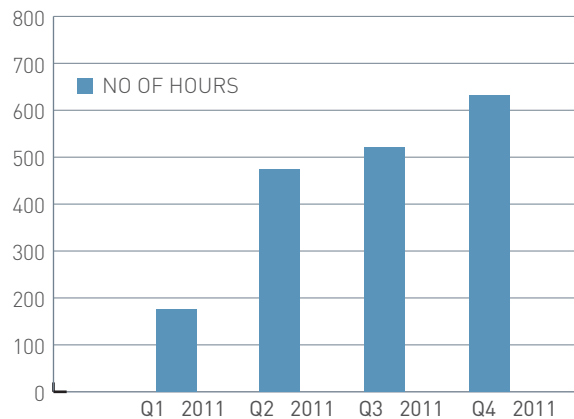
This is opening up new opportunities for collaboration across dioceses and between schools and external content providers such as The NASA Space Centre, Reef HQ, The Australian Museum and Taronga Park Zoo.

Since implementation, there has been a steady increase in the number of video conference devices in dioceses and in the usage of the CEnet core infrastructure. The Video Conferencing service is enabling teachers to experiment with activities which bring new 'virtual excursion' experiences into the classroom and is providing new opportunities for staff to engage in professional activities without the need to travel.

### Video conference devices connected to CEnet infrastructure

- Desktop video phones - 97
- Desktop units - 5
- Room based systems - 154
- Computer based systems - 235
- Total number of devices - 491

### Video conference usage in 2011



The total number of video conference hours in 2011 – 1,794 which equates to approximately 240 working days or 48 working weeks!

'Just letting you know that the VC today with the Great Barrier Reef was a huge success. Today the students had an opportunity to experience part of the reef *first hand* and asked the diver a range of questions as he swam among the coral. All the technical side of the VC worked beautifully and we had very little pixilation or delay.'

Peter Michael  
Assistant Principal  
St. Paul's School Camden



'Video Conferencing is quickly emerging as the most obvious way in which the (CEnet) Wide Area Network is changing the way we do business. All teachers have a laptop with an inbuilt camera, all classrooms have a mounted data projector and all schools have connection to CEnet central VC bridge. That means teachers can beam in or beam others into their day-to-day activities, larger than life, simply by attaching their laptop to their data projector and dialling.'

Robie Jayawardhana, ICT Administrator,  
Townsville Catholic Education Office

## Supporting Ease of Use and User Experience

CEnet has continued with its aim to provide ease of access to innovative tools designed to enhance the learning and teaching experience.

During this year, CEnet implemented a central plank of this strategy – an identity and access management system. This is a key piece of technology which has been put in place to provide students and staff with seamless access to existing and planned services.

The identity management solution will also simplify movement of students or staff between schools within a diocese and will provide a means by which access to specialist resources can be customised to the needs of individual teachers and students.

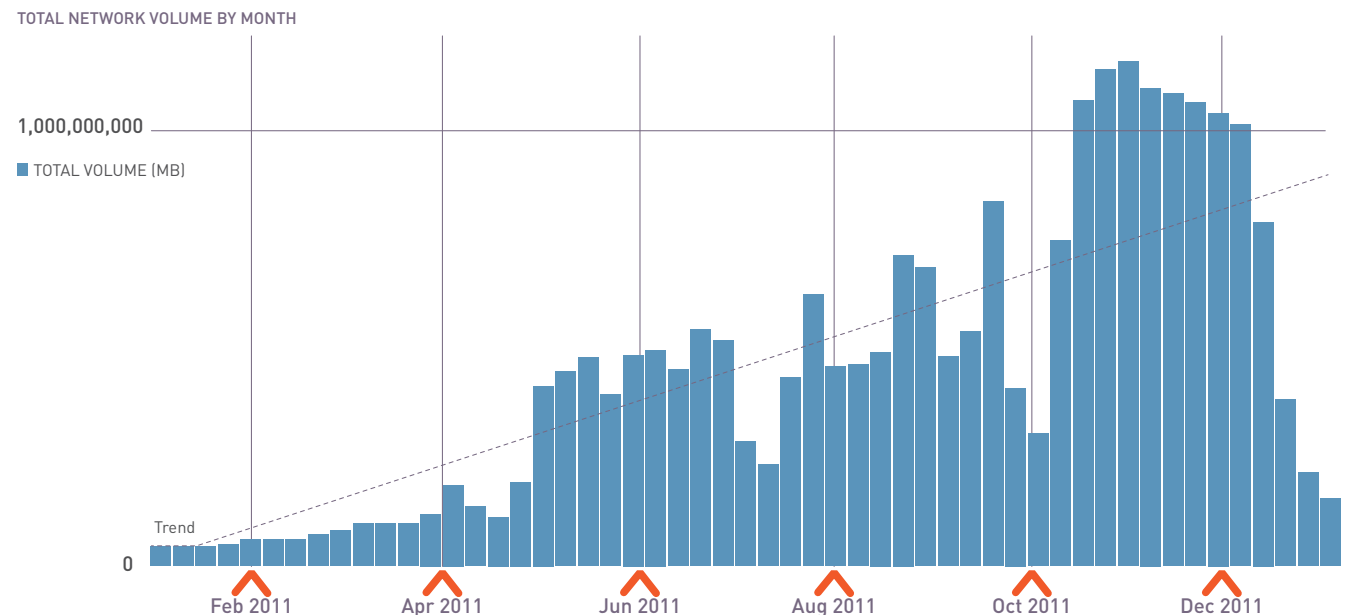
Given the importance of this project an expert panel of representatives from participating dioceses was formed to conduct a structured tender and selection process.

## Supporting a Safer and More Productive Experience

With the ever increased and varied use of the Internet by teachers and students, it is important to have a web security system which enables use of innovative tools. The selection of an appropriate web content filtering system was determined in 2011 after a comprehensive procurement process involving a panel of experts from Member dioceses. Additional value for money was gained through completing the procurement in concert with the Catholic sector in Victoria and South Australia.

The new service draws user information from the newly implemented identity management system and enables innovative, tailored web content filtering, extending to the filtering of aspects of Web 2.0 collaboration/social networking tools.

The graph right illustrates the growth in total weekly volume of traffic traversing CEnet's core during 2011. This growth is not surprising given the impact of the Federal Government's Digital Education Revolution programs, the increase in 1:1 computing and the increased use of technology in schools generally.



# PLANNING FOR THE FUTURE

## Enhanced Governance Model

CEnet exists to deliver enhanced IT services to Members while taking advantage of the economies which can be derived from shared procurement and centralised delivery. To this end, CEnet has been developing an enhanced governance model which will be implemented in 2012.

The new governance structure is designed to ensure that the needs of stakeholders are understood and that these inform any activities taken by the company.

## Planning for Services

Over the past three years there has been significant activity regarding interoperability in the education sector at a state and national level. This has led to the acceptance by MCEECDYA of a new interoperability standard, the Systems Interoperability Framework Australia (SIFAU). This standard enhances data transfer between software systems, which assists automation and business efficiency.

CEnet has built this standard into its strategic planning.

## Enhancing Sustainability

As part of an ongoing strategy to enhance services and reduce costs, CEnet has determined to introduce an additional Internet Service Provider to supplement existing Internet services. The provision of the additional service will reduce costs and enhance service availability.

The introduction of an additional service will also provide access to peering partners. This means that CEnet will connect to a much broader network providing access to a range of online services without entering the public Internet. Since there are no data charges between peering partners, this translates into significant savings on data costs for all Members.

Examples of the services which will become available through the peering facility include:

- Microsoft updates
- Google
- YouTube
- Apple, (including iTunes)
- Resources developed by the Australian Government

In addition to reducing data costs, access to the services of an additional carrier means that in the unlikely event that connection to the Internet is lost with one carrier; the service provided by the other ensures continuity of access.

*'CEnet's peering service with Pipe Networks means that we can allow students and teachers to access valuable online resources without incurring additional data download costs.'*

**Matthew Smith**

Administrator: IT, Catholic Education Office,  
Diocese of Wilcannia-Forbes



# FINANCIAL ACCOUNTS

**CEnet**  
**Statement of comprehensive income**  
**For the year ended 31 December 2011**

|                                       | \$                 | \$                 |
|---------------------------------------|--------------------|--------------------|
|                                       | <b>2011</b>        | <b>2010</b>        |
| <b>Revenue</b>                        |                    |                    |
| Member contributions                  | 3,633,859          | 3,358,869          |
| Management fees                       | 459,534            | 446,150            |
| Interest                              | 41,374             | 33,703             |
|                                       | <u>4,134,767</u>   | <u>3,838,722</u>   |
| <b>Expenses</b>                       |                    |                    |
| Shared personnel costs                | (991,284)          | (792,224)          |
| Depreciation and amortisation costs   | (440,426)          | (487,556)          |
| Finance costs                         | (5,513)            | (2,480)            |
| Application license costs             | (1,204,231)        | (1,131,176)        |
| Administration costs                  | (265,160)          | (221,491)          |
| Other operational costs               | (1,551,778)        | (1,163,468)        |
|                                       | <u>(4,458,392)</u> | <u>(3,798,395)</u> |
| <b>Surplus/(Deficit) for the year</b> | <u>(323,624)</u>   | <u>40,327</u>      |

**CEnet**  
**Statement of financial position**  
**As at 31 December 2011**

|                                      | \$               | \$               |
|--------------------------------------|------------------|------------------|
|                                      | <b>2011</b>      | <b>2010</b>      |
| <b>Current assets</b>                |                  |                  |
| Cash and cash equivalents            | 369,507          | 508,451          |
| Trade receivables                    | 291,016          | 194,750          |
| Other current assets                 | 932,278          | 597,523          |
| <b>Total current assets</b>          | <u>1,592,801</u> | <u>1,300,724</u> |
| <b>Non-current assets</b>            |                  |                  |
| Property, plant and equipment        | 776,191          | 497,002          |
| Intangibles                          | 511,905          | 170,811          |
| <b>Total non-current assets</b>      | <u>1,288,096</u> | <u>667,813</u>   |
| <b>Total assets</b>                  | <u>2,880,897</u> | <u>1,968,537</u> |
| <b>Liabilities</b>                   |                  |                  |
| <b>Current liabilities</b>           |                  |                  |
| Trade and other payables             | 844,844          | 310,475          |
| Financial liabilities                | 59,954           | 0                |
| Other liabilities                    | 889,791          | 400,521          |
| Provisions                           | 144,810          | 96,198           |
| <b>Total current liabilities</b>     | <u>1,939,399</u> | <u>807,194</u>   |
| <b>Non-current liabilities</b>       |                  |                  |
| Financial liabilities                | 96,588           | 0                |
| Provisions                           | 52,756           | 45,565           |
| <b>Total non-current liabilities</b> | <u>149,344</u>   | <u>45,565</u>    |
| <b>Total liabilities</b>             | <u>2,088,743</u> | <u>852,759</u>   |
| <b>Net assets</b>                    | <u>792,154</u>   | <u>1,115,778</u> |
| <b>Total Members' funds</b>          | <u>792,154</u>   | <u>1,115,778</u> |

**CEnet**  
**Statement of cash flows**  
**For the year ended 31 December 2011**

|   | \$                    | \$                    |
|---|-----------------------|-----------------------|
|   | <b>2011</b>           | <b>2010</b>           |
| <b>Cash flows operating activities</b>              |                       |                       |
| Cash receipts in the course of operations           | 4,173,338             | 3,984,310             |
| Cash payments in the course of operations           | (3,437,130)           | (3,437,491)           |
| Interest received                                   | 41,374                | 33,703                |
| <b>Net cash provided by operating activities</b>    | <u>777,582</u>        | <u>580,522</u>        |
| <b>Cash flows from investing activities</b>         |                       |                       |
| Payments for property, plant and equipment          | (421,586)             | (374,360)             |
| Payments for intangibles                            | (478,086)             | (171,878)             |
| Proceeds from sale of property, plant and equipment | 16,818                | -                     |
| <b>Net cash used in investing activities</b>        | <u>(882,854)</u>      | <u>(546,238)</u>      |
| <b>Cash flows from financing activities</b>         |                       |                       |
| Repayment of interest bearing liabilities           | (33,672)              | (58,971)              |
| <b>Net cash used in financing activities</b>        | <u>(33,672)</u>       | <u>(58,971)</u>       |
| <br>  |                       |                       |
| Increase/(Decrease) in cash held                    | (138,944)             | (24,687)              |
| <b>Cash at the beginning of the financial year</b>  | <u>508,451</u>        | <u>533,138</u>        |
| Cash at the end of the financial year               | <u><u>369,507</u></u> | <u><u>508,451</u></u> |

- The above summary of the financial statements of CEnet was extracted from the audited 31 December 2011 financial statements. These are available upon request from Bede Richie (Chief Executive Officer) or via a company search of ASIC.

**Auditor Statement**

Bush and Campbell has performed an independent audit on the financial report of CEnet for the year ended 31 December 2011, to which an unqualified opinion was issued by us. The above summary "Statement of Comprehensive Income", "Statement of Cash Flows" and "Statement of Financial Position" were extracted from the audited financial statements. To the extent permitted by law, we do not accept liability for any loss or damage which any person may suffer arising from any negligence on our part. No person should rely on the summary financial statements set out above without having read the full annual report for the year ended 31 December 2011.

Dated 18 April 2012

Bush and Campbell- Chartered Accountants  
Peter King  
Partner

# OUR PEOPLE

## Staff

**Chris Burrows:** Service Delivery Manager

**Jennifer Cabor:** Finance Officer

**Sheng Chen:** Senior Network Engineer

**Andrew Frodsham:** Systems Administrator

**Ian Gregory:** Manager of IT Systems

**Kylie Hooper:** Administrative Assistant

**Michael Ivkovic:** Network Administrator

**Greg Parrish:** Manager of Financial & Administrative Services

**Bede Ritchie:** Chief Executive Officer

**Alejandro Ruiz:** Network Engineer

**Adam Thurtell:** Systems Engineer

## Consultants

**Frank Brooks:** Consultant

**Jeff Gunn:** Consultant - Project Manager

# BOARD MEMBERS

**Michael Avery:** Director of Schools, Diocese of Darwin

**John Borserio:** Director of Schools, Diocese of Toowoomba

**Alan Bowyer:** Director of Schools, Diocese of Wagga Wagga

**Raymond Collins:** Director of Schools, Diocese of Maitland-Newcastle

**Vincent Connor:** Director of Schools, Diocese of Wilcannia-Forbes

**Catherine Day:** Director of Schools, Diocese of Townsville

**Peter Hill:** Director of Schools, Diocese of Bathurst

**Leesa Jeffcoat:** Director of Catholic Education, Diocese of Rockhampton

**John Mula:** Director of Schools, Diocese of Armidale

**Moira Najdecki:** Director of Schools, Archdiocese of Canberra and Goulburn

**Bill Sultmann:** Executive Director Catholic Education Services, Diocese of Cairns

**Peter Turner:** Director of Schools, Diocese of Wollongong

**Anne Wenham:** Director of Schools, Diocese of Lismore

**Anthony Whelan:** Director of Schools, Diocese of Broken Bay

**Gregory Whitby:** Executive Director of Schools, Diocese of Parramatta

**Dan White:** Executive Director of Schools, Archdiocese of Sydney

# STATISTICS

Member Dioceses = 16

Schools = approximately 745

Number of staff = approximately 30,000

Number of students = 300,000

# CONNECTING CATHOLIC COMMUNITIES



Email: [info@cenet.catholic.edu.au](mailto:info@cenet.catholic.edu.au)

[www.cenet.catholic.edu.au](http://www.cenet.catholic.edu.au)

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